

*Minnesota*

DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Business and Community Development

# Resource Guide



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Business and Community Development

Business  
Development

## Location and Expansion Assistance

If you're looking to expand an existing business, relocate from another state, or need guidance for a complex startup, expansion or relocation, the Department of Employment and Economic Development (DEED) can help. DEED consultants have the right background, information and connections to other state and local agencies to help turn your plans to reality.

Consultants include:

- DEED business development specialists who are stationed in the Twin Cities metro area and key regions throughout the state. They work closely with companies of all types to help them locate and expand in communities throughout Minnesota.
- Industry specialists focus their expertise on businesses in targeted industries and sectors. In addition to providing business consultation services, industry specialists market Minnesota as a prime location for business startups, expansions and relocations. They provide information on markets, technologies, buildings and sites, transportation and other Minnesota advantages.
- Business Service Specialists can provide help with worker recruitment, identification of training resources, information on employment laws and connection with WorkForce Centers services.

## For More Information

<http://mn.gov/deed/business/help/location-assist/>

## Made in Minnesota Directory

The Made in Minnesota (MIM) Directory of manufacturers is a free online directory of products and supplies manufactured right here in Minnesota. It makes it easy for companies to find — and be found — by home state suppliers. Working with local suppliers can save time, money and promote the local economy.

Manufacturers and other consumers can find components and final goods, from food, breweries, bakeries, shoes and jewelry to fabricated metal components, electronics, pharmaceuticals, machinery and renewable energy products.

Search by product, company name, county, industry, quality certification and renewable energy. Contact information, top products and number of employees are accessible with a few clicks.

MIM is simple for businesses and the public to use.

### Eligibility

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Businesses that have manufacturing operations in Minnesota are eligible to register in the directory. The directory is available to virtually anyone from anywhere who wishes to use it.

### For More Information

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[www.tinyurl.com/MadeinMinnesotaDirectory](http://www.tinyurl.com/MadeinMinnesotaDirectory)

## Small Business Assistance Office

The Small Business Assistance Office provides the in-depth information that is so crucial to business success yet too costly for many business people to obtain on their own.

The office offers individual consultation services along with a comprehensive series of business guidebooks.

Consultants field all kinds of inquiries, ranging from complex tax, regulatory, financial, managerial and business structure to basic questions, such as:

- What form do I need to file?
- Where do I get the form?
- With whom do I file it?

## Eligibility

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In general these services are available to any business with fewer than 500 employees.

## For More Information

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<http://mn.gov/deed/sbao/>

## Small Business Development Centers

The statewide network of Small Business Development Centers (SBDCs) provides the professional expertise and guidance that every small business owner needs to flourish in today's competitive and ever-changing business world.

SBDCs provide:

- One-on-one professional and confidential business consulting at no-cost.
  - ▶ Pre-venture businesses — Entrepreneurship readiness assessments, business planning assistance, buying or selling a business
  - ▶ Startup businesses — Getting started, bookkeeping and accounting help, marketing assistance, website development and using social media, financial analysis
  - ▶ Established businesses — Managing business expansion and growth, improving cash flow, succession planning, international trade, turnaround assistance for struggling businesses
- Assistance in accessing capital. We can help to identify and secure financing from traditional and non-traditional sources.
- Training programs. We provide training programs at a nominal cost on every subject pertinent to owning and operating a business.

### Eligibility

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In general these services are available to any business with fewer than 500 employees.

### For More Information

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[www.mnsbdc.com](http://www.mnsbdc.com)

## Export Counseling and Assistance

Our international trade representatives in the Minnesota Trade Office (MTO) guide companies through the challenges of conducting international business and have answers for their most pressing questions.

The trade representatives provide:

- Basic guidance for companies new to exporting
- Technical, regulatory and logistical information for more experienced companies
- Market intelligence and research
- Help with the art of conducting business across borders and cultures

In addition, the MTO offers educational seminars, workshops and export events.

The Trade Office provides financial and technical assistance to qualifying Minnesota small businesses through the STEP program. Eligible small businesses may apply for reimbursement of up to \$500 for export training that will result in the development of an export strategy or up to \$7,500 for approved export-development activities.

### Eligibility

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The Trade Office provides the training and expertise that small and mid-sized companies need to export goods and services successfully worldwide.

### For More Information

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<http://mn.gov/deed/business/exporting/>

## Shovel-Ready Site Certification

This program certifies that sites have already completed the most time-consuming technical and regulatory aspects of development including: planning, zoning, surveys, title work, environmental studies, soils analysis and public infrastructure engineering, ownership status, general site information, specific tests and assessments, utility services and transportation access completed prior to putting the site up for sale or lease.

Shovel-ready site certification offers communities a competitive edge by taking much of the time, expense, unpredictability and risk out of development, making the sites more attractive to companies and site-selection consultants looking for locations for business startups, expansions or relocations.

### Eligibility

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Communities work with DEED to receive shovel-ready certification for sites.

### For More Information

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<http://mn.gov/deed/government/shovel-ready/>

## Minnesota Business First Stop

Minnesota Business First Stop streamlines the development process for complex business startups, expansions or relocations that involve financing, licensing, permitting and regulatory issues that overlap multiple state agencies.

### *The Right People, the Right Answers, the Right Time*

Our Business First Stop Assistance Team takes the confusion out of starting, expanding or relocating a complex business in Minnesota by helping to coordinate all state agencies that have a role in the development process.

Licensing, permitting and regulatory matters. Financial assistance. Site selection and more. The First Stop Team cuts through the thicket of state agencies, programs and services to find the right answers and the right resources to make your project happen quickly and successfully.

### *First Stop Team Partners*

The Minnesota Business First Stop Team is managed by DEED and includes representatives from the following state agencies:

- Department of Commerce, Division of Energy Resources
- Department of Natural Resources
- Department of Transportation
- Department of Labor and Industry
- Department of Revenue
- Minnesota Pollution Control Agency
- Department of Agriculture
- Iron Range Resources and Rehabilitation Board

### For More Information

<http://mn.gov/deed/business/help/location-assist/>



Business and Community Development

Business  
Financing

## Minnesota Job Creation Fund

This program provides financial incentives to new and expanding businesses that meet certain job creation and capital investment targets.

Companies deemed eligible to participate may receive up to \$1 million for creating or retaining high-paying jobs and for constructing or renovating facilities or making other property improvements. For extremely large projects, companies may be eligible to receive up to \$2 million. Award amounts depend on job creation and investment levels.

### Eligibility

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The program is available to businesses engaged in select industries including manufacturing, warehousing, distribution and technology-related industries, among others. Local government submits an application on behalf of the expanding business.

To be eligible, the business must meet requirements including:

- Invest at least \$500,000 in real property improvements and create at least 10 full-time jobs
- Meet wage and compensation requirements
- Have other location options outside of Minnesota
- Operate in an eligible industry

### For More Information

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<http://mn.gov/deed/business/financing-business/deed-programs/job-creation-fund.jsp>

## Minnesota Investment Fund

This Minnesota Investment Fund provides financing to help add new workers and retain high-quality jobs. The program's focus on industrial, manufacturing and technology-related industries and aims to increase the local and state tax base and improve economic vitality.

### Eligibility

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Funds are awarded to local units of government that provide loans to assist expanding businesses. Cities, counties, townships, selected economic development organizations and recognized Indian tribal governments are eligible.

All projects must meet minimum criteria for private investment, number of jobs created or retained and wages paid.

At least 50 percent of total project costs must be privately financed through owner equity and other lending sources.

### For More Information

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<http://mn.gov/deed/business/financing-business/deed-programs/mn-investment-fund.jsp>

## Minnesota Job Skills Partnership (MJSP)

The MJSP program works with businesses and educational institutions to train or retrain workers, expand work opportunities and keep high-quality jobs in the state. The goal is to target short-term training for full-time employment in the growth sectors of the state's economy.

MJSP offers grants through a variety of programs to offset training-related expenses incurred by business, industry and educational institutions to meet current and future workforce needs.

The main grant option, the Partnership Program, provides training for new workers and existing employees of participating businesses. Other training options include the Pathways Program and the Low-Income Worker Training Program. In addition to its flagship program, MJSP offers assistance to businesses for training low-income individuals.

### Eligibility

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Training projects pair at least one public or private accredited Minnesota educational institution and one business, with the exception of the Low-Income Worker Training Program option. That program provides grants to Minnesota public, private or nonprofit entities that provide employment services to low-income individuals.

Additional eligibility and project requirements apply.

### For More Information

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<http://mn.gov/deed/business/financing-business/mjsp/>

## Border-to-Border Broadband Development Grant Program

This new program will help to promote the expansion of access to broadband service in unserved and underserved areas of the state.

Grants will be awarded for last mile or middle mile broadband infrastructure acquisition and installation. The infrastructure deployed through the project must be scalable to broadband speeds of at least 100 Mbps download and upload. A grant awarded to a single project may not be for more than 50 percent of the project cost and not exceed \$5 million.

### Eligibility

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Eligible applicants include an incorporated business or partnership, a political subdivision, an Indian tribe, a Minnesota nonprofit organized under state law, or a Minnesota limited liability corporation organized under state law for the purpose of expanding broadband access.

### For More Information

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<http://mn.gov/deed/programs-services/broadband/grant-program/index.jsp>

## Angel Loan Fund Program

The Angel Loan Fund (ALF) Program provides an additional funding option for businesses that are certified to participate in Minnesota's Angel Tax Credit Program.

The program provides a direct loan for 10 percent of the total amount of new equity investment that the business raises from one or more investors. Only one loan may be issued to each business. At least one equity investment must be made by an investor that is both certified by the Minnesota Angel Tax Credit Program and qualified as an accredited investor per the U.S. Securities and Exchange Commission. The maximum loan cannot be more than \$250,000; the minimum loan available is \$20,000.

ALF provides loans at zero-percent interest and a seven-year term. Payments are deferred, with a balloon payment in seven years. If the business is sold during the term, the business will submit risk mitigation fee compensation equal to 30 percent of the original loan principal.

## Eligibility

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Businesses certified to participate in the Angel Tax Credit Program during any of the program years with fewer than 500 employees are eligible applicants.

Minnesota's Angel Tax Credit provides a 25 percent credit to investors or investment funds that put money into startup companies focused on high technology or new proprietary technology.

## For More Information

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<http://mn.gov/deed/business/financing-business/deed-programs/ssbci.jsp>

## Capital Access

The Capital Access Program (CAP) encourages banks, credit unions and community development finance institutions operating in Minnesota to make loans that fall just outside the lenders' normal underwriting standards.

The program provides insurance based on a reserve account funded by the borrower, lender and the state. A participating lender may use money in the reserve account to cover some or all of the losses it might experience if an enrolled loan is not fully paid.

The lender and borrower contribute, in equal parts, a combined 3 percent to 7 percent of the loan amount to the reserve fund. DEED matches the combined contribution. The lender may make a loan of up to \$5 million.

Each qualified program lender has the authority to determine interest rates, terms and collateral requirements.

## Eligibility

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Minnesota businesses that have up to 500 employees are eligible. Lenders must be qualified for the program by DEED to participate.

Visit DEED's website for additional eligibility requirements and details.

## For More Information

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<http://mn.gov/deed/business/financing-business/deed-programs/ssbci.jsp>

## Emerging Entrepreneurs

The Emerging Entrepreneurs Fund (EEF) primarily supports microenterprises and small businesses with fewer than 50 employees, focusing on minority- and women-owned businesses and those located in economically distressed areas. The EEF program helps provide loans to eligible businesses through qualified program lenders.

EEF funds may total up to \$150,000 per loan and must be matched by a private source with at least a 1-to-1 match. Participating lenders are encouraged to structure loan proposals so that EEF funds are matched by a private source with a 1-to-5 match.

Each qualified program lender has authority to determine interest rates and collateral requirements within program guidelines.

### Eligibility

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Businesses with fewer than 500 employees are eligible for the program. Lenders must be qualified by DEED to participate.

Visit DEED's website for additional eligibility requirements and details.

### For More Information

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<http://mn.gov/deed/business/financing-business/deed-programs/ssbci.jsp>

## Urban Initiative Loan Program

This program supports the growth of minority-owned and operated businesses to help create jobs in economically distressed areas of the Twin Cities. DEED provides grant funds to a network of nonprofit lenders, which use these funds for loans to startups and expanding businesses.

### Eligibility

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Startup and expansion costs, including normal expenses such as machinery and equipment, inventory and receivables, working capital, new construction, renovation and site acquisition, are eligible for the program. Financing of existing debt is not permitted.

Projects must demonstrate potential to create jobs for low-income people and the potential to succeed. In addition, they must be unable to obtain sufficient capital from traditional private lenders.

Businesses must be located in Minneapolis, St. Paul, Bloomington, Brooklyn Center, Brooklyn Park, Burnsville, Columbia Heights, Coates, Coon Rapids, Fridley, Lauderdale, Lexington, Mendota, Miesville, New Germany, New Brighton, New Hope, Newport, Richfield, Spring Lake Park, South St. Paul or West St. Paul.

### For More Information

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<http://mn.gov/deed/business/financing-business/deed-programs/urban-loan.jsp>

## Indian Business Loan Program

This program supports the development of Indian-owned and operated businesses and promotes economic opportunities for Indian people throughout Minnesota.

Loan proceeds may cover startup and expansion costs, including normal expenses such as machinery and equipment, inventory and receivables, working capital, new construction, renovation and site acquisition.

### Eligibility

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Applicants must be enrolled members of a federally recognized Minnesota-based band or tribe. Businesses must be wholly owned by an enrolled member and can be located anywhere in the state, although the bulk of the loans are made to businesses on a reservation.

Owners must provide a portion of the financing needed to undertake the project. Financing of existing debt is not permitted.

### For More Information

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<http://mn.gov/deed/business/financing-business/deed-programs/indian-business-loan.jsp>

## Minnesota Minerals 21st Century Fund

This program makes loans or equity investments in innovative mineral processing facilities, such as taconite processing, direct reduction processing and steel production.

Loans or equity investments from the fund require matching investments from facility owners. For facilities in the state's taconite tax relief area, the Iron Range Resources and Rehabilitation Board may match the fund's investment.

### Eligibility

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Owners of innovative mineral processing facilities are eligible.

### For More Information

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<http://mn.gov/deed/business/financing-business/deed-programs/minnesota-minerals.jsp>

## Minnesota Reservist and Veteran Business Loan Program

This program provides loans to companies that are affected when certain employees are called to active military duty. It also gives loans to individual veterans who have returned from active duty and want to start their own business.

The program provides one-time, interest-free loans of \$5,000 to \$20,000.

### Eligibility

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Business loans are for existing small businesses that have an essential employee called to active service in the military reserves for 180 days or longer on or after September 11, 2001. The business must be injured substantially due to the employee's absence.

Startup loans are for veterans who were on active duty on or after September 11, 2001, seeking financial assistance to start their own businesses.

### For More Information

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<http://mn.gov/deed/business/financing-business/deed-programs/mn-reservists.jsp>

## Small Business Development Loan Program

This program provides loans for manufacturing, agricultural-related and other high-tech business expansions that result in the creation of new jobs.

Small business loans up to \$5 million are made by the Minnesota Agricultural and Economic Development Board sometimes through the issuance of industrial development bonds.

### Eligibility

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Small businesses seeking to expand in Minnesota that will create additional jobs are eligible.

### For More Information

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<http://mn.gov/deed/business/financing-business/deed-programs/small-biz-loans.jsp>

## Tourism Business Septic Tank Replacement

This program makes low-interest financing available to existing tourism-related businesses that provide overnight lodging and need to replace a failed septic system.

Loans in cooperation with financial institutions can be made for up to 50 percent of the total cost of the project.

### Eligibility

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Corporations, sole proprietorships or partnerships engaged in an existing tourism-related business that provide overnight lodging are eligible, including: resorts, bed and breakfast inns, hotels, motels, ski lodges, campgrounds and recreational vehicle trailer parks

Projects that replace an existing septic system that has failed are eligible. However, project costs incurred more than 30 days before submission of a completed application are ineligible. Applications are not considered complete until DEED has approved the loan.

### For More Information

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<http://mn.gov/deed/business/financing-business/deed-programs/septic-tank-replacements.jsp>



Business and Community Development

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# Tax Credits and Benefits

## Angel Tax Credit

This program provides tax incentives to investors or funds that invest in startup businesses that are primarily focused on high technology or new proprietary technology.

Key features of the refundable Angel Tax Credit include:

- A 25 percent tax credit for investments in small, emerging businesses
- A maximum credit of \$125,000 per person per year (\$250,000 if married filing jointly)
- Portion of credits reserved for investments in women-owned and minority-owned businesses and firms located outside the Twin Cities metro area.

## Eligibility

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Four types of businesses qualify for angel investments:

- Those using proprietary technology to add value to a product, process or service in a qualified high-technology field
- Those researching or developing a proprietary product, process or service in a qualified high-technology field
- Those researching, developing or producing a new proprietary technology for use in agriculture, tourism, forestry, mining, manufacturing or transportation
- Those researching or developing a proprietary product, process or service for use in agriculture, tourism, forestry, mining, manufacturing or transportation

Additional requirements apply.

## For More Information

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<http://mn.gov/deed/angelcredit>

## Data Centers

Minnesota does not tax personal property, intangible property, inventories, utilities, Internet access, information services or custom-created software. These exemptions, with incentives and low tax liability on new investments, make Minnesota an attractive location for data centers. Unlike many states, these incentives result not only in front-end savings but long-term operational savings for the facility.

### Eligibility

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Companies that build new or refurbish existing data or network operation centers of at least 25,000 square feet and invest at least \$30 million in the first four years qualify for the tax break.

Qualifying projects receive sales tax exemptions for 20 years on computers and servers, cooling and energy equipment, energy use, software, and pay no personal property tax — ever.

### For More Information

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<http://mn.gov/deed/business/locating-minnesota/industries-sectors/data-centers/employment.jsp>

## Greater Minnesota Job Expansion Program

This tax refund program provides sales tax rebates to existing businesses located in Greater Minnesota that are approved by DEED and meet job creation, wage levels and other eligibility requirements.

### Eligibility

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Businesses must meet program requirements including:

- Have operated for at least one year in Greater Minnesota
- Meet wage and compensation requirements
- Will add at least two employees or 10 percent of current staff, whichever is greater, within three years
- Meet industry eligibility including not being engaged in retail, gambling, entertainment, among many other industries

### For More information

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<http://mn.gov/deed/business/financing-business/tax-credits/greater-mn-job-expansion/>

## Border Cities Enterprise Zone Program

This program provides business tax credits to qualifying businesses that are the source of investment and job creation or retention in the cities of Breckenridge, Dilworth, East Grand Forks, Moorhead and Ortonville. Tax benefits include property tax credits, debt financing credit on new construction, sales tax credit on construction equipment and materials, and new or existing employee credits.

### Eligibility

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Businesses locating or existing in those cities are eligible, unless they are:

- Recreation or entertainment facilities
- Owned by a fraternal or veteran's organization
- Owned by a public utility
- Used in operation of a financial institution
- Owned by a retail food or beverage service business operating under a franchise agreement requiring the business to be located in the state

### For More Information

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<http://mn.gov/deed/business/financing-business/tax-credits/border-cities/index.jsp>

## SEED Capital Investment Credit Program

This program provides tax incentives for investing in innovative businesses in the Minnesota border cities of Breckenridge, Dilworth, East Grand Forks, Moorhead and Ortonville.

Investors may receive a 45 percent tax credit on their investment, up to \$112,500 per year. The credit is non-refundable and may be carried forward up to four years.

### Eligibility

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To be eligible, a company must be located in one of the border cities and

- Add value to a product, process or service
- Increase revenue to a Minnesota business through sales to customers outside Minnesota or through sales to new customers who previously could not purchase the product or service from a Minnesota business
- Have Minnesota residents as a majority of its employees at its principal office
- Rely on innovation, research or the development of new products and processes for its growth and profitability
- Use the investment for plant, equipment, research and development, marketing and sales activity, or working capital

### For More Information

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<http://mn.gov/deed/business/financing-business/tax-credits/seed-capital/>

## Job Opportunity Building Zone (JOBZ)

JOBZ provides local and state tax exemptions to qualified companies that start up or expand in targeted areas of Greater Minnesota.

Each JOBZ zone includes acres for primarily manufacturing, value-added or high-paying service businesses. This program sunsets in 2015.

### Eligibility

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Businesses that start up or expand in a zone or relocate from other states or from elsewhere in Minnesota are eligible for the incentives if they meet certain job and wage goals.

Businesses also must pay each employee (including benefits not mandated by law) specified wage levels and meet other eligibility requirements.

### For More Information

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<http://mn.gov/deed/business/financing-business/tax-credits/jobz/>

### Single Sales Factor Apportionment

Apportionment formulas determine how much of a business's income is taxable in a state. Many states apportion corporate income using the in-state proportions of the corporation's sales, payroll and property to determine corporate franchise tax. Minnesota uses only sales in-state to apportion corporate income.

Single sales apportionment is beneficial to Minnesota businesses whose Minnesota sales factor is lower than the average of their Minnesota property and payroll factors.

All other things being equal, increasing non-Minnesota sales will reduce the amount of Minnesota taxable income, since more income will be attributed to or apportioned outside of Minnesota.

### Throwback

Over half of the states with corporate taxes also use "throwback rules" in defining the sales factor. Throwback rules treat sales to out-of-state buyers as in-state sales, if the buyer's state cannot tax the business/seller or if the purchaser is a federal government agency. These "thrown-back" sales increase in-state sales factor and corporate tax, decreasing the benefits to the taxpayer of single sales apportionment. Minnesota does not have a throwback rule.

## Research and Development Tax Credit

If your business paid certain research and development (R&D) expenses in Minnesota, you may qualify for the Credit for Increasing Research Activities.

The R&D credit is equal to 10 percent of qualifying expenses up to \$2 million, and 2.5 percent for expenses above that level. Qualifying expenses are the same as for the federal R&D credit — defined in Section 41 of the Internal Revenue Code — but must be for research done in Minnesota.

Examples include R&D-related wages, supplies and research contracted outside your business. Contributions to qualified nonprofit organizations that make grants to early-stage technology businesses in Minnesota also may qualify.

C corporations, partnerships and S corporations are eligible to claim the credit.

### For More Information

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Contact the Minnesota Department of Revenue at 651.556.3075 or email:

[businessincome.tax@state.mn.us](mailto:businessincome.tax@state.mn.us).

## Tax Increment Financing

Cities, counties and development authorities often use Tax Increment Financing (TIF) to help finance project costs. TIF is used to encourage private development and to pay for public improvements, such as streets, sidewalks, sewer and water, and similar public infrastructure improvements that are related to the development.

## Tax Abatement

Local governments may use property tax abatement to help finance certain economically beneficial projects. Property taxes are forgiven for a period of time. Or the taxes are captured for a period of time and an up-front payment is made to help with project costs.

## Personal Property Exemption

In Minnesota, only real property such as land and buildings, is taxable. Personal property is exempt from the property tax. Anything that is not real property is personal property. The main characteristic of personal property is that it is movable without causing damage to itself or the real estate.

## Capital Equipment Exemption

Beginning July 1, 2015, businesses that buy or lease qualifying capital equipment (machinery and equipment used in manufacturing) for use in Minnesota are eligible for an up-front exemption from Minnesota state and local sales or use. Until then, businesses must continue to pay sales tax and then request a refund from the Minnesota Department of Revenue.

### For More Information

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<http://www.revenue.state.mn.us/businesses/Pages/Tax-Types.aspx>





Business and Community Development

Community  
Financing

## Greater Minnesota Business Development Infrastructure Grant Program

This program helps stimulate new economic development, create new jobs and retain existing jobs through investments in public infrastructure.

It provides grants to cities of up to 50 percent of the capital costs of the public infrastructure necessary to expand or retain jobs in the area, increase the tax base, or expand or create new economic development.

### Eligibility

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Eligible applicants are statutory or home rule cities outside of the Twin Cities seven-county metropolitan area.

Eligible projects include publicly-owned infrastructure that supports economic development projects, including wastewater collection and treatment, drinking water, storm sewers, utility extensions and streets.

Economic development projects include manufacturing, technology, warehousing and distribution, research and development, agricultural processing and industrial park development.

Retail developments and office space developments are not eligible.

### For More Information

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<http://mn.gov/deed/government/financial-assistance/business-funding/infrastructure-grants.jsp>

## Innovative Business Development Public Infrastructure Program

This program focuses on job creation and retention through the growth of new innovative businesses and organizations.

The program provides grants to local governmental units on a competitive basis statewide for up to 50 percent of the capital cost of the public infrastructure necessary to expand or retain jobs.

### Eligibility

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Local governmental units (cities, counties, townships, special districts, or other political subdivisions or public corporations) are eligible to apply for a grant.

Cities must provide a 50 percent match of the project capital costs.

Projects must involve publicly-owned infrastructure related to a development project, or research park development that would be used by an innovative business.

Funds from this program can also be used for land acquisition and preparation, telecommunications, bridges, parking ramps, demolition, hazard remediation, pre-design, construction, equipment and furnishings.

### For More Information

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<http://mn.gov/deed/government/financial-assistance/business-funding/innovative.jsp>

## Transportation Economic Development Program (TED)

TED is a competitive grant program available to communities for highway improvement and public infrastructure projects that create jobs and support economic development.

TED may provide up to 70 percent of the costs for trunk highway interchanges and other improvements or the state's share as determined by MnDOT's cost participation policy, whichever is less. Costs for trunk highway interchanges and other improvements are defined as the accepted bid of the construction cost of the project.

TED is a collaboration between DEED and MnDOT.

### Eligibility

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Eligible applicants must be governmental entities as defined by state law. Although private entities are not eligible, they may enter into agreements with eligible borrowers to request funding for eligible public transportation projects.

Projects must support the manufacturing, technology, warehousing and distribution, research and development, agricultural processing, bioscience, or tourism and recreation industry. Projects that support industrial park development or mixed-use or high-density multimodal development are also eligible.

Matching funds from the applicant may come from other federal, state, local and private funding sources.

### For More Information

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<http://mn.gov/deed/ted>

## Contamination Cleanup and Investigation Grant Program

This program helps communities pay for assessing and cleaning up contaminated sites for redevelopment.

The program assists development authorities in contamination investigations, cleanup of contamination and the development of Response Action Plans (RAPs). Grants are awarded to those sites where there is planned redevelopment.

Contamination Cleanup grants pay for up to 75 percent of the costs of cleaning up contaminants (defined under state law) or petroleum contamination not eligible for reimbursement under Minnesota's Petrofund.

### Eligibility

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Cities, port authorities, housing and redevelopment authorities, economic development authorities or counties are eligible. Both publicly- and privately-owned sites with known or suspected soil or groundwater contamination qualify.

Applications are ranked on several criteria. They include the tax base increase resulting from the site cleanup and development and the number of jobs created as a result.

Applicants must make a 25 percent local match. If they are located in the Twin Cities, they must also participate in the Met Council's Local Housing Incentives programs.

### For More Information

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<http://mn.gov/deed/government/financial-assistance/cleanup/contamination.jsp>

## Cleanup Revolving Loan Program

This program provides low-interest loans through the U.S. Environmental Protection Agency to clean up contaminated sites that can be returned to marketable use.

Loans may pay for contamination cleanup, related site sampling and monitoring, and costs associated with meeting requirements for public participation in project review. Under certain conditions, loans may also be used to demolish buildings.

### Eligibility

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Cities, counties, developers, economic development authorities, housing redevelopment authorities, port authorities, and for-profit and non-profit organizations are eligible.

To qualify for financing:

- Applicants must own or demonstrate legal control of the site to be developed.
- The site must be enrolled in the appropriate Minnesota Pollution Control Agency Voluntary Cleanup Program.
- The site must have a pre-approved Response Action Plan for cleanup of contamination defined by state law.
- The applicant cannot have caused or worsened the contamination.

### For More Information

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<http://mn.gov/deed/government/financial-assistance/cleanup/cleanuprevolvingloanprogram.jsp>

## Demolition Loan Program

This program helps development authorities with the costs of demolishing blighted buildings on sites that have development potential but where no immediate development plans exist.

The following terms apply:

- Loans will be low-interest (2 percent).
- Loans will be interest-free for first two years.
- Principal and interest payments will start in year three.
- Loan terms cannot exceed 15 years.

If the site is developed, the remaining principal and interest (up to 50 percent of the loan) could be forgiven based on development benefits.

## Eligibility

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Eligible applicants are development authorities, including cities, counties, port authorities, housing and redevelopment authorities, and economic development authorities.

Demolition activities, including interior remediation such as asbestos abatement, are eligible. Loans would pay up to 100 percent of demolition costs for a qualifying site. The loans may also assist with site acquisition costs.

Property and buildings must be publicly owned.

## For More Information

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<http://mn.gov/deed/government/financial-assistance/cleanup/demolition.jsp>

## Redevelopment Grant Program

This program helps communities with the costs of redeveloping blighted industrial, residential or commercial sites and putting land back into productive use.

Grants pay up to half of redevelopment costs for a qualifying site, with a 50 percent local match. For additional qualifications, see DEED's website.

### Eligibility

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Eligible applicants are cities, counties, port authorities, housing and redevelopment authorities, and economic development authorities.

Grants can pay for:

- Land acquisition
- Demolition
- Infrastructure improvements
- Soil stabilization when infill is required
- Ponding or other environmental infrastructure and adaptive reuse of buildings, including remedial activities at sites where later redevelopment will occur

### For More Information

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<http://mn.gov/deed/government/financial-assistance/cleanup/redevelopmentgrantprogram.jsp>

## Small Cities Development Program

This program provides financial assistance to communities by supporting local economic development including housing, public infrastructure and commercial rehabilitation projects.

The maximum grant award for a Single Purpose project is \$600,000. The maximum grant award for a Comprehensive project is \$1.4 million. The timeline to complete projects is normally 30 months, depending on project size and scope.

DEED receives funding for the program from the U.S. Department of Housing and Urban Development.

There are three categories of funds under the program: housing grants, public facility grants and comprehensive grants, which frequently include housing and public facility activities.

### Eligibility

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Cities with fewer than 50,000 residents and counties with fewer than 200,000 residents are eligible. Indian tribal governments and entitlement communities that receive funds directly from HUD are ineligible.

Proposed projects must meet one of three federal objectives:

- Benefit people of low and moderate incomes
- Eliminate slum and blight conditions
- Eliminate an urgent threat to public health or safety

In addition, need, impact and cost effectiveness must be documented and the general public must be involved in the application process.

### For More Information

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<http://mn.gov/deed/government/financial-assistance/community-funding/>





Business and Community Development

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# Additional Resources

### **Minnesota Marketing Partnership**

This public-private partnership works together to develop a broad-based marketing initiative to promote Minnesota and its business economy at local, regional and national venues. Your input helps influence and shape Minnesota's economic development marketing strategy.

As a Minnesota Marketing Partnership partner, you can leverage your marketing dollars and help increase Minnesota's visibility to site selectors and corporate real estate managers statewide, regionally and nationally.

You also increase the visibility of your community, organization or region by participating as a sponsor in the various events and activities offered throughout the year.

#### ***Join the Minnesota Marketing Partnership***

The Minnesota Marketing Partnership is an annual membership effective Jan. 1 to Dec. 31 of each calendar year. Complete the application available on the website and include a payment for \$600. Make checks payable to DEED.

#### **For More Information**

<http://mn.gov/deed/business/help/mn-marketing/>

### SciTechsperience Internship Program

SciTechsperience is a paid internship program that connects college students in science, technology, engineering and math (STEM) disciplines with rewarding hands-on opportunities at small to mid-sized Minnesota companies that need their skills. The focus is on strengthening Minnesota's STEM industries and developing an experienced and well-trained workforce. Businesses receive a dollar-for-dollar cash match up to 50 percent of the intern's wages (\$2,500 maximum), providing a low-cost option for small and medium-sized companies that otherwise would not have access to qualified interns.

#### Eligibility

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Eligible students must be a Minnesota resident or attend college in Minnesota. They must be 18 years of age or older and be in good academic standing. Registration as a second-year tech or community college student or as a junior or senior at a four-year institution is required.

Eligible companies must be for-profit businesses with a physical presence in Minnesota, operating in qualifying industries. They must offer an internship that provides hands-on industry experience, focusing on STEM.

Other eligibility requirements and opportunities apply and are available on the SciTechsperience website.

#### For More Information

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<http://scitechmn.org/>

### Greater Minnesota Internship Tax Credit Program

Employers may claim a refund credit of up to \$2,000 for each internship provided to an eligible student in Greater Minnesota. The credit is available for tax years beginning in 2014 or later.

#### Eligibility

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Students must attend a participating college or university, have completed 50 percent of the credits required to complete their program, and be employed as an intern in Greater Minnesota.

Employer participation and cooperation in the administration of this program is critical. Employers must enter into an agreement with a participating college to employ an eligible student intern. Employers who are eligible to apply for the tax credit must meet certain other requirements and certify student interns will work under certain conditions and fulfill requirements.

Visit the Minnesota Office of Higher Education website for a more complete list of requirements and conditions for students and colleges, including eligibility.

#### For More Information

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<http://www.ohe.state.mn.us/mPg.cfm?pagelD=2099>

### Job Training Incentive Pilot

This Minnesota Job Skills Partnership (MJSP) pilot program provides grants of up to \$50,000 to new or expanding businesses for the purpose of training new workers as quickly and efficiently as possible. The program is available to businesses that have fewer than 150 full-time employees and are increasing their Minnesota workforce by at least 10 percent, with a minimum of five new jobs.

The business must be able to demonstrate that its training needs cannot be met through a regular MJSP grant and all funds awarded must be matched up to 1:1, depending on the size of the business. Priority will be given to businesses in the manufacturing, skilled production and information technology industries and to those businesses located in Greater Minnesota

Eligible businesses must have no more than 150 employees and be expanding its full-time workforce by at least 10 percent, with a minimum of five new jobs that pay workers at least \$12.45 in 2014 and \$12.61 in 2015. The business should be engaged in manufacturing, warehouse, distributions, information technology, finance, insurance, or professional or technical services activities. Businesses in the retail, health clinics, lobbying, gambling, sports facilities and hospitality services industries are not eligible.

Additional eligibility and project requirements apply.

### For More Information

<http://mn.gov/deed/business/financing-business/mjsp/training-grants/index.jsp>

### **Innovation Voucher Pilot Program**

DEED is developing an innovation voucher pilot program for businesses with fewer than 40 employees. The program provides financing to purchase technical assistance and services from public higher education institutions and nonprofit entities. The goal of the program is to assist in the development or commercialization of innovative new products or services.

Funds available under this section may be used by a small business to access technical assistance and other services such as research, technical development, product development, commercialization, technology exploration and improved business practices. Up to \$25,000 is available per business. Vouchers require a 50 percent match by recipients.

### **For More Information**

<http://www.mn.gov/deed/business/financing-business/deed-programs/innovation-voucher.jsp>

### State Agency Assistance

The **Minnesota Department of Agriculture** provides funding and information for a variety of food production businesses, including farming, farm machinery, seed supply, food processing, sales and marketing.

<http://www.mda.state.mn.us/grants.aspx>

DOA's **Rural Finance Authority** offers low-interest loan programs to farmers for a variety of business activities.

<http://www.mda.state.mn.us/agfinance>

The **Minnesota Department of Commerce** provides information on funding options for consumers and business, including low-income programs, grants, loans and rebates.

<http://mn.gov/commerce/energy/topics/financial/>

The **Minnesota Pollution Control Agency** has various opportunities available for receiving grants and other financial assistance for environmental projects in Minnesota.

<http://www.pca.state.mn.us/index.php/about-mpca/assistance/financial-assistance/financial-assistance-grants-and-loans.html#small-business>

The **Minnesota Public Facilities Authority** provides municipal financing programs and expertise to help communities build public infrastructure that preserves the environment, protects public health and promotes economic growth.

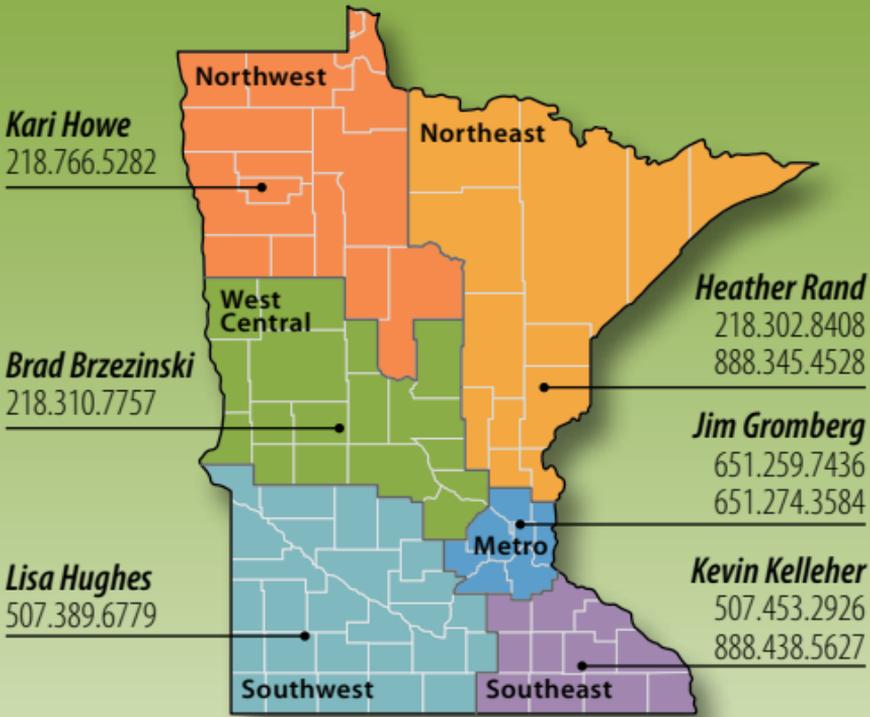
<http://mn.gov/deed/government/public-facilities/>





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## REGIONAL REPRESENTATIVES



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