



MINNESOTA

BUSINESS FIRST STOP

THE RIGHT PEOPLE ■ RIGHT ANSWERS ■ RIGHT TIME



HIGHLIGHTS AND ACCOMPLISHMENTS



American Crystal Sugar in Moorhead,
Commissioners on Wheels Tour 2016

“First Stop makes it easier for entrepreneurs to start or grow their business in Minnesota. We help make sure we’re providing the resources, connections and referrals for businesses looking to start up, expand, or relocate here.”

– Cynthia Bauerly,
Commissioner,
Minnesota Department of Revenue

WHO WE ARE

Minnesota Business First Stop helps companies navigate regulatory requirements and move ahead with new projects as efficiently as possible.

Our catchphrase sums it up: The Right People, Right Answers, Right Time.

We are a collaboration between nine state agencies designed to help streamline the development process for complex business expansions, relocations and major startups that involve licensing, permitting, financing or other assistance from multiple state agencies.

Company-specific projects include multimillion-dollar expansions as well as innovative startups involving things like clean energy, water quality and green chemistry – to name just a few. If it turns out that interagency assistance isn’t needed, Business First Stop still provides information and referrals to businesses looking to build or expand in Minnesota.

We help foster a business-friendly climate in Minnesota by personalizing relationships between businesses and state agency professional staff as well as among the commissioners of the participating agencies.

The result? More coordinated and efficient use of resources and the ability to identify and collectively solve problems that impact individual businesses and whole industries.

“This state is focused on helping businesses succeed, and Minnesota Business First Stop is a prime example of that commitment,” said Commissioner Shawntera Hardy, Minnesota Department of Employment and Economic Development.



Cover: Topping-out ceremony at Kerry in Rochester, Commissioners on Wheels Tour 2017

Cover Photo:
Dean Riggott Photography

OVERVIEW

MINNESOTA BUSINESS FIRST STOP



Schwan's Company in Marshall, Commissioners on Wheels Tour 2016

MINNESOTA FIRST STOP PARTNER AGENCIES

- Minnesota Department of Employment and Economic Development (DEED), lead agency
- Minnesota Department of Agriculture (MDA)
- Minnesota Department of Commerce (Commerce)
- Minnesota Department of Iron Range Resources and Rehabilitation (IRRR)
- Minnesota Department of Labor and Industry (DLI)
- Minnesota Department of Natural Resources (DNR)
- Minnesota Department of Revenue (Revenue)
- Minnesota Department of Transportation (MnDOT)
- Minnesota Pollution Control Agency (MPCA)

HOW WE GOT STARTED

Minnesota Business First Stop is a rare model for assisting business development.

In 2012, Governor Mark Dayton established – and the Minnesota Legislature codified – Minnesota Business First Stop, bringing commissioners from various state agencies together to work toward a united goal of promoting business growth in Minnesota.

“With the Minnesota Business First Stop, any business looking to locate or expand in Minnesota will have one place to call to get the assistance they need,” said Gov. Dayton, in announcing the initiative.

“We are looking for every way to cut red tape in government and to make it easier to do business in Minnesota.”

The Minnesota Department of Employment and Economic Development (DEED) was named the lead agency. Since its inception, Minnesota Business First Stop has been housed at DEED.

A ‘Concierge’ Approach

A “concierge” approach is how Minnesota Business First Stop was described at the time of its launch. Its primary goal has been to save businesses time, money and energy by providing contacts, setting up meetings and coordinating assistance for development projects between multiple state agencies.

The original seven agencies have since been joined by the Minnesota Department of Labor and Industry and the Minnesota Department of Revenue.

Minnesota Business First Stop appears to be a rare model. At multi-state meetings, Minnesota Business First Stop staff have been approached by staff from other states who’ve expressed interest in emulating this effort back home.

“Under Governor Dayton’s leadership, state government has helped businesses succeed. That’s why Minnesota is always ranked among the top states in which to do business. First Stop has been a key part of that effort.”

– Ken Peterson, Commissioner,
Minnesota Department of Labor and Industry

OVERVIEW

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Earlier Collaborations

Even before Minnesota Business First Stop was established in 2012, state agencies were working together to improve regulatory processes for businesses:

- **Minnesota Green Enterprise Assistance (GEA):** A forerunner of Minnesota Business First Stop, GEA was started in 2009 by state legislation as a multi-state agency initiative to advise and coordinate state assistance for projects related to renewable energy and other environmental quality goals.
- **Minnesota Mining Subcabinet:** Since 2011, commissioners from four state agencies – IRRR, DNR, MPCA and DEED – have met regularly to ensure state agency actions and decisions on existing and proposed mining projects are on-track, timely and coordinated while ensuring that the environment is protected.
- **Clean Energy Commercialization Opportunities Network (CECON):** From 2007 to 2009, lead staff in this multi-agency partnership coordinated communication on clean energy startups and expansions seeking state assistance.

“Minnesota has a strong culture of collaboration – and this work has grown out of that tradition,” said Kari Howe, a DEED business development manager who has served as executive director of Minnesota Business First Stop since its inception.

OUR ACCOMPLISHMENTS

We’ve helped companies navigate the regulatory system and hone their business plans.

Since 2012, Minnesota Business First Stop has had contact with more than 130 companies and communities. Staff from partner agencies have worked collaboratively on a broad range of projects. (See “Big Picture Initiatives” on page 5 and “Companies Helped by First Stop” on page 9.)

Partner agencies have assigned experienced staff to work on Minnesota Business First Stop. These agency coordinators meet with companies and are able to walk them through the state’s permitting, licensing and regulatory processes.

Frequently, they serve as a sounding board – providing feedback and expertise that can help companies identify potential pitfalls and make adjustments to their plans to improve their odds of success. This is reflected in some of the testimonials from businesses in the “Companies Helped” section.

Minnesota Business First Stop has also improved coordination between commissioners from the partner agencies. Working together more closely helps streamline business assistance, but has also enabled the state to better address fast-emerging challenges – such as the propane crisis of 2014 and the turkey virus outbreak of 2015.



Envirolastech in St. Charles, Commissioners on Wheels Tour 2017

BIG PICTURE INITIATIVES

Whether an ongoing effort or one-time project, these initiatives address issues that impact multiple businesses and industries.

STREAMLINING REGULATORY PROCESSES:

More Timely Permitting and Other Changes

Minnesota Business First Stop has focused on helping individual businesses with complex projects navigate the state's regulatory and development processes.

Hand-in-hand with this effort, First Stop partner agencies have been streamlining their licensing and permitting processes to make them faster and easier for businesses to navigate.

"It provides a structured way for commissioners and staff to hear innovative ideas and address the business concerns of individual companies as well as whole industries."

– Shawntera Hardy, Commissioner,
Minnesota Department of Employment
and Economic Development

In 2011, Gov. Dayton issued an executive order directing the Minnesota Pollution Control Agency (MPCA) and Department of Natural Resources (DNR) to:

- enable environmental review and permitting applications to be submitted electronically
- establish a 150-day goal for reaching permitting decisions

That year, the Minnesota State Legislature passed the Permitting Efficiency Law, which supported and expanded those goals.

Results so far:

- The MPCA manages more than 15,000 air, water and land permits to businesses, government units and individuals covering a wide range of facilities and activities. Between 2011 and 2017, the MPCA issued decisions within the new time goals for 97 percent of its priority applications and 77 percent of its total

"Collaboration with the agencies in First Stop is essential to providing our industry partners with more streamlined, responsive access to licensing, permitting and other technical assistance to strengthen our state's economic future."

– Jessica Looman, Commissioner,
Minnesota Department of Commerce

applications. It has also been transforming its data systems to lessen the need for paper transactions, improve access and add new online services.

- The DNR handles natural resource permits related to aquatic plant management, water appropriation, public waters work, endangered or threatened species, metallic mineral mining and peat mining. In 2017, the DNR received 7,300 permit applications. It issued decisions for almost 99 percent of its Tier 1 applications within 90 days and for almost 95 percent of its Tier 2 applications within 150 days.

Other First Stop agencies have also made process changes:

- The Minnesota Department of Transportation has shortened its timeframe goals for broadband right of way permit applications. (See "Broadband" on pg. 6.)
- At the Minnesota Department of Labor and Industry (DLI), 86 percent of more than 100,000 construction-related permits issued each year are now obtained online. Between 2011 and 2017, the DLI has built shared databases and online systems that allow inspectors, architects, contractors and owners to view inspection and plan-review reports in real time.

"This has been a valuable resource. The First Stop network creates a high level of coordination between our agency and other state agencies as we work to provide an efficient compliance process for businesses to grow and thrive."

– Mark Phillips, Commissioner,
Iron Range Resources and Rehabilitation

BIG PICTURE INITIATIVES

MINNESOTA BUSINESS FIRST STOP



BROADBAND RIGHT OF WAY:

Improving the Permitting Process

In 2017, the Minnesota Office of Broadband Development was approached by several telephone companies that were partners in the Office's Border to Border Broadband infrastructure grant program. They said they were experiencing delays in getting permits approved in highway rights of way.

"The permits were taking about 8 to 12 weeks – and given our short construction season – that was a problem," said Brent Christensen, president and CEO of Minnesota Telecom Alliance, a trade association for telecommunications service providers.

DEED's Office of Broadband Development contacted Minnesota Business First Stop and the Minnesota Department of Transportation (MnDOT), a First Stop agency, arranged a series of face-to-face meetings with the various stakeholders.

MnDOT has seen increases in these broadband permitting requests. The Office of Broadband Development has awarded \$85 million over four years to 110 broadband projects – and leveraged an additional \$110.6 million in matching funds. There has also been significant federal government and private investment in broadband deployment.

Based on the meetings, MnDOT set new goals for utility permit processing times. For 2018, the goal is to process 75 percent within 30 days. MnDOT aims to increase that by 5 percent each subsequent year and, within a few years, be processing 90 percent within 30 days.

"It was an incredible process. Minnesota Business First Stop pulled together all the stakeholders and we got to places we never would have gotten on our own. I'm a huge fan. They facilitated everything, and made it as painless as possible." – Brent Christensen, President and CEO, Minnesota Telecom Alliance

COMMISSIONERS ON WHEELS:

Annual Tours of Businesses in Local Communities

Since 2013, state agency commissioners partnering in Minnesota Business First Stop have taken an annual tour to various regions of the state. These one- to three-day tours have enabled the commissioners to meet with businesses and community leaders to hear firsthand about their successes and challenges.

Called "Commissioners on Wheels," these tours have included a broad range of businesses and manufacturing facilities across the state – from Marvin Windows and Doors in the northern Minnesota city of Warroad to Red Wing Shoes in southeast Minnesota.

Hearing Directly from Business Leaders on the Ground

"Meeting with businesspeople and touring facilities is the best way for us to understand the real challenges businesses face and to brainstorm what the state can do to help them succeed," said DEED Commissioner Shawntera Hardy.

DNR Commissioner Tom Landwehr said, "The Commissioners on Wheels tours are an important part of our learning and listening, and we appreciate the people we meet and perspectives we hear. It makes a difference in how we operate."

"Everyone is weary of governmental regulation without reason or flexibility. First Stop helps connect people to solve problems in a reasonable manner while still ensuring environmental protections are met and people are following the rules."

– John Linc Stine, Commissioner,
Minnesota Pollution Control Agency

BIG PICTURE INITIATIVES

MINNESOTA BUSINESS FIRST STOP



Commissioners on Wheels Tour 2016

“First Stop builds partnerships between the commissioners and their staffs. The agencies work more efficiently together, benefitting business startups and expansions. The annual tours enable us to see firsthand how a streamlined approach helps businesses succeed.”

– Dave Frederickson, Commissioner,
Minnesota Department of Agriculture

MnDOT Commissioner Charlie Zelle said the tours “have been tremendous opportunities for us to learn together about the breadth of Minnesota entrepreneurship, and how our agencies can work together to see tangible results.”

“There is nothing more bonding for government officials than spending quality time with each other on a bus!” he added.

Businesses say they appreciate having the Commissioners on Wheels bus tour visit their locations in person. “They toured our facility in 2016 and took time to learn about our business,” said Brady Janzen of Riverview LLP, an agribusiness in Morris. “It helps to put a face to the name and to know who to contact at state agencies if we have questions or concerns.”

COMMISSIONERS ON WHEELS TOURS 2013-2018

2018: Central region (1 day): Minneapolis, Little Falls, St. Cloud, Sauk Rapids, Rogers, Maple Grove

2017: Southeast region (3 days): Hastings, Red Wing, Winona, St. Charles, Lanesboro, Chatfield, Rochester, Austin, Claremont, Owatonna, Faribault

2016: Southwest and West Central regions (3 days): Worthington, Luverne, Pipestone, Marshall, Granite Falls, Willmar, Benson, Morris, Graceville, Wheaton and Moorhead

2015: Northern regions (3 days): Warroad, International Falls, Bemidji, Bena, Cohasset, Carlton, Duluth

2014: Metro and Central regions (1 day): South St. Paul, Plymouth, Litchfield, Waverly

2013: West Metro region (1 day): Minnetonka, Plymouth and Golden Valley



Wheaton-Dumont Co-op Elevator’s Graceville Grain Terminal, Commissioners on Wheels Tour 2016

BIG PICTURE INITIATIVES

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MINNESOTA CLEAN ENERGY ECONOMY PROFILE:

National Report and Summit

In October 2013, the National Governors Association (NGA) Policy Academy selected Minnesota as one of four states to construct an action plan aligning the state's strategies in energy and economic development.

In response, a team of experts developed "Minnesota Clean Energy Economy Profile," a 55-page report published in 2014. It was a comprehensive effort to quantify the businesses, employment wages, and investments directly engaged in the clean energy economy.

Various agencies from Minnesota Business First Stop – including Commerce, DEED and MDA – joined with other government entities, as well as private-sector, higher-education and nonprofit organizations, to create the report.

In July 2014, clean energy experts from across the state and nation gathered at the University of Minnesota for a Clean Energy Summit on strengthening the state's clean energy economy and aligning our competitive strengths with industry growth opportunities.

"Effective transportation projects require close collaboration with partners, including state agencies. First Stop has been a practical source of expertise and means of convening our agencies toward the goal of supporting jobs and our Minnesota economy."

– Charlie Zelle, Commissioner,
Minnesota Department of Transportation



"I hope the interagency coordination continues well into the future. Businesses don't see separate agencies; they see one government, and expect us to act like it. It's part of our vision to satisfy that expectation."

– Tom Landwehr, Commissioner,
Minnesota Department of Natural Resources

Here are stories of a handful of the many companies that Minnesota Business First Stop has helped over the years.

Digi-Key Electronics

THIEF RIVER FALLS

Digi-Key Electronics is a global electronic components distributor based in Thief River Falls which offers more than 8.1 million products. Founded in 1972, the company now employs almost 3,900 people globally, including about 3,400 people in Thief River Falls, a city of about 8,800.

The company is in the midst of a \$300 million expansion project, building a facility that will provide 2.2 million square feet of usable space adjacent to its current facility. It will add at least 1,000 new jobs to its Thief River Falls operations over the next 10 years. Construction began in May 2018 and is expected to be complete in late 2021.

First Stop was involved in the permitting process. Digi-Key needed an air permit for its backup generators. The company had an interest in waiting to secure the permit closer to the installation time, toward the end of construction. However, state regulations require the permit be issued before construction begins. Facing a timing problem that could possibly delay the start of construction, Digi-Key turned to First Stop agencies for help – including the MPCA and DEED. The problem was solved.

Digi-Key also worked with Minnesota Business First Stop agencies on financing. The state legislature approved a sales tax exemption for up to \$40 million through the Greater Minnesota Job Expansion Program. The firm is also receiving a \$4 million grant from the Minnesota Investment Fund. Both programs are administered by DEED.



“Minnesota Business First Stop went into quick motion for us, making connections with various parts of state government to come up with creative solutions to expedite our construction cycle.” – Rick Trontvet, Digi-Key Vice President, Administration

Bemidji Regional Airport

BEMIDJI

A \$2.28 million expansion project at Bemidji Regional Airport entails the construction of two new hangars – one for smaller planes and one for larger corporate aircraft – as well as surrounding pavement.

Bemidji Regional Airport Authority, which operates the airport, worked with two Minnesota Business First Stop agencies – MnDOT and DEED – to get information and line up resources.

The airport authority secured a \$480,000 grant from MnDOT, as well as a commitment for \$800,000 from the agency’s Hangar Loan/Grant Program. They also received a \$800,000 grant from the U.S. Department of Commerce’s Economic Development Administration Public Works Program – with the possibility of additional funding.

These will be the first hangars not privately owned to be built since the 1970s. Airport officials hope businesses will want to base their aircraft at the airport and that will encourage more local economic development.



“I think Minnesota Business First Stop’s assistance in streamlining the process – and identifying potential resources – is invaluable.” – Karen Weller, Executive Director, Bemidji Regional Airport Authority

COMPANIES HELPED

MINNESOTA BUSINESS FIRST STOP

Spectro Alloys ROSEMOUNT

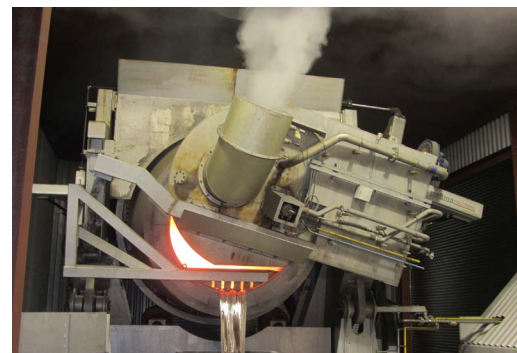
Aluminum recycler Spectro Alloys Corp. began as a scrap yard back in the early 1970s. Now it employs more than 150 people and is close to completing an expansion plan. The company buys aluminum scrap and produces high-quality aluminum alloys for foundries and die casters worldwide.

“Our recycled aluminum ends up in Polaris ATVs, Toro lawnmowers, and other products that are at the heart of Minnesota’s manufacturing base,” said Spectro Alloys President Luke Palen. “Compared to making new aluminum, recycling saves over 90 percent of the energy and releases 90 percent less carbon dioxide.”

The company is investing more than \$5.8 million to install two aluminum furnaces inside a new, fully-enclosed 5,000-square-foot building at its facilities in Rosemount.

Spectro Alloys worked with Minnesota Business First Stop on the project. First Stop set up an introductory meeting about a year ago to provide feedback on the plan as well as information and resources.

The project is being supported by a \$146,000 grant from the Job Creation Fund, administered by DEED. The company has committed to hiring 10 additional workers. Another First Stop agency – the MPCA – worked with Spectro Alloys on the project’s air permits.



“It’s been a good experience. I think they better understand the positive impacts and our place in industry than before this expansion. It has helped our relationship.” – Luke Palen, President, Spectro Alloys Corp.

trū Shrimp Co. BALATON AND LUVERNE

trū Shrimp is developing facilities to grow and process shrimp on a large scale in southwestern Minnesota. It uses patented Tidal Basin™ technology, an advanced system that allows shrimp to be raised in shallow water – in tanks that will be about one-foot wide by almost 600 feet long, stacked eight high.

The company plans to have shrimp in the water at its first facility in Balaton, Minn., by mid-September 2018. That facility will be used for research, development and training – and shrimp production will shift once the company opens its first “harbor” in Luverne, Minn. The company intends to break ground on the harbor in fall 2018 and open in early 2020. It also plans to build a hatchery and water reclamation facility there. trū Shrimp has 24 employees in Balaton, but anticipates having about 300 jobs when the Luverne complex is complete.

The state has created an incentive program through the Minnesota Department of Agriculture for aquaculture businesses of all sizes. Meanwhile, trū Shrimp met with First Stop agencies – including the MPCA and DNR – to go over their plans and proactively address questions such as water use and the discharge of salt water.



“It was very good to meet with Minnesota Business First Stop. Working with them has been nothing but favorable from our perspective, and hopefully for First Stop as well. We want to be a green-friendly company and good stewards of the land.” – Robert Gervais, Senior Director of Operations, trū Shrimp

Heliene

MOUNTAIN IRON

Heliene, a solar panel manufacturer based in Sault Ste. Marie, Ontario, is opening a manufacturing operation in Mountain Iron, Minn. The plant, slated to start production in August 2018, is expected to employ between 120 and 130 people.

Plans call for it to operate 24/7 and build over 1,000 solar panels a day. The factory will have the capacity to produce solar panels that can generate about 130 megawatts of energy a year, said Heliene President Martin Pochtaruk. Most of the company's panels are used in larger commercial and utility-scale installations.

Two Minnesota Business First Stop agencies approved \$3.5 million in loans for the project – \$1.75 million from the Department of Iron Range Resources and Rehabilitation (IRRR) and \$1.75 million from the Minnesota Department of Employment and Economic Development (DEED).

If the company meets the loan terms and maintains certain employment levels, \$1 million is forgivable. The company plans to exceed the employment thresholds pretty much from the start, said Pochtaruk.

Recent consolidation in the solar panel manufacturing industry has been widely attributed to the steep drop in panel prices because of competition from imports. At the same time, Minnesota's installed solar energy capacity has been growing quickly.



“The financing [through two Minnesota Business First Stop agencies] is the reason why we’re in Mountain Iron. We wouldn’t be there without it. The market opportunity is now – and we want to rapidly grow to maximize the facility’s production capacity. We’re not going to start shy.” – Martin Pochtaruk, President, Heliene

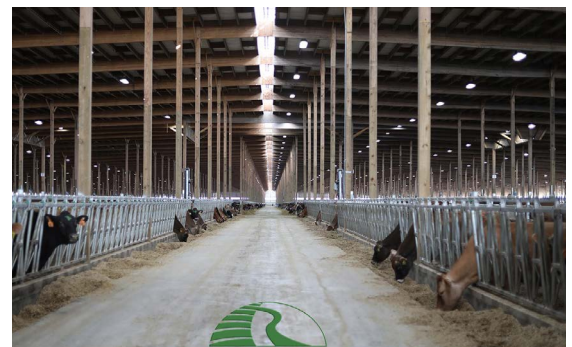
Riverview LLP

MORRIS

Riverview LLP is a diversified agribusiness based in Morris, Minn. It began as a family-owned crop and beef farm in 1939. Today, its operations include dairy farming, beef production and agronomy systems to provide feed for its animals. Predominately owned by Riverview employees, it has about 1,000 employees and operations in five states.

Over the years, Riverview has worked closely with various agencies in Minnesota Business First Stop, including the MPCA and DNR – which handle permitting and compliance with environmental regulations – as well as with the MDA.

State commissioners visited Riverview’s facility during the 2016 Commissioners on Wheels tour. In January 2018, some company representatives met with a group of Minnesota Business First Stop commissioners to talk about the dairy industry in Minnesota.



“We welcome the opportunity to build relationships with people in the state agencies we work with. We feel good about operating in Minnesota knowing there is an interest in our business and support at the state level for our industry and what we’re doing in terms of our strategy and growth.” – Brady Janzen, Business Development, Riverview LLP

COMPANIES HELPED

MINNESOTA BUSINESS FIRST STOP

Kerry ROCHESTER

Kerry, the Taste & Nutrition Company – an Ireland-based, food, beverage and pharmaceutical ingredients company – operates the Kerry food ingredients plant in Rochester, where it makes fermented ingredients for the food industry and employs about 125 workers.

In 2016, the company announced a \$28.6 million expansion project at the Rochester site. Minnesota Business First Stop assisted in various ways. The Minnesota Pollution Control Agency (MPCA) worked to secure permits enabling construction to begin on schedule. The Department of Employment and Economic Development (DEED) connected the company to various state expansion incentive programs. The company was awarded a \$175,000 grant through the Job Creation Fund, administered by DEED.

Several commissioners from the Minnesota Business First Stop agencies were on hand in September 2017 at the topping-out ceremony for the expansion, the completion of which was celebrated in June 2018. The growing global market demand for naturally-derived fermented ingredients has driven Kerry's initiatives to increase production capacity at the Rochester plant. The plant is expanding in a way that is sustainable for both Kerry employees and the local community, creating new skilled and science-based positions.



“We have received great support from state and local agencies throughout our expansion project. There is a fantastic coming together of resources to help grow and nurture opportunities in the state of Minnesota and community of Rochester.” – *Kenneth Stanford, Kerry Plant Manager, Rochester*

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