



# Northeast Minnesota

More Than Just The 3 T's  
(Tourism, Timber & Taconite)

Fall 2011

# Northeast Region Overview

- Population: 490,014 (2010)
- Population Growth 2000-2010: 6.9% (compared to 7.8% statewide)
- Percent Minority Population: 8.5% (compared to 20.5% statewide)
- Per Capita Personal Income: \$33,628 in 2009 (compared to \$41,854 statewide). Very Low!
- Per Capita Income Growth 1999-2009: 39% (compared to 37% statewide)
- Unemployment Rate: 8.7 percent annual average in 2010 (compared to 7.3% statewide). State's Highest



# Population - Break it Down

- Most populous counties are **St. Louis 201,000**, Chisago 54,000, Itasca 45,000, Isanti 38,000, Carlton 36,000
- Most growth **Chisago 31%** in 10 years, Isanti 21%, Mille Lacs 17%, Pine 12%, Carlton 12%. Rest flat growth.
- Duluth state's 4<sup>th</sup> largest city **87,000 (MSA 276,000)**. Other large cities are Hibbing 16,000, Cloquet 12,000, Grand Rapids 11,000, Hermantown 9500.
- In East Central...smaller communities. Largest cities are North Branch and City of Wyoming w/Townships's 8000.

# What is Region Best Known For?

## World Class Natural Resources = 3 T's Tourism, Timber, Taconite

- Abundant Water (Lake Superior, other lakes, rivers, streams, wetlands, bogs) = **Tourism 11% GRP**
- Abundant forests = **Timber 12%** (4 Paper Mills, Sawmills, Plywood/fiberboard/construction Material Manufacturing, wood biofuels) and more tourism.
- We play in the dirt = **Taconite 23% GRP(6+ mines)**

# What is Region Best Known For?

## More than Open Pit Taconite Mining

- Taconite (Iron/Ferrous) 2007 U of MN-Duluth Economic Impact Report \$3.1 B and over 10,000 employees
- Value Added Ferrous - Essar when?, Mesabi Nugget...
- Non-Ferrous Mining Excavations and Start ups(copper, nickel, palladium, silver, gold, titanium) and Value Added would more than double mining's economic impact on state (production taxes, mineral royalties, state land leases, corporate income tax, jobs, etc.).

# What is Region Best Known For?

- Multi-Model Transportation Network

Port of Duluth-Superior is largest, furthest inland freshwater seaport, 20+ docks on 49 miles of waterfront, second largest dry bulk port in U.S. (1100 vessels and 48 M tons/year) and terminus hub for 4 **Class I railroads** (BNSF, CN, UP, CP), **heavy-haul trucking route** and I-35 to Twin Cities and Texas.

- Duluth Aviation Cluster: Duluth International Airport/Air National Guard Fighter Wing, Monaco Air/U.S. Customs

# What is Region Best Known For?

- Duluth Metro Regional Hub for Medical & Retail Services for NE MN, NW Wisconsin and Canada.
- Higher Education - 13 plus 1 in East Central
- Iron Range Resources & Rehabilitation Board (DEED's Sister State Agency). Special development assistance/incentives to diversify Iron Range economy from taconite mining.
- More public land per capita thanks to state and national forests, parks, trails, etc. makes for shrunken tax base.

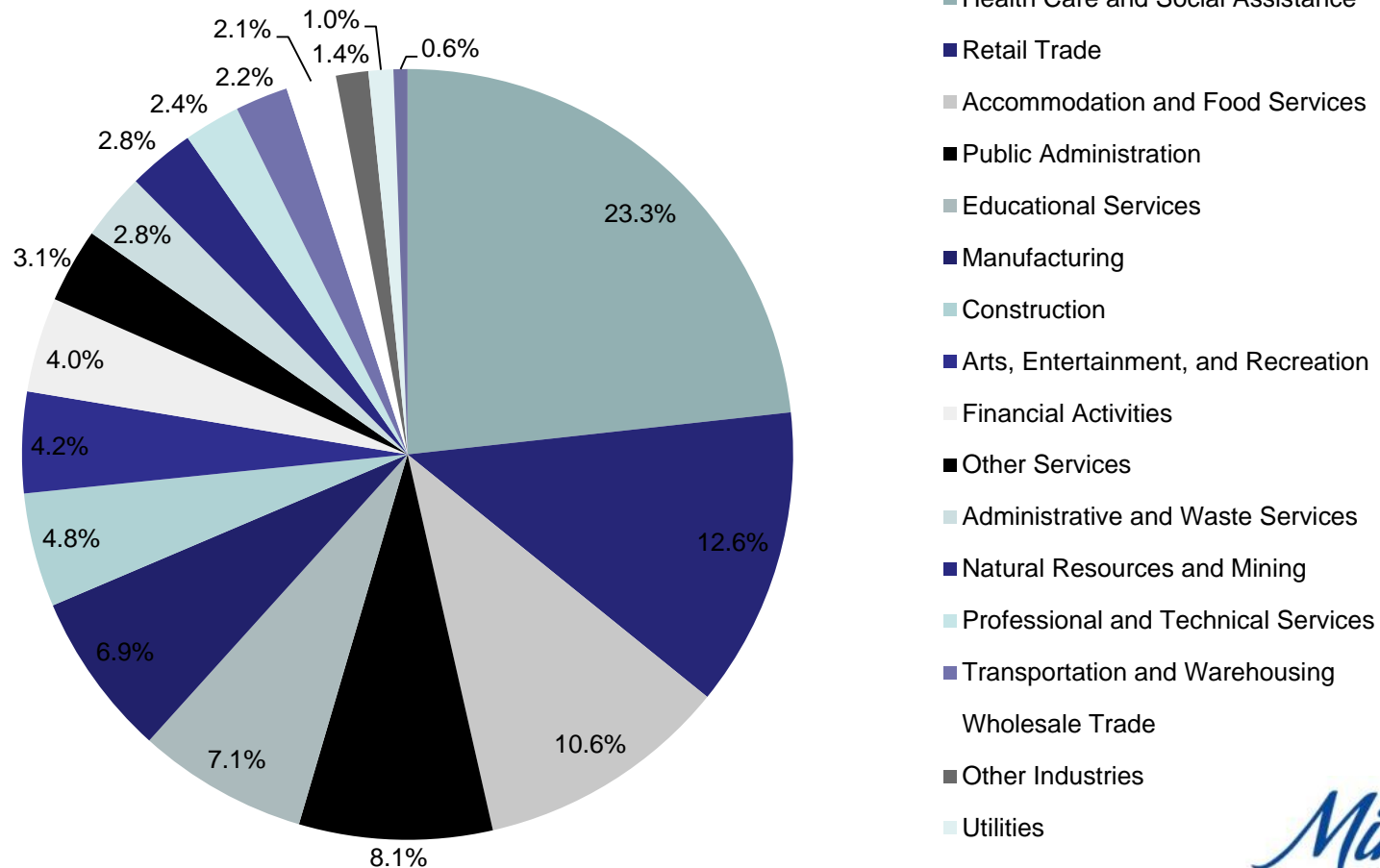
# What is Region Best Known For?

## The East Central MN Advantage

- Reasonably priced land and buildings in close proximity to Twin Cities Metro, I-35, US 169. Available workforce that is now commuting to metro.
- Industry clusters of metal manufacturing, printing and injection molding.

# Regional Employment Base

## Northeast MN Industry Employment



# Signature Industries

- Forestry -Timber Products & Paper manufacturing
- Mining (Mt. Iron,Eveleth,SilverBay/Babbitt,Hibbing, Virginia,Kewatin)
- Support Services to Mining/Timber sectors: Transportation (Port of Duluth-Superior, Rail, Trucking, Utilities, Prof & Tech Services
- Large Machinery Manufacturing
- Transportation Equipment Manufacturing
- Aviation (Duluth Air National Guard, Monoco Air, Cirrus Design)
- Hospitals, Nursing and Residential Care Facilities
- Correctional Facilities (Duluth, Moose Lake, Sandstone) and EPA
- Tourism Resorts, Hotels, Camping, 5 Native American Casinos

# Major Employers in the Region

- Air National Guard—Duluth 1300 ee's Cirrus Design 500 ee's
- Allete (Minnesota Power) 1200 ee's
- Essentia Health 5100 ee's, St. Lukes Hospital 1700 ee's
- Fairview Range Medical 790 ee's, Benedictine Health 650 ee's
- Grand Casino (Hinckley and Mille Lacs), FDL Reservation
- Boise Paper 830, Sappi 750, UPM Blandin 500, New Page 300
- U of M -Duluth 9550 ee's/11,200 students, CSS 490/3000 students
- U.S. Steel 1200 ee's, Hibbing Taconite 550 ee's, Northshore 550, United Taconite 485, US Steel/Keetac 380, ArcelorMittal 330
- CN Rail 475 Miner's Inc/SuperOne Grocery 1900 ee's

# Recent Expansions/Major Job Losses

## Expansions

- Essar Steel
- Magnetation/Mesabi Nugget
- Duluth Metals/Polymet
- MN Power Boswell/Laskin
- U.S. Steel - Keetac Mine
- Intectural/LOLL (Duluth)
- ME Elecmetal
- Performance Centers: Duluth DECC and Black Bear
- United Health Group/Hospitals
- Silicon Energy (Mt. Iron)

Source: DEED Business Expansion Reports, 2010-2011.

## Contractions

- AT&T Mobile
- Advanstar
- First Solutions

Source: DEED Minnesota Plant Closings and Layoff Events, 2010-11.

# Regional Challenges

- Wetlands/wetland banking effect on shovel ready sites
- Enviro attacks on Mining Industry Growth
- Lack of Fed/State/County Management of Forests for Timber products due to govt. budget cuts
- Foreign Ownership of signature businesses may limit growth opportunity and control access to Natural Resources (Cirrus Design, Essar Steel, Polymet, etc)
- Lack of Entrepreneurial Culture & in E. Central counties close to metro, there is lack of site marketing

# The Future (Opportunities)

- Growth in Natural Resources Industries -non-ferrous, value added, bio fuels, wood pellets, water transport/multi-model transport hub in at Duluth Port.
- DIA growth (No congestion, long runways, International Tech Stops/D-ANG new jets, vacant 189,000 s/f MRO facility and surrounding business park is shovel ready.
- Fiber/broadband, gorgeous place to live + higher ed concentrations and arts = Creative Class growth.
- E. Central prof/skilled workforce are now TC Metro commuting = ample available workforce

# Partnerships Within and Beyond Region

- NE Arrowhead Growth Alliance includes Douglas County (Superior) Wisconsin, and regional reps from 7 counties in NE :DEED, IRRR, Duluth, UMD, NEHED, LSC, EF, MP, Northland Foundation, WIB, Port, ARDC, Blandin Foundation, IEDC, APEX = strategize, promote value added, entrep initiatives and market region
- Northland Connection Website/MNProspector Portal
- East Central GPS 45:93 - ECRDC, Initiative Foundation, cities/counties of 5 counties in East Central

# Did You Know?

- For over a century, the Port of Duluth-Superior has been the backbone of the Northeast region's economy. Known as the Great Lakes "bulk cargo capital," this port accommodates the maritime transportation needs of a wide range of industries ranging from agriculture, forestry, mining and manufacturing to construction, power generation (i.e. wind turbine), and passenger cruising.
- The port ranks in top 20 U.S. ports for cargo tonnage. Besides shipping taconite and coal to great lakes ports, grain is shipped world-wide and the Duluth port consistently ranks in top 10 for shipping wind cargo in the U.S. Seven/fourteen/twenty-one days.

# Did You Know?

- St. Louis County is known for its natural beauty. It includes parts of Voyageurs National Park, the Superior National Forest, and the Boundary Waters Canoe Area Wilderness (BWCAW). The BWCAW is a 1,090,000-acre wilderness area designated for fishing, camping, hiking, and canoeing and is the most visited wilderness areas in the United States and Eagle Mt., state's highest peak.
- The north-woods Minnesota town of Ely has won the readers' choice category of the 2010 *Budget Travel* magazine's annual "America's Coolest Small Town" contest.
- Grand Marais was named one of the "next great adventure towns," according to a 2009 report by *National Geographic*.
- Duluth, Minnesota is one of the best places to retire, according to 2010 rankings by *CNNMoney.com*.

# Contact Information

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