



2013 JOBZ ANNUAL REPORT

When German farm-implement maker Geringhoff went looking for its first North American manufacturing site a few years ago, the company drew interest from all over the continent. Plenty of communities were eager to attract a manufacturing firm with high-paying jobs. Geringhoff carefully considered its options, visiting nine different regions outside Minnesota and some 40 potential factory sites.

In the end, the company chose a site in St. Cloud's Airport Industrial Park for its \$20 million manufacturing facility. The first corn-harvesting equipment from the 110,000-square-foot factory rolled off the assembly line late last summer – just in the time for the fall harvest season – and full production began in January. About 100 people work at the factory, with more hires expected later as production picks up.

Joseph Jandrisch, CEO and president of Geringhoff North America, said the workforce in the St. Cloud area is “world class.”

“The quality of the workforce and enthusiasm and support of the regional government agencies were the primary factors that contributed to our decision to open the facility here,” he said. “In the end, it was the people from Minnesota and the St. Cloud region that made the difference.”

Jandrisch said local and state tax incentives offered under the JOBZ program also contributed to the company's decision to put down roots in St. Cloud. Under the program, companies can receive state tax benefits in

exchange for expanding in targeted zones in Greater Minnesota and creating jobs at specific wage levels.

Since the program was launched, JOBZ incentives have contributed to the creation of thousands of new jobs in Minnesota. An analysis of the program found that 8,166 jobs have been created by companies participating in JOBZ. Those jobs pay an average wage of \$18.34 an hour, far exceeding the original goal in the program.

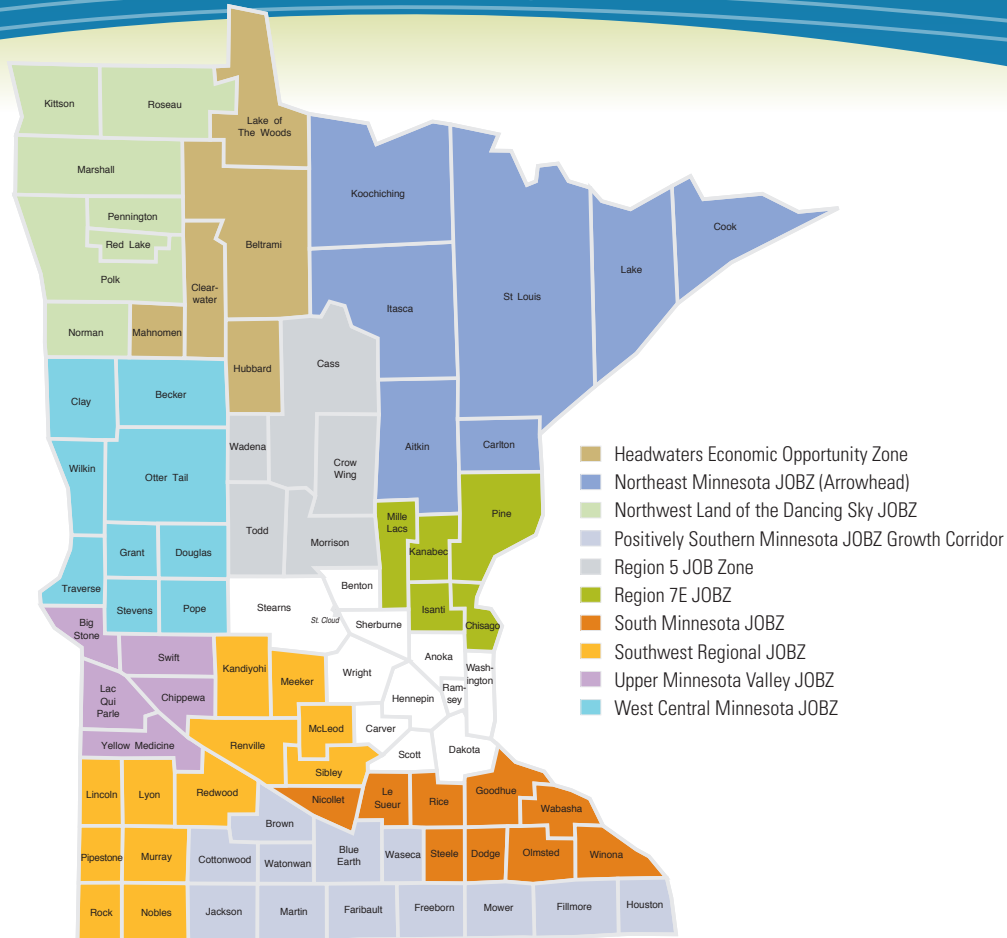
The opening of the Geringhoff factory was a huge boost for the St. Cloud economy and helped other Minnesota businesses that became a part of the company's manufacturing supply chain, such as suppliers of fabricated metal, advanced plastics production, hydraulics and electronic componentry.

Officials estimate that for every job created by a JOBZ recipient, another 2.06 jobs are created elsewhere by suppliers and by people spending more money in the local economy. Since the program was launched in 2004, JOBZ has directly or indirectly helped to create 24,998 jobs in Minnesota at an average annual wage of nearly \$41,000.

JOBZ's influence on the Minnesota economy has been considerable. However, the program sunsets in 2015 and new initiatives like the Minnesota Job Creation Fund program promise to provide the key incentives needed to spur continued development throughout the state.



JOBZ PROGRAM PERFORMANCE



JOBZ REGION	FTE (New) Job Goals	Average Wage Goals	FTE (New) Job Actuals	Average Wage (actual)	TY 2012 Estimated State Tax Expenditures ¹	TY 2012 Estimated Property Tax Exemptions ²
Land of Dancing Sky	87	\$10.08	201	\$15.69	\$210,000	\$82,000
Northeast	206	\$12.38	449	\$18.41	\$6,127,000	\$874,000
West Central	497	\$12.37	1,600	\$18.25	\$7,222,000	\$2,661,000
Region 5	355	\$12.21	543	\$16.94	\$1,126,000	\$1,076,000
Region 7E	523	\$13.57	747	\$19.92	\$2,784,000	\$946,000
Southwest	603	\$12.08	1,483	\$17.97	\$3,905,000	\$3,133,000
South MN JOBZ	746	\$12.76	1,253	\$21.57	\$3,623,000	\$2,127,000
Positively Southern MN	673	\$12.64	1,781	\$18.87	\$4,581,000	\$3,927,000
Combine Regions*	64	\$12.04	109	\$16.48	\$344,000	\$526,000
Statewide	3,754	\$12.33	8,166	\$18.34	\$29,922,000	\$15,352,000

* Combine Regions: Headwaters and Upper Minnesota Valley

Note: The tax benefit information is based on data reported to the Minnesota Department of Revenue by 277 businesses on Schedule JOBZ and Form M500.

Note: There were 3,955 full-time equivalent retained jobs reported with an average hourly wage of \$24.12.

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 was created subsequent to the agreement date.

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

²Includes 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, 2014.

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.



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