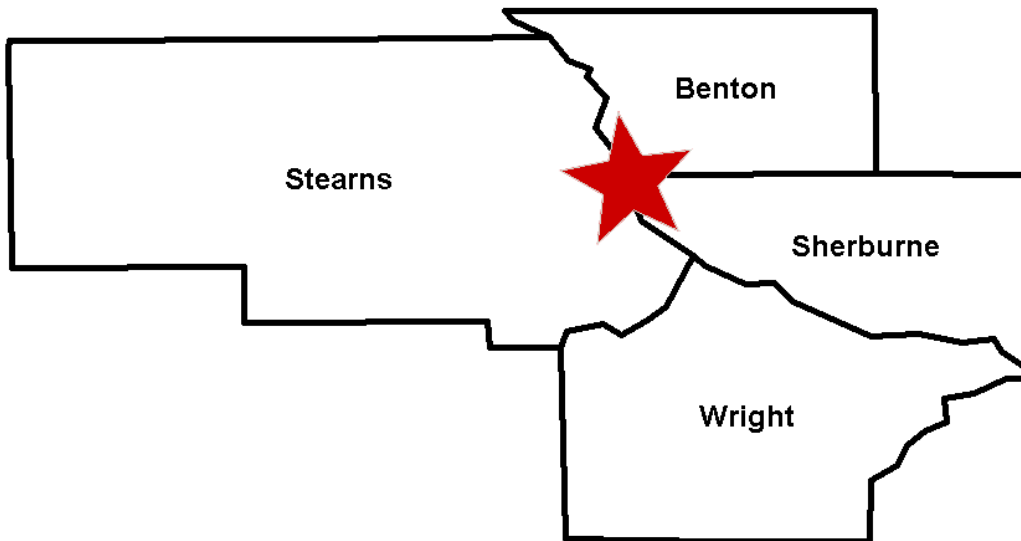


2004 St. Cloud Area Profile



Prepared for:
St. Cloud Area Economic Development Partnership

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Introduction

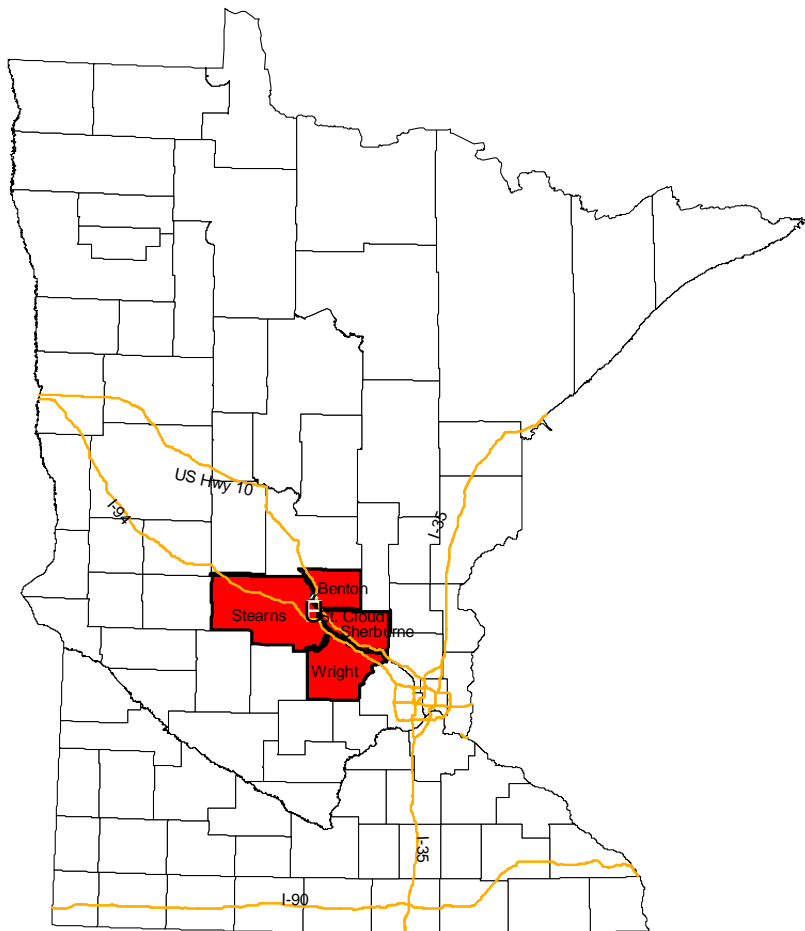
The St. Cloud Area is the dominant regional center of Central Minnesota. The City of St. Cloud is one of the largest in Minnesota and its influence creates population growth in neighboring and nearby cities and townships. Thus, the St. Cloud Area is a population center. The St. Cloud Area is also a center for economic and business activity. A wide mix and variety of businesses and industries are located in the St. Cloud Area. Further, the area serves an employment hub, drawing workers from most of its neighboring counties. In order to function as a regional center, good transportation routes must exist and the St. Cloud Area has developed all major types of transportation. As the population and the number of employees grows in the region, so must the housing and health care industries. Further, the critical mass of people in the city and surrounding area has led to St. Cloud developing as a retail-shopping destination.

All of the above factors combine to fortify the St. Cloud Area's role as a regional center. For businesses and industries interested in locating in the St. Cloud Area, further knowledge about the demographic, economic, and business climate of the St. Cloud Area is essential. The following Profile explores the St. Cloud Area's position as an area hub. Each section of the Profile will detail one aspect of the St. Cloud Area. The data and figures associated with each section will help illuminate the climate of the St. Cloud Area. There are eight major sections of the Profile: geography and demographics; current industry composition; labor force composition; transportation; housing; health care; retail sales; and infrastructure. The Profile also contains an extensive appendix which contains all of the data used in the report.

Area Definitions

Defining the St. Cloud Area presents several challenges. The City of St. Cloud is located partially in three counties: Benton County, Sherburne County, and Stearns County. However, the St. Cloud Metropolitan Statistical Area (MSA) has been defined to include only Benton and Stearns counties. Sherburne County, despite containing a portion of St. Cloud, has been defined to be part of the Minneapolis-St. Paul MSA due to its location. Sherburne County is unique in that it has St. Cloud to its north and Minneapolis suburban cities in its southern reaches. Therefore, for purposes of this Profile the definition of the St. Cloud Area will include only Stearns County and Benton County. However, there will be instances when including Sherburne County will be necessary. This will be clearly noted. Further, many sources refer to Central Minnesota which includes Benton, Sherburne, Stearns and Wright counties. This definition will also be used where prudent. Again, when this definition is used, it will be well documented.

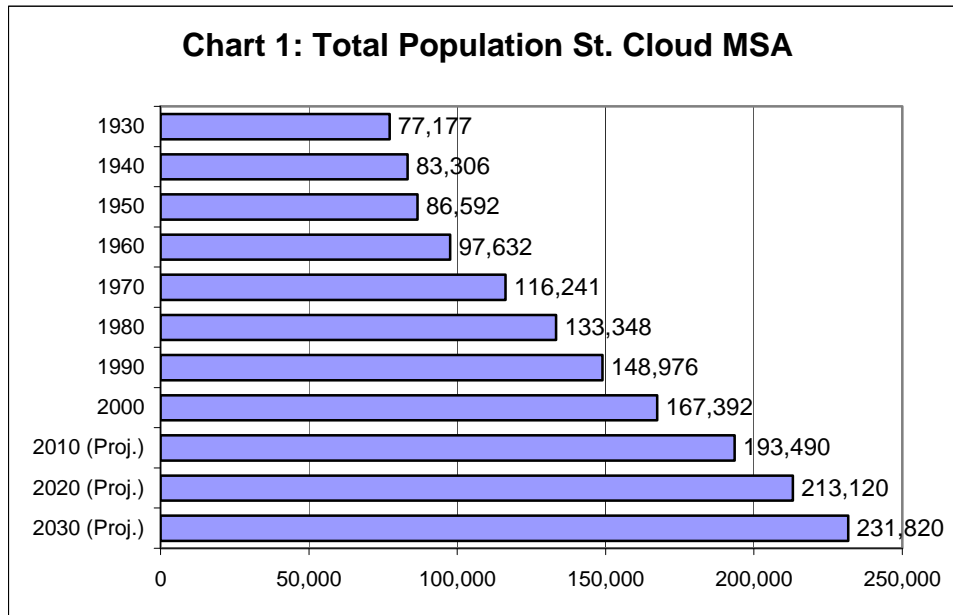
Map 1: St. Cloud and Surrounding Area



Geography and Demographics

Geographically speaking, St. Cloud's location is a major advantage. The city is located along the banks of the Mississippi River, which was an early source of trade and commerce. St. Cloud is also situated on Interstate 94, which provides easy and quick access to Minneapolis-St. Paul and to the Fargo-Moorhead area. The city is approximately 70 miles from the Twin Cities, allowing individuals and businesses to take advantage of opportunities and services in the Twin Cities area. Meanwhile, St. Cloud is the largest city in the area and as such, it attracts workers and consumers.

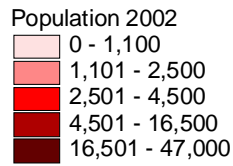
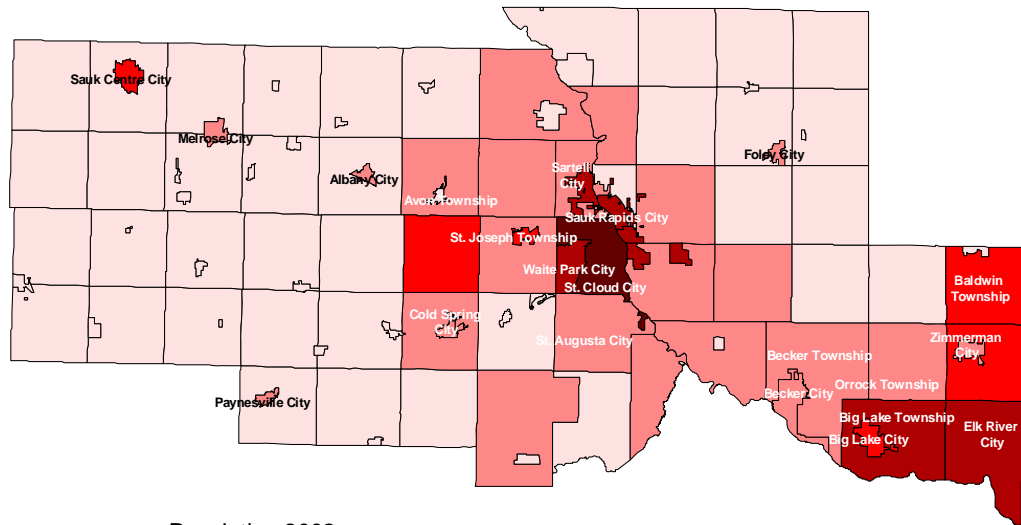
St. Cloud is the third largest city in non-Metropolitan Minnesota. Total population in the St. Cloud MSA in 2000 was 167,392. Chart 1 illustrates the changes in population from 1930 to 2000 and projected changes through 2030. Population has grown steadily in the St. Cloud MSA, particularly since 1970. This growth is anticipated to continue.



Source: Census 2000 and Minnesota State Demographic Center

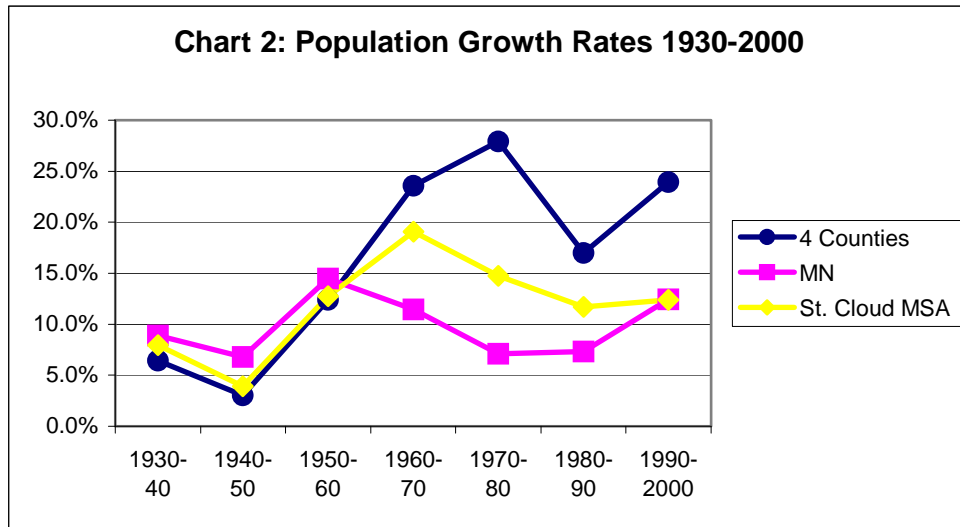
Map 2 illustrates the distribution of population by minor civil division. The map clearly shows the population density around the City of St. Cloud. Further, population density is higher in southern Sherburne County. Western Stearns County and eastern Benton County are relatively sparsely populated.

Map 2: Population by Minor Civil Division, Stearns, Benton and Sherburne Counties, 2000

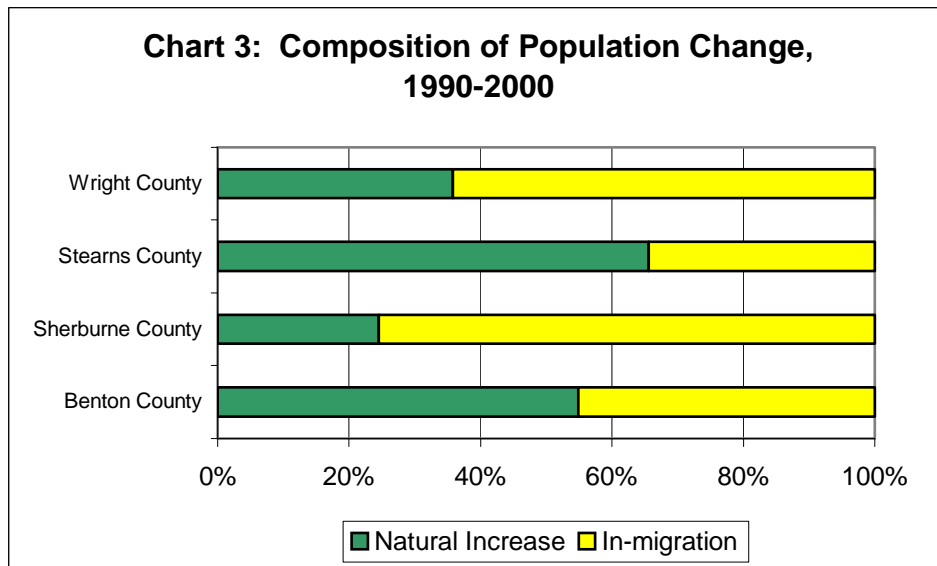


Source: Census Bureau

While the population has grown in the St. Cloud Area, the rate of growth has varied as shown in chart 2. Population in the St. Cloud MSA increased at a rising pace through 1970. Growth then began to slow, however, it still exceeded or matched the growth rate of the state. Including Sherburne and Wright counties in the analysis drives the growth rate even higher. Both Sherburne and Wright counties are experiencing growth in their northern areas associated with St. Cloud and growth in their southern fringes from the Twin Cities metropolitan area.



Source: Census 2000

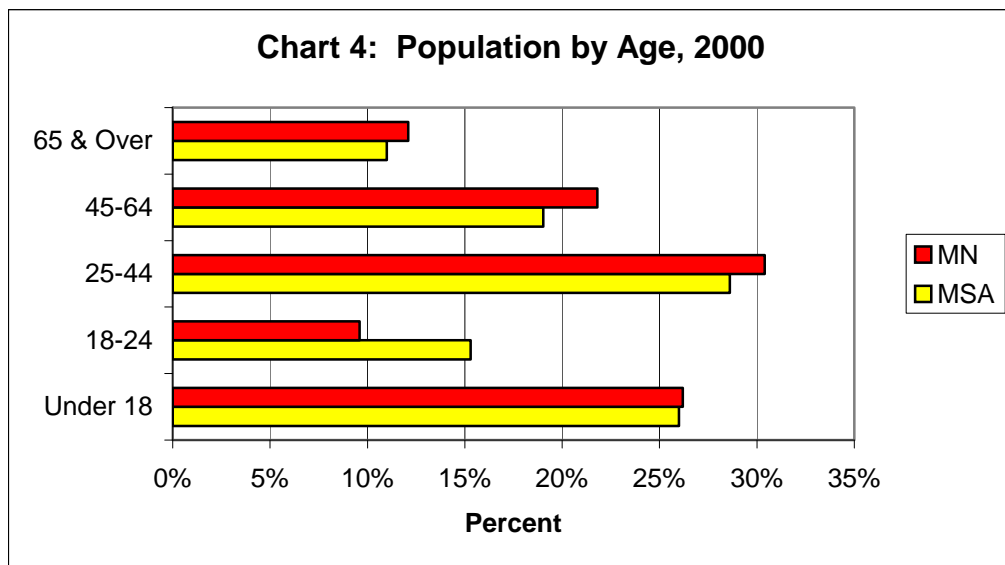


Sources: Census Bureau and the Minnesota Department of Health

Different factors are driving population growth in the counties. The types of population growth help define and classify the area. Stearns and Benton counties have population growth more typically associated with an older, established city that is growing at modest rates as shown in chart 3. Population growth in those two counties

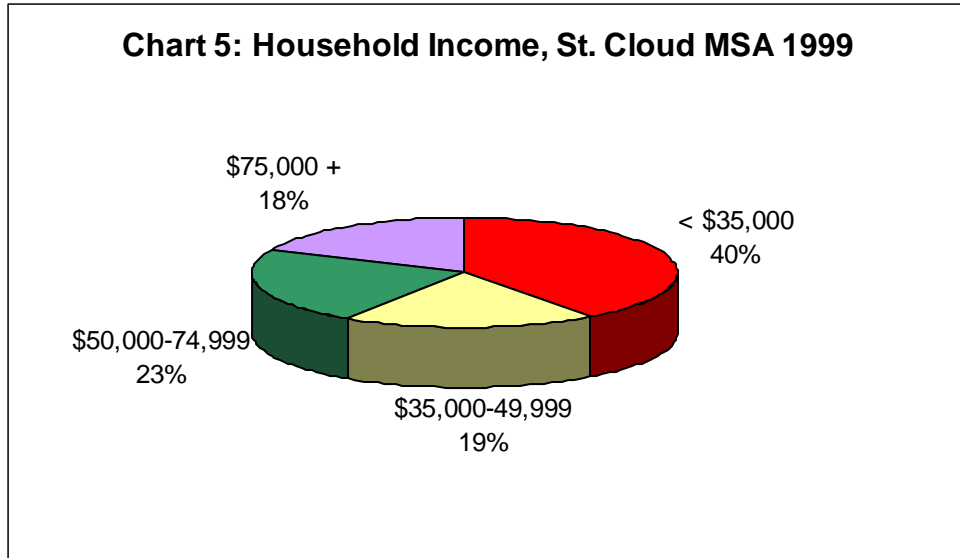
was primarily the result of natural increase (births exceeded deaths). However, there was a healthy amount of in-migration. Wright County and Sherburne County, on the other hand, demonstrate growth more typical of fast-growing suburban counties; the majority of their growth was a result of in-migration.

The age distribution of the population in the St. Cloud MSA differs from the state average, depicted in chart 4. The MSA has a large population of individuals aged 18-24 years. The St. Cloud Area is home to several higher education institutions, which results in a large mass of young adults. This higher proportion of young adults drives down the percentage of other age groups as compared to the state. Individuals aged 25-44 constitute the largest single age group. This group is a major component of the workforce. The median age in Stearns County is 31.6 and 31.9 in Benton County.



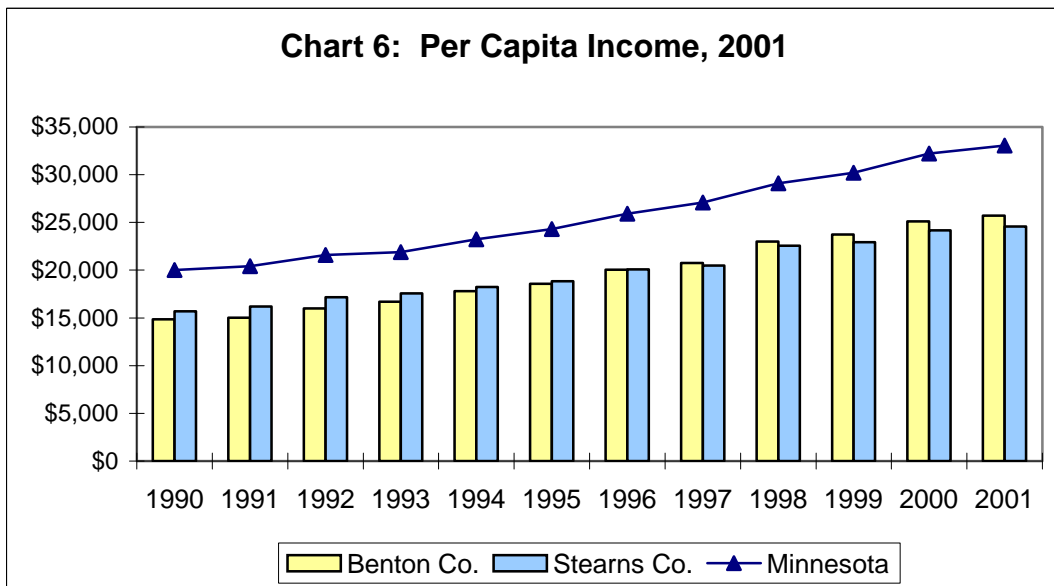
Source: Census 2000

Population statistics focus on individuals. Another method for considering demographics is examining household data. In 2000, there were 60,694 households in the St. Cloud MSA. The median household income in Stearns County is \$42,426; meanwhile in Benton County the median household income is \$41,968. This compares to a statewide median household income of \$47,111. Overall, households in the St. Cloud Area have incomes lower than the state. The distribution of household income is shown in chart 5. The largest category in the area is households with less than \$35,000 in income.



Source: Census 2000

Household income measures the wealth of a group of individuals functioning together as a unit. Per capita income, on the other hand, is a measure of individual income. For the St. Cloud Area, both household income and per capita income reflect a lower than state average level. Per capita income in Benton County in 2001 was \$25,700 and in Stearns County was \$24,566. Given that Minnesota's per capita income was \$33,059, the St. Cloud Area's per capita income is only about three-fourths of the state and is shown in chart 6.



Source: Bureau of Economic Analysis

While chart 6 illustrates per capita income as a whole in the region, the per capita growth rate is more startling. From 1990-2000, Benton County's per capita income growth rate (69%) exceeded Minnesota's rate (61%), indicating that Benton County is

closing the gap. Stearns County, however, grew at a rate (54%) much slower than Minnesota. Therefore, not only does Stearns County lag Minnesota, the differential is expanding. Benton County grew at a rate significantly faster than Stearns County across the 1990's. In 1990, Stearns County's per capita income exceeded that of Benton County. By 1997, Benton County had reversed that and exceeded Stearns County's per capita income.

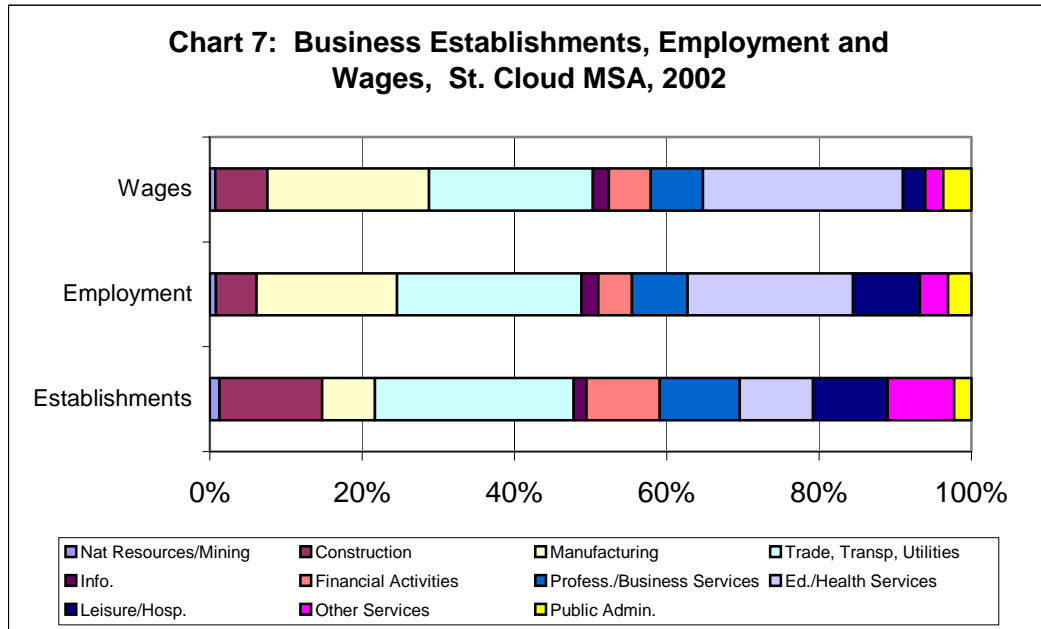
It is probable that several factors contribute to the disparity in income between the St. Cloud Area and the state average. First, demographic data shows that the population in the St. Cloud Area is younger than the state. Younger individuals tend to have lower incomes due to educational commitments, part-time jobs and entry-level positions. This can hold per capita incomes down. The industrial employment mix and the wage structure also factor into the lower incomes. The next section of this report will focus on the current industries present in the St. Cloud Area, the employment mix and the wage structure.

Current Industry Composition

The status of the current industrial mix provides insight into the local economy. By studying employment, establishment and wage data, it is possible to decipher major employers, wage rates and business sizes. The St. Cloud Area is home to several major companies and is an employment hub for the region. Total public and private employment in the St. Cloud MSA during 2002 was estimated at 90,802 (Bureau of Labor Statistics).

Overall, employment in the St. Cloud Area is a relatively strong economic component. Steady employment growth has been a hallmark of the St. Cloud Area. Employment growth rates averaged between 3 and 4 percent per year during the 1990's. The St. Cloud Area continued to add jobs during the 2000-2003 period, although at a significantly lower rate. Further, employment projections indicate that Central Minnesota (including Benton, Stearns, Sherburne and Wright counties) will be the fastest growing region in the state in terms of employment through 2010 (Minnesota Department of Employment and Economic Development).

The current mix of establishments, employment and wages is depicted in chart 7. The biggest sector of employment is Trade, Transportation and Utilities (almost 22,000 employees). This industry classification includes many typical businesses engaged in trade activities such as grocery stores, department stores and gas stations. However, there are two sectors with higher employment numbers that are worth noting, as they are somewhat unique to the St. Cloud Area. These are direct selling non-store retailers (1,108 employees) and freight trucking (1,274 employees).

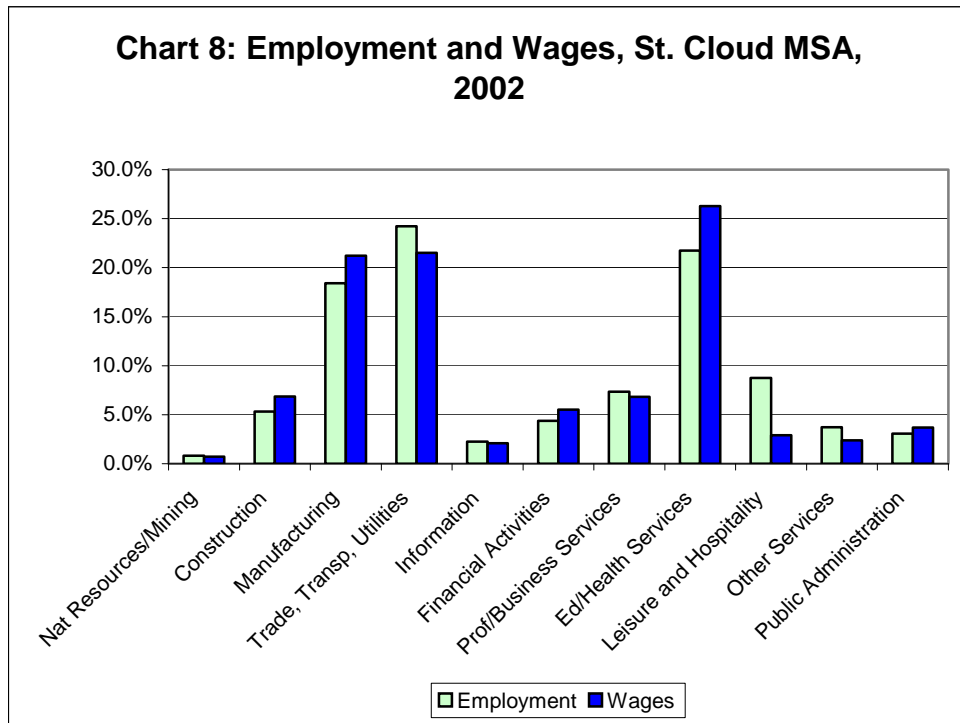


Source: Covered Employment and Wages, Bureau of Labor Statistics

The industry classification with the second largest level of employment is Education and Health Services, with approximately 19,000 private and public employees. Ambulatory care and social assistance comprises more than half the employment or about 12,000 jobs. Educational services provide the approximately 7,000 remaining jobs. The location of three colleges and universities and a technical college increases the level of employment in the educational field.

Manufacturing is the third largest industry classification employing roughly 17,000 individuals in the St. Cloud MSA. Major types of manufacturing include: printing and related support activities, food manufacturing, fabricated metal product manufacturing and nonmetallic mineral product manufacturing.

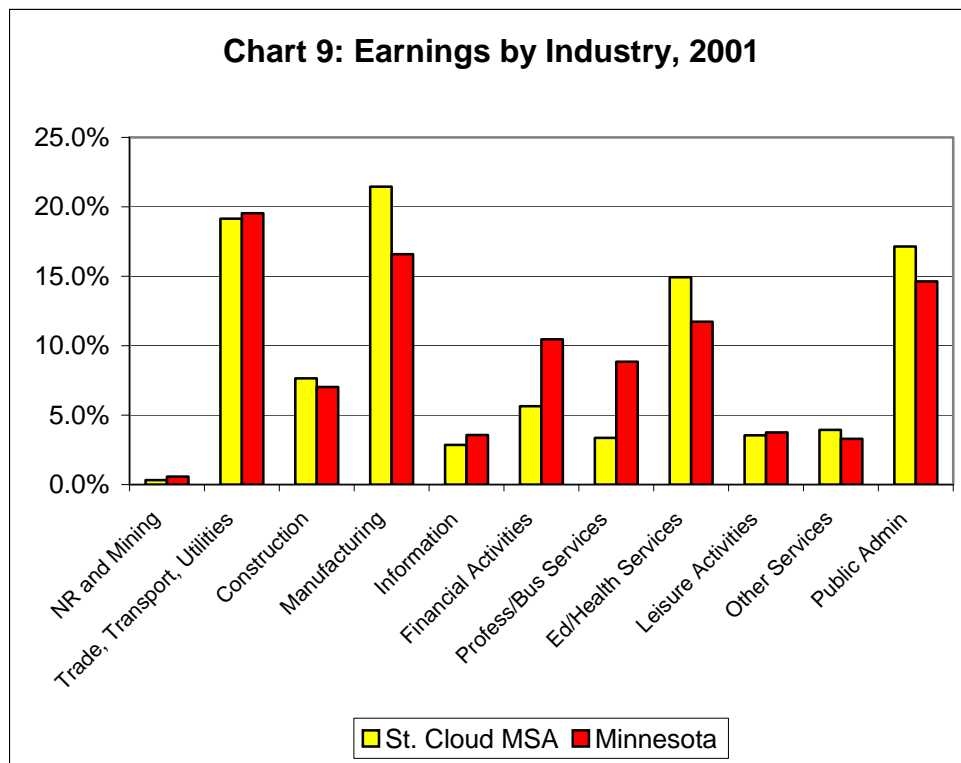
Beyond illustrating industries with high levels of employment, chart 7 provides insight into the St. Cloud Area economy. While Trade, Transportation and Utilities is the major source of employment in the St. Cloud MSA, it is not the largest source of wages. Education and Health Services is, indicating that wages are higher per individual in those occupations. Manufacturing also appears to have higher wages relatively. Industrial classifications with a larger portion of the wage bar than the employment bar can be interpreted to be higher wage paying industries. Those with smaller portions conversely, are paying slightly less. This is true of the Leisure and Hospitality industry. Chart 8 below further illustrates this point. Education and Health Services provide 22 percent of employment and 26 percent of wages. The Trade, Transportation and Utilities sector, on the other hand, comprises 24 percent of employment and only 22 percent of wages.



Source: Covered Employment and Wages, Bureau of Labor Statistics

Viewing chart 7 can also provide a glimpse at the average employment size per company in the industrial classifications. Manufacturing, for instance, has a very small portion of the establishments bar, indicating few companies. However, employment is a major portion of employment. These two facts together demonstrate that the few manufacturing companies in the St. Cloud Area employ large numbers of individuals per company. Likewise, there are many construction firms, but relatively few employees. This signifies that most construction firms in the area are smaller businesses with fewer employees.

An examination of earnings by industry reveals similar insights about the St. Cloud Area economy. As shown in Chart 9, earnings in Manufacturing; Trade, Transportation and Utilities; and Public Administration provide the greatest input to the St. Cloud Area economy. Further, earnings in the St. Cloud Area are still relatively manufacturing-based. Manufacturing contributes a significantly higher percentage of total earnings in the St. Cloud Area than in Minnesota as a whole. This is also true of Education and Health Services and Public Administration. Earnings by industry data further reflect the relative lack of Financial Activities and Professional and Business Services in the St. Cloud Area. Overall, those activities contribute much more to the Minnesota economy than the St. Cloud Area.

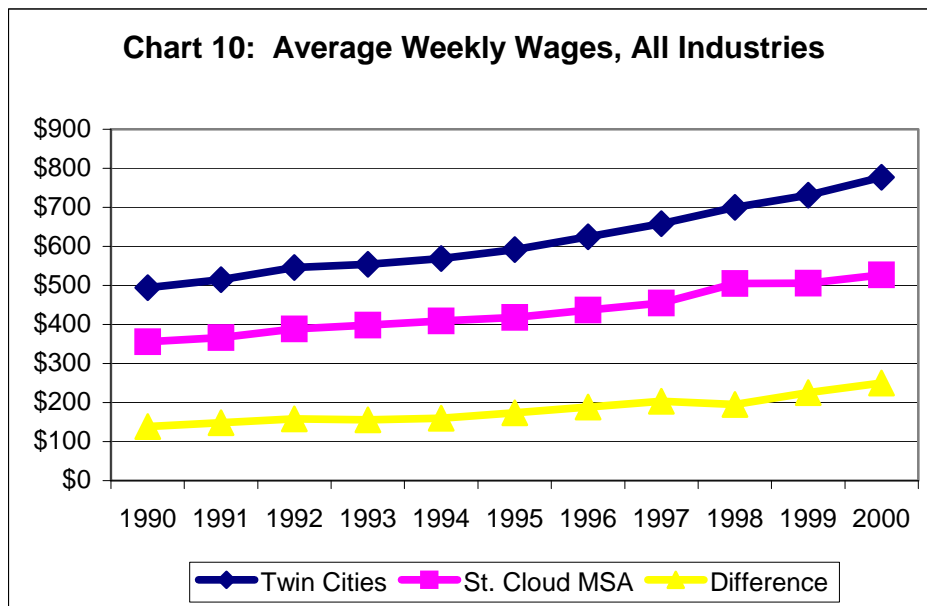


Source: Bureau of Economic Analysis

Total wages and earnings by industry data reflect the general contribution of each industry to the overall level of income in the region. However, data discussed this far does not demonstrate the relative wage paid to the individual worker. Both average weekly wages and annual wages can be used to further examine the wage structure in the

St. Cloud Area. In addition, comparisons to both Minnesota and the Minneapolis-St. Paul MSA will give deeper meaning to the data.

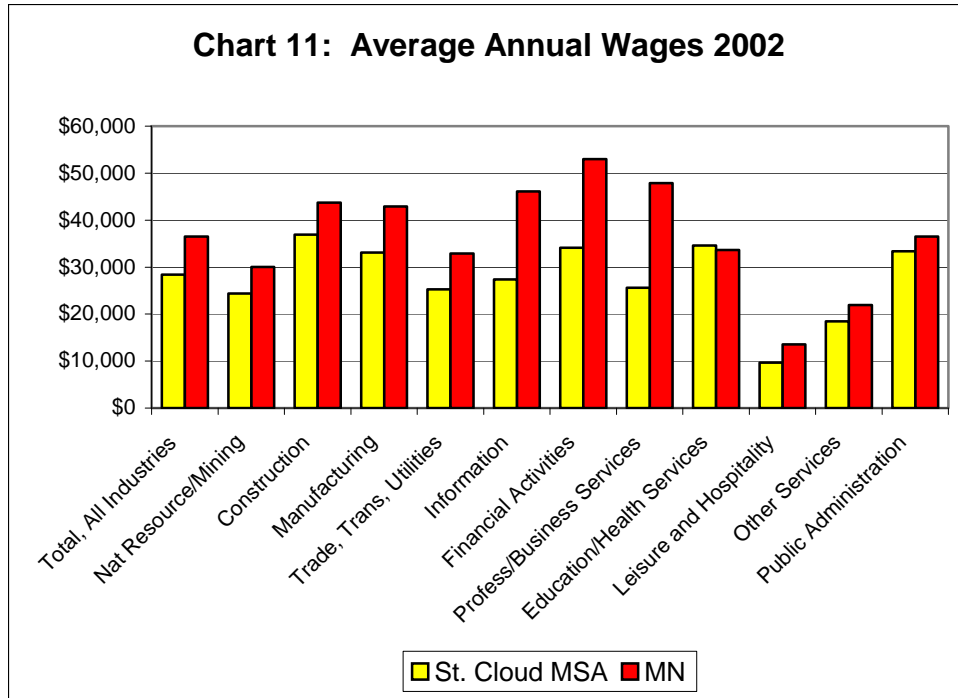
Comparatively speaking, average weekly wages in the St. Cloud Area are low. Chart 10 compares weekly wages in the St. Cloud MSA over time with weekly wages in the seven-county Minneapolis-St. Paul metropolitan area. Meanwhile, chart 11 compares wages by industry in the St. Cloud Area to those in Minnesota as a whole. Both charts tell a similar story. Wages in the Twin Cities are consistently higher than in the St. Cloud Area. More notable, however, is that the gap between Twin Cities and St. Cloud wages is actually growing. In 1990, the average weekly wage for all industries in the St. Cloud Area was 72 percent of the equivalent Twin Cities wage. By 2000, weekly wages in the St. Cloud Area were only 67.8 percent of the Minneapolis-St. Paul Area.



Source: Covered Employment and Wages, Bureau of Labor Statistics

Average annual wages by industry are shown in chart 11. The average annual wage in the Education and Health Services industry is slightly higher in the St. Cloud MSA than at the state level. However, every other industry in the St. Cloud MSA trails the state average. The wage gap is highest in high-tech, high-education industries, such as Information, Financial Activities and Professional and Business Services. The average annual wage in Professional and Business Services in the St. Cloud MSA is just barely half that of the state average. The wage gap is lowest in Public Administration, Other Services and Construction.

Chart 11 also illustrates the distribution of wages across industries in St. Cloud. The highest paying industries are: Construction (\$36,913); Education and Health Services (\$34,610); and Financial Activities (\$34,113). The lowest paying industries are Leisure and Hospitality and Other Services.



Source: Covered Employment and Wages, Bureau of Labor Statistics

The reasons for the wage differential are not entirely clear. However, one possible explanation is the difference in the employment mix between the areas. First, the St. Cloud Area has a significantly lower percent of employment in high wage industries, such as Information; Financial Activities; and Professional and Business Services. As a result, wages in Professional and Business Services constitute 21.8 percent of total wages in the Twin Cities¹. Meanwhile, in the St. Cloud Area this percentage is only 8.1. Second, wages in industries that are major employers in the St. Cloud Area are not necessarily growing at a pace equal to that of the Twin Cities. St. Cloud’s employment is highest in Trade, Transportation and Utilities; Education and Health Services; and Manufacturing. While wages in the Services sector grew by 58 percent between 1990 and 2000 in the Twin Cities, the same wages in the St. Cloud Area only grew by 41 percent. Likewise, wages in the Trade sector in the Twin Cities grew by 67 percent and by only 55 percent in the St. Cloud Area.

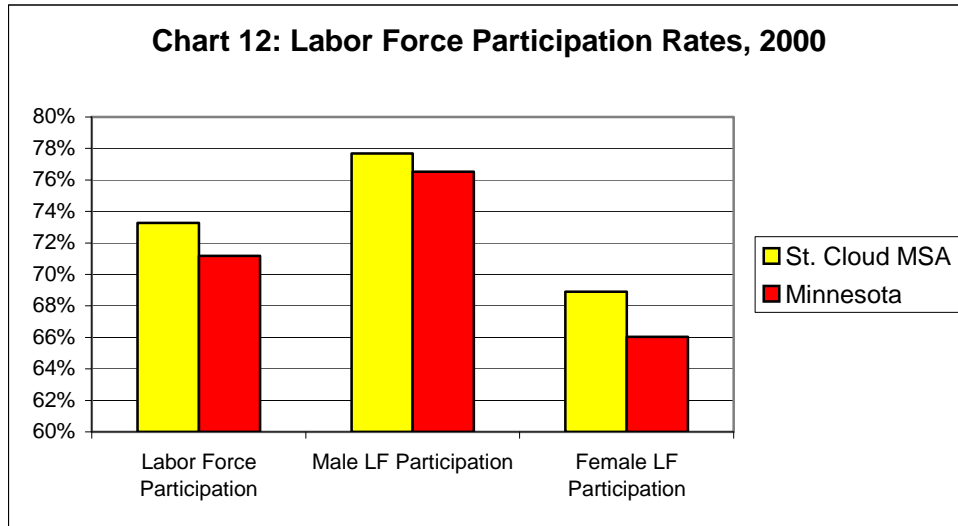
While these factors may contribute to the overall low wages, the fact remains that St. Cloud wages are lower than the state in almost every industry. One thing, however, is clear. Lower wages are not a reflection of productivity. The next section of this report will detail the St. Cloud Area labor force. A thorough examination of the labor force will reveal a well-trained and willing work force. Lower wages do, however, present some opportunity for businesses interested in locating to the St. Cloud Area.

¹ Wages derived from Covered Employment and Wage data for *private* ownership. The Natural Resources and Mining sector was excluded from totals.

Labor Force Composition

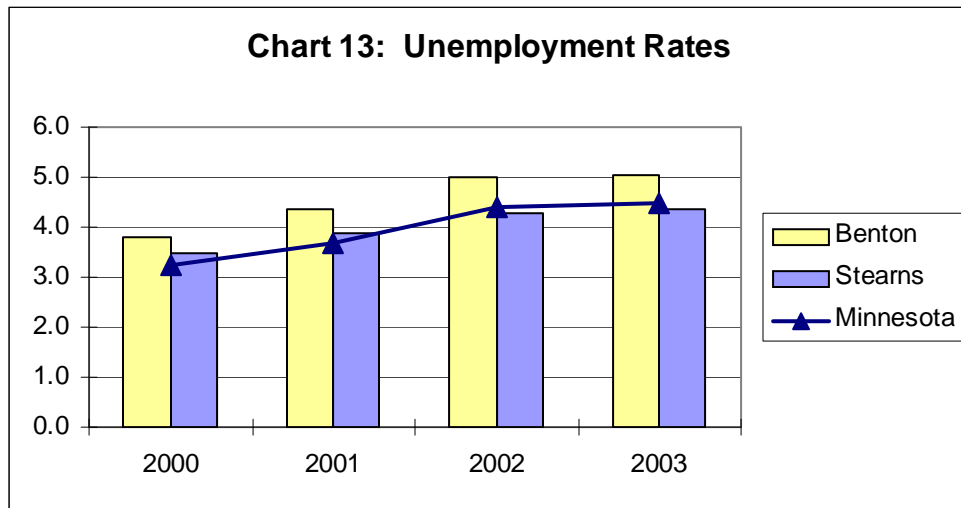
The labor force is a distinctive component of a local economy. A unique combination of education, skills, willingness to work, wages and commuting patterns fuse together to form the labor base in a region. In the St. Cloud Area these factors have combined to create a strong work force. Individuals in the St. Cloud Area are willing to work, as indicated by strong labor force participation rates. Further, the St. Cloud MSA is an employment center, drawing workers from a large area. Overall, education levels are slightly below the state average, however, the presence of several major higher-education institutions provides a substantial counterweight.

Individuals in the St. Cloud MSA are eager to work. Labor force participation rates are high in the St. Cloud Area as depicted in chart 12. Overall labor force participation is 73 percent for the MSA, while the state average is only 71 percent. Males are more likely to work, with almost 78 percent of all men working. Female labor force participation in the St. Cloud MSA is significantly higher than the state average.



Source: Census 2000

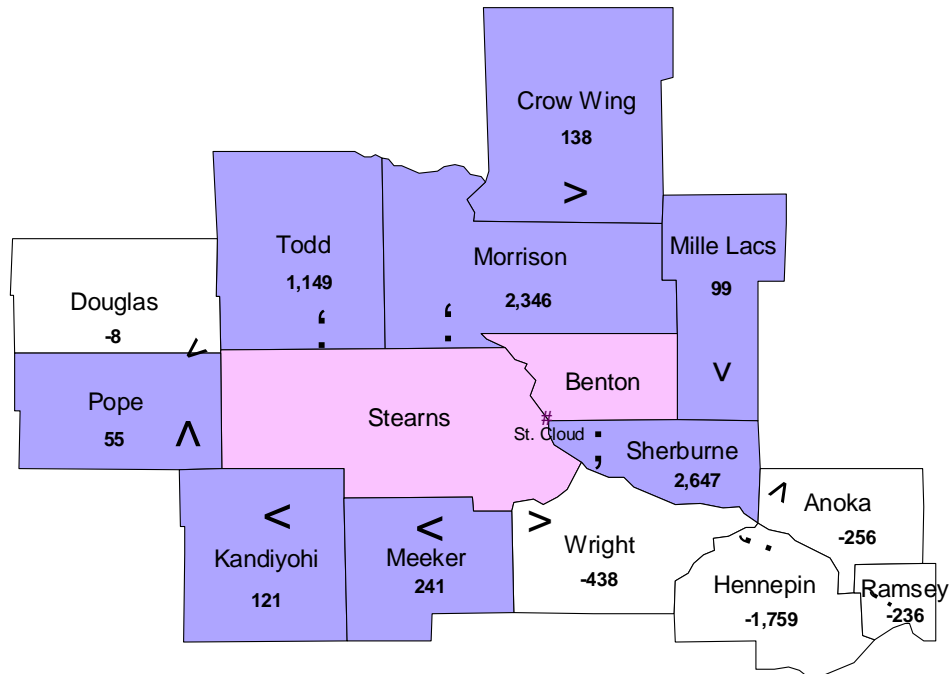
Individuals eager to work and actively seeking work have traditionally been rewarded. The St. Cloud Area also has relatively low unemployment rates (chart 13). Benton County's unemployment rate is consistently higher than in Stearns County. The unemployment rates in the two counties are very close to the state unemployment rate and track the changes in the state rate. Unemployment climbed from 2000 through 2002. The unemployment rate then leveled off to 4.3 percent in Stearns County and 5 percent in Benton County in 2003.



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

In addition to having a ready and able employment base in the St. Cloud MSA, the area serves as a regional employment center. The two counties of the St. Cloud MSA draw more workers every day than leave the area for employment. According to the 2000 Census, there are 79,379 residents of Stearns and Benton counties that live and work in the two-county area. Meanwhile, 10,375 residents work outside the counties. However, 14,907 workers come into the area for employment. Thus, the St. Cloud MSA nets an additional 4,532 workers. Counties providing the highest number of workers into Benton/Stearns are neighboring counties including Sherburne, Morrison and Todd counties. Map 3 illustrates the commuting patterns of the area in reference to Stearns and Benton counties. The darkly colored counties send workers to the St. Cloud MSA. The lightly colored counties draw workers from the area. The net number of commuters between counties is shown on the map. Commuting times in the region are reasonable. The average travel time to work for a resident of Benton County is 21 minutes and for a resident of Stearns County is 19 minutes.

Map 3: Net Workers Commuting To/From St. Cloud MSA, 2000

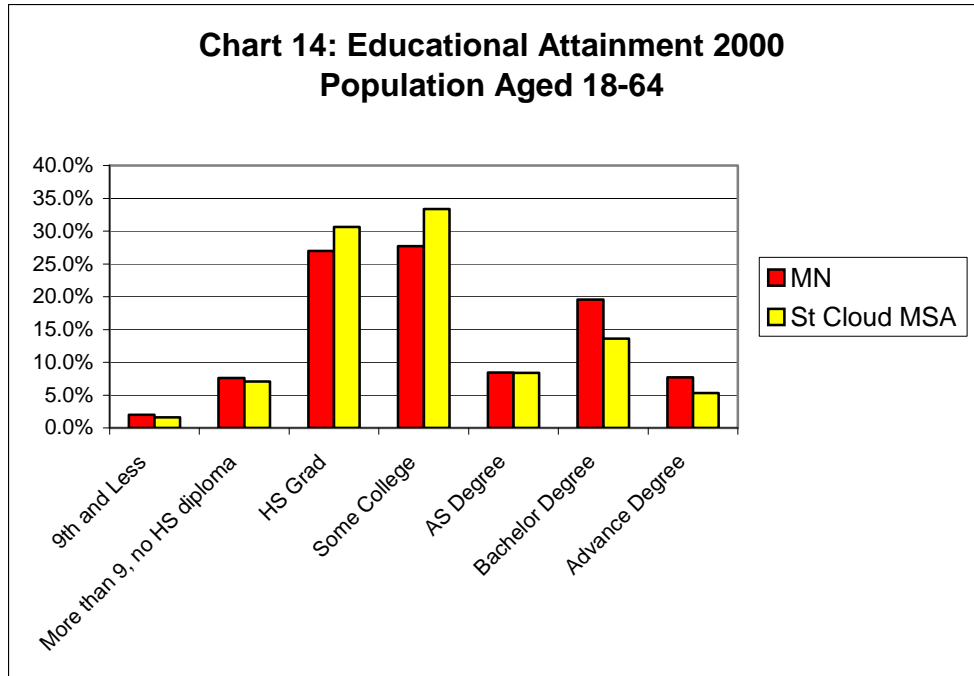


Note: This map is not limited to all commuters, but rather is defined by geography.

Source: Census 2000

The commuting map above shows Stearns and Benton counties as a regional employment center. The St. Cloud Area is also an education and training center. Education is important to the region as reflected by the presence of several institutions of higher learning.

Education, skills and training are an important component of any workforce. Chart 14 depicts the educational attainment of individuals aged 18 to 64 in the St. Cloud MSA as opposed to Minnesota. The chart reveals that the population in the St. Cloud Area is slightly less educated than the state. The area is home to more individuals with just a high school diploma and no further education than the state as a whole. There are a substantial number of individuals with some college education. This may reflect the high college student population in the area. This lower overall education level may partially explain the lower wages.



Source: Census 2000

The St. Cloud MSA is home to a handful of colleges, universities, technical schools and business schools. There are three liberal arts colleges and universities in the area: St. Cloud State University, the College of St. Benedict’s and St. John’s University. St. Cloud is also home to St. Cloud Technical College. Further, Rasmussen Business College has a campus in St. Cloud. Data on the major higher education institutions can be found in table 1.

St. Cloud State University (SCSU) is located on the banks of the Mississippi River in St. Cloud. St. Cloud State is the largest member of the Minnesota State Colleges and Universities system with enrollment around 16,000. SCSU is public, four-year liberal arts institution. Degrees offered include associate degrees, bachelor’s degrees, master’s degrees and specialist degrees. Popular majors (based on degrees conferred) include: business, management, marketing and related support services and education. The largest programs are elementary education, communications, psychology, business computer information systems and biology. St. Cloud State is unique in its offering of meteorology, aviation, nuclear medical technology, land surveying and mapping science.

The College of St. Benedict’s and St. John’s University (CSB/SJU) also provide four-year, liberal art degrees in a private school setting in nearby St. Joseph and Collegetown. Combined enrollment at CSB/SJU is roughly 4,000. Popular programs at St. John’s include: business, management, marketing and related support services; social sciences; and English language and literature/letters. At the College of St. Benedict’s popular programs are: English language and literature/letters; health professions and related clinical sciences; and business, management, marketing and related support services.

TABLE 1: Selected Higher Education Statistics, July 2002 to June 2003	St. Cloud State University	College of St. Benedict's	St. John's University	St. Cloud Technical College
Enrollment	16,224	2,072	2,043	3,232
Male (Percent)	45.4	0	100	49.1
Female (Percent)	54.6	100	0	50.9
Degrees/Awards Conferred				
Total	2,333	459	397	298
Communication, Journalism and Related Programs	153	N/A	N/A	21
Computer and Information Sciences and Support Services	48	6	22	47
Construction Trades	N/A	N/A	N/A	5
Education	471	34	7	N/A
Engineering	29	N/A	N/A	N/A
Engineering Technologies/Technicians	11	N/A	N/A	43
Foreign Languages, Literature and Linguistics	27	10	4	N/A
English Language and Literature/Letters	94	75	53	N/A
Legal Professions and Studies	N/A	N/A	N/A	3
Liberal Arts and Sciences, General Studies and Humanities	108	19	5	N/A
Biological and Biomedical Sciences	79	32	25	N/A
Mathematics and Statistics	40	5	15	N/A
Mechanic and Repair Technologies/Technicians	N/A	N/A	N/A	8
Multi/Interdisciplinary Studies	9	15	13	N/A
Natural Resources and Conservation	16	N/A	N/A	N/A
Parks, Recreation, Leisure and Fitness Studies	41	N/A	N/A	N/A
Philosophy and Religious Studies	7	3	10	N/A
Theology and Religious Vocations	N/A	3	7	N/A
Physical Sciences	28	4	10	N/A
Psychology	118	40	14	N/A
Public Administration and Social Service Professions	78	13	N/A	1
Security and Protective Services	57	N/A	N/A	N/A
Social Sciences	175	51	63	N/A
Transportation and Materials Moving	30	N/A	N/A	N/A
Visual and Performing Arts	52	25	11	N/A
Health Professions and Related Clinical Sciences	23	62	5	79
Business, Management, Marketing and Related	618	59	125	68
History	21	3	8	N/A
Family and Consumer Sciences/Human Sciences	N/A	N/A	N/A	23

Source: National Center for Education Statistics

St. Cloud Technical College (SCTC) is located in St. Cloud and offers a two-year, public education. Enrollment at SCTC is approximately 3,200. Degrees offered include: Associate in Applied Science, diplomas and certificates. Popular degree programs include: health professions and related clinical sciences; business, management, marketing and related support services; computer and information sciences and support services; and engineering technologies/technicians. Largest programs at St. Cloud Technical College are: practical nursing, architectural construction technology, sales and management, computer careers and carpentry. St. Cloud Technical is unique in offering: echocardiography; sonography; cardiovascular technology; water environment technology; and land surveying/civil engineering.

The analysis above reveals a strong, committed labor force in the St. Cloud Area. The St. Cloud MSA is a regional employment hub, drawing workers from around the region. Further, the workers living in the St. Cloud Area are willing to work, as evidenced by high labor force participation rates. Educational and training opportunities are strong given the presence of three colleges/universities and a technical college. Given that the St. Cloud Area serves as a regional employment hub, the area has developed into a hub in several other regards. First, good transportation is essential to being a regional center. Transportation routes and resources are discussed in the next portion of this Profile. Employees living in the St. Cloud Area demand adequate and affordable housing, which is discussed after transportation. The health care field has also expanded and grown in the St. Cloud Area as residents and workers demand health care. The role of health care in the region will also be explored. Finally, St. Cloud has developed into a regional shopping center as well. Retail sales data are shown in the final part of the Profile.

Transportation

Adequate, well-functioning transportation is necessary for a favorable business climate. Access to highways, freight transportation, air transportation and shipping is often a factor in business locations. The St. Cloud Area is easily accessible and has all critical transportation methods available. Map 4 shows the major highways, trunk highways, railroads, and runways in the four county region.

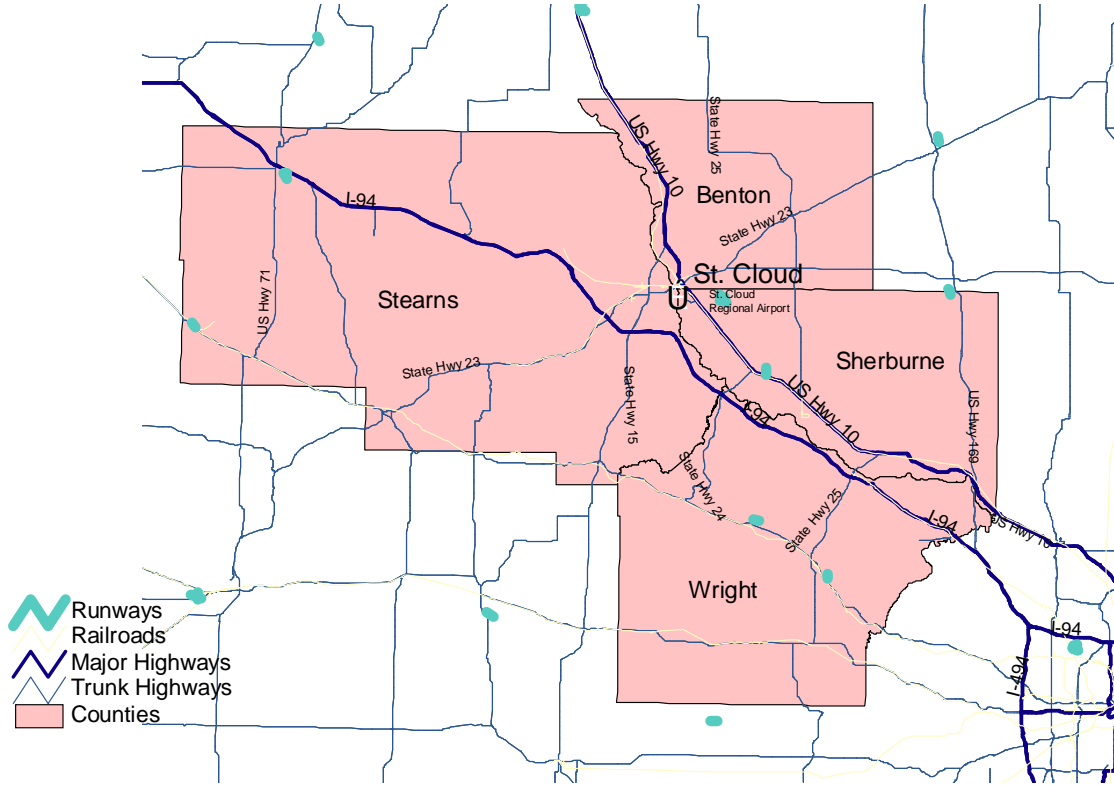
St. Cloud is 70 miles northwest of Minneapolis-St. Paul and 170 miles southeast of the Fargo, ND-Moorhead, MN area. St. Cloud lies along Interstate 94 which runs east-west from Minneapolis-St. Paul to Fargo-Moorhead. A major state highway, Highway 10, also connects St. Cloud to the Twin Cities area and runs through some of the larger cities to the south and west of St. Cloud. Highways 71 and 23 also link St. Cloud to out-state Minnesota. Further, access to the Brainerd Lakes Area of Minnesota is easy from the St. Cloud Area.

In 2000, two railway companies (BNSF and Amtrak), 18 motor freight carriers, and two intercity bus lines (St. Cloud and Greyhound) serviced the St. Cloud Area. The St. Cloud Metropolitan Transit Commission operates an intracity bus service that has routes in and between St. Cloud, Sartell, Sauk Rapids and Waite Park. St. Cloud also has a FedEx World Service Center and a UPS Store.

Finally, St. Cloud is home to the St. Cloud Regional Airport. Northwest Airlink/Mesaba Aviation operates 4 flights daily from Minneapolis-St. Paul International Airport to St. Cloud. The airport also hosts two fixed based operators in Wright Aero Inc. and St. Cloud Aviation.

While good transportation is necessary for businesses, employees also require it and the ease of commute has contributed to the St. Cloud Area becoming an employment hub. However, many employees choose to live and work in the Stearns/Benton area. These employees demand housing. The housing market will be explored in the next section of the Profile.

Map 4: Major Transportation Routes, St. Cloud Area



Source: Minnesota Department of Transportation

Housing

Housing has remained a bright spot as Minnesota struggles to recover from recent economic downturns. Housing values continue to rise and sales volume is high. This is true for the St. Cloud Area as well. St. Cloud offers a variety of housing opportunities, from single-family homes to town homes to apartment complexes. The St. Cloud Area is a blend of older, established housing along with new construction.

Housing values have climbed in the St. Cloud Area over the past decade. In 2001-2002, the median sales price of an existing home in the City of St. Cloud was \$115,000, up 109 percent from 1989-1990. In Benton County, the median sales price of an existing home in 2001-2002 was \$124,450. The value of existing homes increased by 134 percent from 1989-1990. In Stearns County, housing values grew slightly slower over the time period, up only 112 percent. The median sales price of a home in Stearns County in 2001-2002 was \$120,702. Sales volume has also been fairly brisk. There were 656 sales recorded in Benton County in 2001-2002. Meanwhile, 2,897 sales took place in Stearns County (Minnesota Demographic Center).

New construction continues to occur in the St. Cloud MSA as well. In 2002, a total of 1,848 new units were authorized in the MSA. Of this, 1,474 were single unit dwellings. The average estimated value of these single unit dwellings was \$133,374 (United States Census Bureau Construction Permits).

The rental market in the St. Cloud MSA is also vibrant. Since the area is home to a number of universities and colleges, rental housing is abundant. In Stearns County, 26.2 percent of occupied housing is rental. Benton County has a higher rental rate of 32.7 percent. This number is one of the highest in Minnesota. Median gross rental payments in the St. Cloud Area are well below the state. The median gross rental payment in Stearns County is \$473; correspondingly, it is \$480 in Benton County as compared to \$566 for Minnesota (Census 2000).

Housing availability and opportunity has continued to grow in the St. Cloud Area in order to accommodate the growing population. In addition to housing, the growing population has demanded services. In particular, residents have expanded their need for health care. Due to the relative population concentration in the area, the health care industry has developed a base in St. Cloud. This will be discussed in the next section of the Profile.

Health Care

Access to quality health care is desirable for many employees. In addition to the needs of employees, the health care industry is a growing economic sector. Consistent with its role as a regional center, the St. Cloud Area offers a full spectrum of medical services. Not only are area residents well served by access to medical care, but also the health care sector provides a strong employment sector at relatively high wages.

There are five hospitals in the St. Cloud MSA. These hospitals have a combined 592 beds. The largest hospital facility is the St. Cloud Hospital. In addition, there are 10 nursing homes in the area. These homes have a total of 900 beds.

The most prominent health care delivery system in the area is CentraCare Health System. CentraCare was formed in 1995 and is a network of hospitals and clinics that includes the St. Cloud Hospital and the Heartland Clinic in St. Cloud as well as other area hospitals and clinics. The St. Cloud Hospital has 489 licensed beds and 340 active/associate physicians. The average length of stay is 4.33 days. From July 2002 through June 2003, there were 12,845 surgeries performed; 2,592 births; 330 open-heart cases; and 46,908 Emergency Trauma Center visits.

Name	Location	Hospital Beds	Infant Bassinets	Nursing Home Beds
Albany Area Hospital and Medical Center	Albany	17	2	NA
Melrose Area Hospital - CentraCare	Melrose	28	6	75
Paynesville Area Hospital – Koronis	Paynesville	30	6	63
St. Cloud Hospital	St. Cloud	489	40	NA
St. Michael’s Hospital and Nursing Home	Sauk Centre	28	8	60

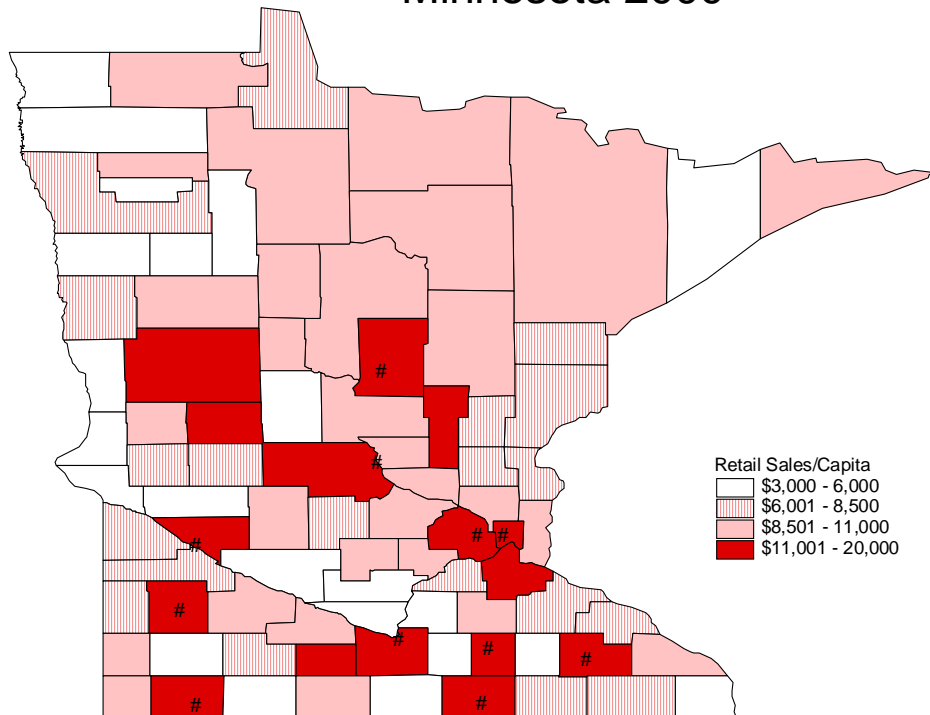
Source: Minnesota Department of Health

The presence of the St. Cloud Hospital as a regional health care provider furthers St. Cloud’s position as a regional hub. In addition to being a population, housing and transportation center, the St. Cloud Area also serves as a regional shopping attraction, as detailed in the next section.

Retail Sales

St. Cloud in many aspects is a regional center. One further sign of its importance to the area is retail sales. Map 5 shows retail sales per capita in Minnesota in 2000. The darkest counties are those with the highest retail sales per capita. Residents of Stearns County do not spend more per capita than residents of other counties, rather the high value reflects the fact that outside dollars are brought in and spent in the area.

Map 5: Retail Sales Per Capita,
Minnesota 2000



Source: Minnesota Department of Revenue

Infrastructure

Land, labor and capital are the three factors of production. This Profile has extensively addressed the labor force in the region. This next section will focus on the availability of land. The St. Cloud Area provides plenty of opportunities for acquiring land and/or buildings. There are approximately a dozen industrial parks with open land and/or buildings in the surrounding area. There are also available buildings outside of the industrial or business parks. Table 3 lists industrial and/or business parks that currently have openings.

Table 3: Industrial and Business Parks in St. Cloud Area with Availability	
Name	City/Township
Sartell Industrial Park	Sartell
Sauk Rapids East	Sauk Rapids
Sauk Rapids West	Sauk Rapids
Airport Business Park	St. Cloud
Borgert Industrial Park	St. Joseph
Buettner Business Park	St. Joseph
Industries West Industrial Park	St. Joseph Township
St. Cloud Industrial Center West	St. Cloud
Suncrest Business Park	St. Cloud
Laudenbach Estates	St. Cloud
Augusta Business Park	Augusta
St. Cloud I-94 Business Park	St. Cloud

Source: St. Cloud Area Economic Development Partnership

The St. Cloud Area provides first-rate access to utilities. There are several electric providers in St. Cloud including, but not limited to: East Central Energy, Connexus Energy, Stearns Electric Association and Xcel Energy. Xcel Energy provides natural gas to St. Cloud. Water and wastewater handling is by the City of St. Cloud. Finally, several telecommunications companies serve St. Cloud including US West Communications, US Link, Sprint and Cellular 2000. These companies serve the City of St. Cloud. Other companies may provide utility service to other parts of the St. Cloud Area. All information is from the State of Minnesota website, mnpro.com.

Conclusion

The St. Cloud Area is a regional economic center. Defining the economic and business climate of the St. Cloud Area requires an analysis of a variety of factors. First, a study of population and geography provides a background on the individuals and layout of the locality. Second, a brief review of the current industrial mix gives insight into the types of industries and the wages in the area. Third, an examination of the work force defines the labor that drives the economy. Fourth, housing and health care statistics inform one of the livability of the regional economy. Finally, retail sales show how the regional retail economy functions.

The St. Cloud Area is a population center. The population has grown steadily over the past 70 years and is projected to continue to grow at a moderate pace. Growth is primarily drawn from natural increases, however; in-migration continues to occur. The St. Cloud Area is home to a disproportionate number of young adults, due perhaps to the presence of several institutions of higher education. Finally, examination of income shows St. Cloud is below the state in terms of per capita and household income.

The St. Cloud Area is also a business and economic hub. Employment in the St. Cloud Area was roughly 90,000 in 2002. This represents an increase from 1990. Employment growth slowed, but remained positive during the early 2000's. The largest industries in the region are Trade, Transportation and Utilities; Education and Health Services; and Manufacturing in that order. The Education and Health Services industry, however, leads the area in total wages paid. Despite relatively high wages in Education and Health Services, wages across the St. Cloud Area are noticeably lower than both the Twin Cities and Minnesota. This is true of total wages and within each industry.

The St. Cloud Area is a work force and employment center. The labor force in the St. Cloud Area is skilled and committed. Labor force participation is high and unemployment is low. The St. Cloud Area labor shed is large, drawing employees from most of the neighboring counties. Stearns/Benton counties are net employee draws. Although slightly less educated than the state, the St. Cloud Area is home to four major institutions of higher learning: St. Cloud State University, St. Cloud Technical College, the College of St. Benedict's and St. John's University.

As a result of St. Cloud's status as an employment and economic hub, the area is also a regional hub in a variety of other ways. The St. Cloud Area serves as a regional transportation center, connected to greater Minnesota and the nation via highways, railroads, and airports. A vibrant housing market is also centered around the St. Cloud Area. Housing availability continues to increase. The increased population concentration has increased demand for health care. The CentraCare Health System has responded to this need with the St. Cloud Hospital and clinic system. Further, the St. Cloud Area serves as a regional shopping center, as shown by retail sales data.

Finally, the St. Cloud area has both the land and the infrastructure necessary for industrial and business purposes. There are over a dozen industrial/business parks with availability. All necessary utilities are readily available as well.

In sum, the St. Cloud Area is a bright, vibrant community with everything to offer new businesses and industries. The labor force is well-trained and willing to work. The area provides all the basic services and access businesses need.

Appendix