

EMPLOYMENT

UNEMPLOYMENT

AVERAGE WAGE PAID PER JOB

MEDIAN SALES PRICE OF EXISTING HOMES

SELF-EMPLOYMENT

TIMBER DELIVERIES

LODGING TAX

PROJECTED POPULATION

PROPERTY TAX COMPARISON

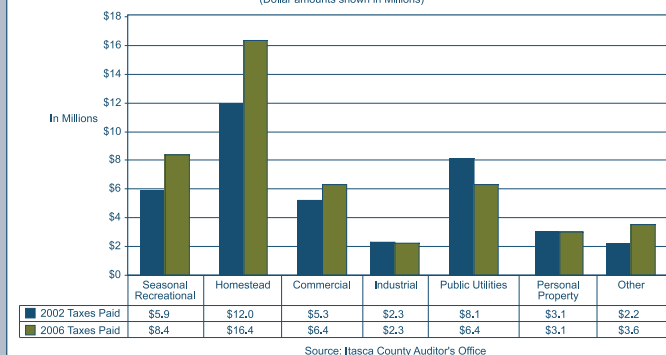
ELECTRICITY USAGE

## Our Services

- Business Counseling
- Start Up Assistance
- Loan Packaging
- Financial Incentives (JOBZ)

**Itasca County Property Tax Paid - 5 year Comparison**

(Dollar amounts shown in Millions)



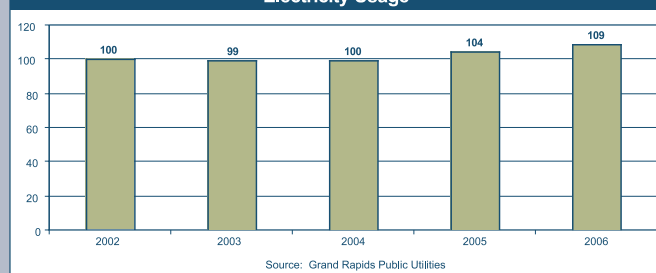
### Property Tax Paid

Property taxes collected in Itasca County rose by 19%, or \$7.4 million, in the five years from 2002 to 2006. At the turn of the millennium Minnesota experienced a revenue surplus which was passed on to local school districts and municipalities. Once that surplus ran out local government aid was cut and levy limits were removed resulting in increased local taxes paid. Seasonal recreational property experienced the largest increase of 42% and homestead properties rose by 37%.

### Electricity Usage

The cold weather early in 2006 and the unseasonably warm spring are reasons cited for the rise in electric power usage during the first half of 2006. In addition to the weather, increased usage can be attributed to the expansions of Grand Itasca Clinic and Hospital and Minnesota Diversified Industries.

**Electricity Usage**



*helping create quality jobs*

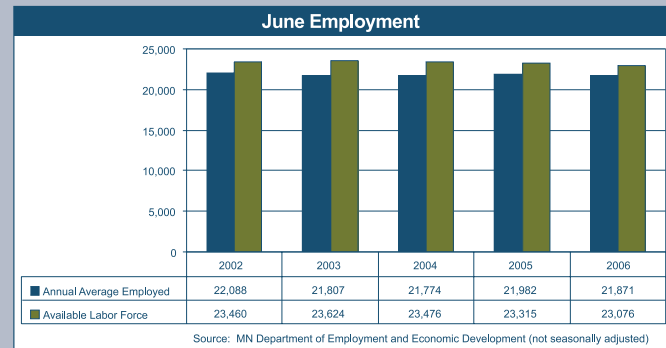
Itasca Economic Development Corporation funding comes from the Blandin Foundation, Itasca County, and public and private sector partners. UMD's Center for Economic Development sponsors a Small Business Development Center at IEDC.



# ITASCA ECONOMIC INDEX

## MID-YEAR PERSPECTIVE

# 2006

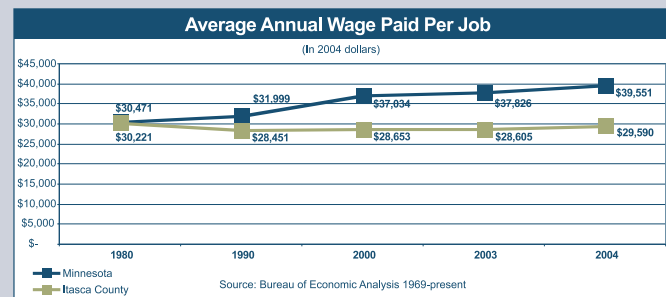
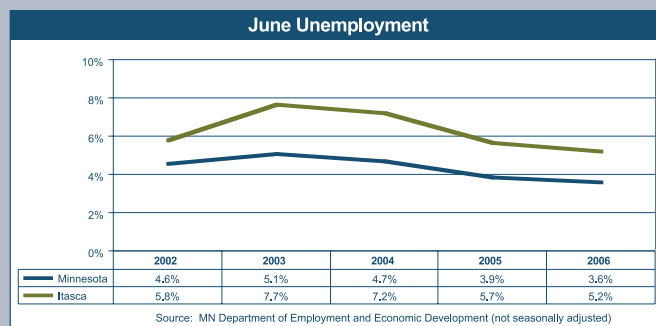


### Employment

The number of people employed in Itasca County during June has remained fairly consistent over the past five years. The Minnesota Department of Employment and Economic Development estimates that at the end of the second quarter approximately 1200 people were not employed but were available for work and actively looking during the 4 weeks prior to June 30 or were waiting to be called back to a job from which they were laid off.

### Unemployment

Itasca County's unemployment rate has steadily decreased since 2003 when the effects of Blandin Paper Mill's shutdown of paper machines 3 and 4 contributed to 298 people being laid off. The Minnesota Department of Employment and Economic Development reports that Itasca County's unemployment rate has dropped to 5.2% but still remains 1.6% higher than the State of Minnesota's rate. Itasca Economic Development Corporation (IEDC) has set a goal that by 2010 unemployment in Itasca County will be equal to or lower than the State of Minnesota's rate. IEDC is involved in a strategic planning process to achieve that goal.

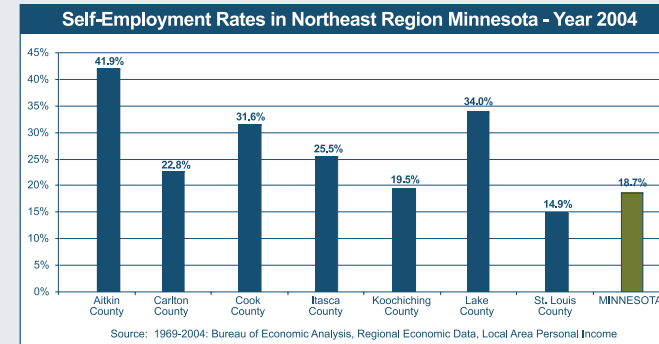
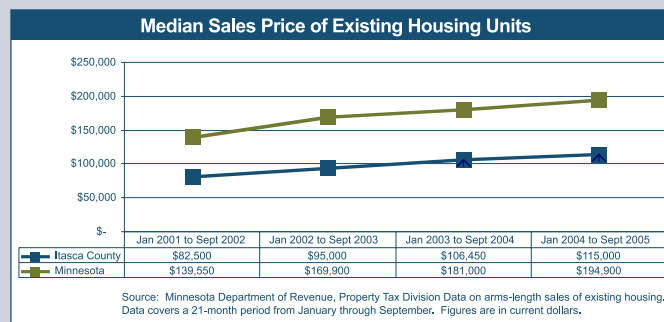


### Average Annual Wage Paid Per Job

The spread between Itasca County's annual average wage paid per job and the state of Minnesota's average wage paid per job continues to increase. A goal of IEDC is that by 2015 the average annual wage paid per job will be equal to or higher than that of the state. IEDC is working in partnership with area stakeholders on strategies to achieve that target.

### Median Sales Price of Existing Housing Units

The Minnesota Department of Revenue reports that the median sales price of existing housing units in Itasca County is \$115,000. This compares to the state's median cost of \$194,900. The wages paid per job to Itasca County residents is nearly \$10,000 less than the state's average wage; however, the cost of housing is significantly less.

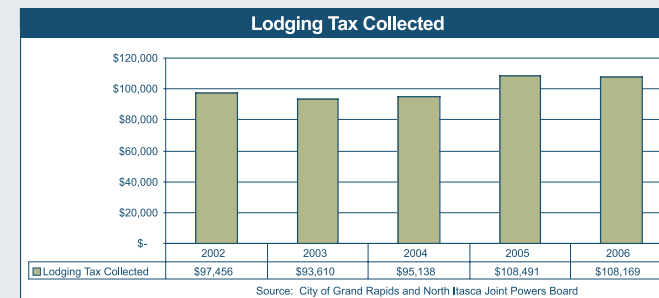
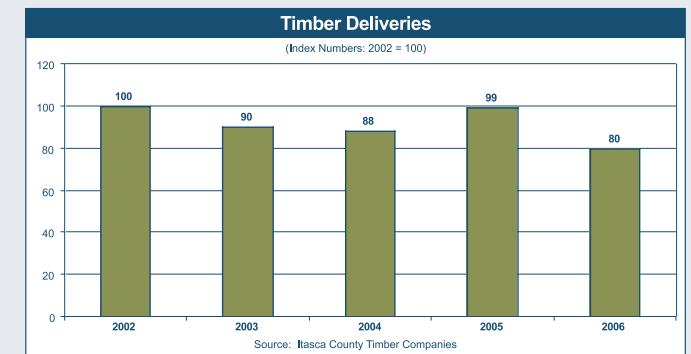


### Self-Employment Rates

The self-employment rate is the percent of all employed people who have their own business as opposed to working for someone else in return for wages or salary. Itasca County's self-employment rate in 2004 was estimated to be 25.5% compared to the State of Minnesota's rate of 18.7%. This graph compares Itasca County to other counties in the Northeast Region of Minnesota.

### Timber Deliveries

Timber deliveries and production were curtailed at Ainsworth Lumber Company following a shut down in early April to make extensive repairs to the press equipment. The company was forced to extend the shut down when they experienced problems with the newly installed hydraulic components. Ainsworth did not take any deliveries in April and only very minimal deliveries in May and June.



### Lodging Tax

As additional Itasca County lodging properties began collecting a 3% lodging tax beginning in 2005 more money became available to Itasca area tourism organizations for marketing and promotion. The Visit Grand Rapids organization and the Edge of the Wilderness Lodging Association use the lodging tax proceeds to promote local tourism.

### Projected Population Change

Minnesota's State Demographic Center projects that Itasca County's population aged 60 and older will grow by 32.5% from 2005 to 2015. As Baby Boomers start turning 60, the nation as a whole will begin to experience a major increase in this age group. In 2004 the 65 and older generation of Itasca County's population was 5% higher than the state's and nation's rate. Considering the challenges, as well as the advantages, of this forecast will be at the forefront of the area's economic development planning efforts.

