



# smartbook

FALL 2021

INCENTIVES, WORKFORCE  
PROGRAMS & FINANCING



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# 2021 INCENTIVES, WORKFORCE PROGRAMS & FINANCING

Most of North Dakota’s economic development tools and incentives are targeted toward primary-sector businesses. Legislation for several of these incentives specifies that a business must be certified as a primary-sector business by the Economic Development & Finance Division of the N.D. Department of Commerce. Certification does not guarantee receipt of any incentive, but being certified as a primary-sector business can be an important first step in the process.

Primary-sector business means an individual, corporation, limited liability company, partnership, or association which through the employment of knowledge or labor adds value to a product, process, or service that results in the creation of new wealth. Primary-sector businesses typically include manufacturing, value-added ag/food processing, and technology-based services where a vast majority of revenue is generated from clients outside of North Dakota. The term may include some back office, corporate headquarters and tourism but does not include production agriculture.

Eligibility requirements for Minnesota’s economic development tools and incentives will vary by program. A wide variety of businesses may qualify. Some state incentives are often tied to wage and job creation goals. Eligibility may be determined through the Minnesota Department of Employment and Economic Development (DEED) or the local governing municipality.

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*Please contact the Greater Fargo Moorhead EDC for assistance with any incentives or programs. Our organization is happy to provide you with additional information or to act as the pass-through entity when applicable.*

## CASS COUNTY & NORTH DAKOTA TAX INCENTIVES

### › CORPORATE INCOME TAX EXEMPTION

Newly established primary-sector businesses, or expansions of existing primary-sector businesses, are eligible for a five-year exemption from North Dakota state corporate income taxes. For business expansion, the exemption applies to the increase in corporate income attributable to the expansion project and related to North Dakota revenues.

### › PROPERTY TAX EXEMPTION

A qualifying project may receive a complete or partial exemption from ad valorem taxation for up to ten years on new or existing buildings or structures used in the qualifying project. Land is not exempted. Buildings in a Tax Increment Financing district are not eligible for the property tax exemption. As a new business to our community, you may be eligible for a 5 year 100% property tax exemption, or if leasing, exemption benefits could be reflected in your lease rates with the building owner.

### › SALES & USE TAX EXEMPTION

North Dakota provides sales tax exemptions for equipment and materials used in manufacturing and other targeted industries. A new or expanding plant may be exempt from sales and use tax on purchases of machinery or equipment used for manufacturing, ag commodity processing or recycling.

Other exemptions more narrow in scope are also available including the construction of ag processing or energy generating facilities as well as coal mine and biodiesel fuel equipment.

### › 21ST CENTURY MANUFACTURING WORKFORCE INCENTIVE

(AUTOMATION TAX CREDIT) - 20% tax credit on equipment and technology used to automate a manufacturing process. To qualify, the machinery and equipment must upgrade or advance a manufacturing process in this state, which leads to a 5% increase in average wages, workforce safety or output. There is a \$1 million cap per calendar year and the credit will sunset in 2022. If more than \$1M is claimed in aggregate, the actual amount each taxpayer will receive will be a pro rata share of the 20% based on the total claims.

### › RESEARCH EXPENSE INCOME TAX CREDIT (R&D TAX CREDIT)

Income tax credit for conducting research in North Dakota. The credit is equal to a percentage of the excess of qualified research expenses in North Dakota over the base amount in North Dakota. "Qualified research expenses" and "base amount" have the same meaning as defined under federal income tax law (I.R.C. § 41). The applicable percentage is 25% for the first \$100,000 of excess expenses in a tax year. The applicable percentage for excess expenses over \$100,000 in a year is 8%.

### › INTERNSHIP EMPLOYMENT TAX CREDIT

An individual, estate, trust, partnership, corporation, or limited liability company is allowed an income tax credit for employing an individual under an internship program located in North Dakota. The credit is equal to 10% of the compensation paid to the intern. This credit is allowed for up to five interns employed at the same time. An employer is allowed no more than \$3,000 of credits for all tax years



### › ANGEL INVESTOR INVESTMENT CREDIT

An income tax credit is available to individuals who set up a North Dakota angel fund for the purpose of pooling their monies to make qualified investments in qualified businesses. For purposes of this credit, a qualifying individual is referred to as an angel investor. To participate in this credit program, both the angel fund and qualified business must be certified by the Department of Commerce Division of Economic Development and Finance. The credit is equal to the angel investor's contribution to the total amount invested by the angel fund multiplied by the applicable credit rate. The applicable credit rate is 35% for an in-state qualified business and 25% for an out-of-state qualified business. The maximum credit allowed to an angel investor for all qualified investments made in a tax year is \$45,000. An unused credit may be carried forward up to 5 tax years.

### › SEED CAPITAL TAX CREDIT

An individual, estate, trust, partnership, corporation or limited liability company is allowed an income tax credit for investing in a seed capital qualified primary-sector business. The credit is equal to 45% of an investment with no more than \$112,500 allowed in any taxable year. The unused credit may be carried forward up to four years.

Only the first \$500,000 of eligible investments in a certified business is eligible for the tax credit. The total amount of tax credits allowed for investments made in all certified businesses in any calendar year is limited to \$3.5 million.





## CASS COUNTY & NORTH DAKOTA WORKFORCE PROGRAMS

### › OPERATION INTERN

Operation Intern is a grant program, designed to expand the number of internships, work experience and apprenticeship positions with North Dakota employers. The focus of the program is the creation of new internships and apprenticeships within the state's targeted industries and in-demand occupations. Priority will be given to new startups, companies who have never participated in the program, and new internship or apprenticeship positions. Employers can access up to \$4,000 of matching funds for each student, with a maximum of 5 interns per year. Total maximum award per intern is \$8,000.

The maximum amount of Operation Intern funds an employer can receive is \$20,000 per funding round or \$40,000 per biennium. Employers will be limited to a maximum of 5 interns each funding round. This biennium will have two funding rounds. The next funding round will be from May 1, 2022-April 30, 2023.

Applications will be accepted starting on Feb. 1, 2022.

### › CAREER BUILDERS SCHOLARSHIP AND STUDENT LOAN REPAYMENT

This program is a tool for business to recruit and retain talent in high-need and emerging occupations in the state. This unique partnership provides \$1 of state funds for each \$1 of private-sector matching funds, up to a total of \$17,000 per recipient! The high-need and emerging occupations list is reviewed annually to determine qualifying positions. Individuals can receive a scholarship on the front end, loan repayment on the back-end, or both, for their commitment to the state to fill one of the high-need occupations.

### › STEM OCCUPATIONS LOAN FORGIVENESS PROGRAM

Graduates who successfully completed a board-approved STEM related program at an approved college and who earned a cumulative GPA of 2.5 or higher are eligible for \$6,000 in student loan forgiveness. Qualifying applicants must have a gross annual income level of \$60,000 or less. Recipients must have been employed full-time in a board-approved STEM occupation for 12 months in North Dakota following graduation. The number of loan forgiveness applications approved each year is contingent upon legislative appropriations. Not all qualified applicants are assured funding. <https://ndus.edu/paying-for-college/stem-loan-forgiveness/>

### › NORTH DAKOTA NEW JOBS TRAINING PROGRAM

Program offers incentives to primary sector businesses that are creating new Full Time employment opportunities through business expansion, creation and/or relocation to the state. Funding is provided to help offset the cost of training new employees.

Under the North Dakota New Jobs Training Program, your business may be able to obtain funds in the form of a reimbursement grant through the GFMEDC as the grantor. State income tax withholding from the new positions created are matched for up to ten years or until the maximum reimbursement is reached, whichever comes first.

A North Dakota New Jobs Training Preliminary Agreement establishes the effective date for a project and must be signed and in place prior to the start date of any new employee. To qualify, the business must agree that all the new jobs created will be paying a minimum of \$10 per hour plus benefits within the first 12 months of employment.



➤ **GROWTH INITIATIVE FUND (GIF)**

The Growth Initiative Fund (GIF) is a revolving loan fund managed and administered by the GFMEDC. While the primary function has been serving as the community portion of the Bank of North Dakota's PACE & Flex PACE program, a portion of the GIF's funds are available to assist rapidly growing companies and startup companies targeted as emerging sectors by the GFMEDC. Projects will be considered on a case-by-case basis.

➤ **INNOVATE ND**

Provides entrepreneurs access to venture tools, resources and mentorship. Some of the benefits include assistance with the Business Model Canvas; business planning tools; prototype development; access to the statewide entrepreneurial ecosystem. Applicants apply online and work with a certified entrepreneurial center if accepted. Participants have access to up to \$40,000 of expense reimbursements and grants through the four phases of the program.

➤ **AG PRODUCTS UTILIZATION (APUC)**

Creates new wealth and employment opportunities through the development of new and expanded uses of North Dakota's agricultural products through a grant program. There is no set limit on the grant size but total available funds are limited. Grantee must provide a 25% match.

- A maximum of 15 qualifying applicants present funding proposals on a quarterly basis for the following grant categories:
  - Basic and Applied Research
  - Marketing and Utilization
  - Farm Diversification
  - Technical Assistance
  - Nature Based Agri-Tourism
  - Prototype Development & Technology

➤ **NORTH DAKOTA OPPORTUNITY FUND**

The North Dakota Opportunity fund is a loan participation program developed out of the State Small Business Credit Initiative, which was created by the Small Business Jobs Act of 2010. The program offers rates ranging from 4% to market rate. Eligible uses include construction, equipment, term working capital, real estate, and interim SBA 504 loans. Loan proceeds will not exceed \$1 million and must not exceed more than 50% of the proposed project costs. This fund is typically used as a gap financing tool to lower the borrower equity portion and/or the lead lender's total loan exposure. The program is administered by Lewis & Clark Development Group.

➤ **COMMUNITY DEVELOPMENT LOAN FUND (CDLF)**

These funds are awarded to communities for real property, site improvements and infrastructure, and can fund working capital. They are designed to assist primary sector and retail sector businesses looking to establish or expand in communities which can be debt or equity. This program can be structured a number of ways, which could include low interest and no interest loans, forgivable loans and grants. CDLF provides flexible financing options for new and existing businesses in the region with the exception of businesses located within the city of Fargo. A city or county must apply for this program on behalf of a for-profit business. The CDBG requires that projects must create or retain jobs in order to receive funding, which is based on a maximum of \$35,000 per job. The total maximum loan amount is \$500,000. Borrowers must provide a ten percent equity contribution. Loan funds are typically subordinated to bank financing since CDLF funding is limited to 50 percent of the total project costs.

➤ **INNOVATION TECHNOLOGY LOAN FUND (LIFT)**

LIFT is a 0% interest loan fund (for 3 years) established for the purpose of providing financing for commercialization of intellectual property within the State of ND. LIFT is administered by the North Dakota Department of Commerce in conjunction with the Bank of North Dakota to fund applied research, experimentation, or operational testing within several target diversification sectors in North Dakota.

- Advanced computing and data management
- Agriculture technology
- Autonomous and unmanned vehicles and related technologies
- Energy
- Health care
- Value-added agriculture
- Value-added energy
- Any industry or area specifically identified by the committee as an industry that will contribute to the diversification of the state's economy.

**LOAN TERMS:**

YEARS	INTEREST RATE
1-3	0%
4-5	2%
Subsequent years	Standard BND rate

Applicants meeting these criteria are encouraged to apply. Applications will be reviewed by the Department of Commerce to ensure they meet the criteria outlined in the legislation, and then turned over to the Committee for approval or rejection on a monthly basis.

If approved, the applicant will work with the Bank of North Dakota to structure and establish the loan and access the funds.

➤ **BIOSCIENCE INNOVATION GRANT PROGRAM (BIG)**

The purpose of the BIG program is to foster the growth of the bioscience industry in the state. Applicants applying should focus on one or more of the following areas:

- Supporting biotechnology innovation and commercialization in areas including:
  - Crop genetics;
  - Biofuels;
  - Biomaterials;
  - Biosensors and biotechnology in relation to food, nutrition, animals, humans, equipment, medical and health products and services;
  - Medical diagnostics;
  - Medical therapeutics; and
  - Farm-based pharmaceuticals;
- Promoting the creation of bioscience jobs in the state to be filled by graduates from institutions under the control of the state board of higher education;
- Encouraging the development of new bioscience technologies and bioscience startup companies in the state;
- Leveraging the agriculture industry in the state to support the development of bioscience technologies impacting livestock operations and crop production;
- Promoting bioscience research and development at institutions under the control of the state board of higher education;
- Encouraging coordination and collaboration among other entities and programs in the state to promote bioscience innovation goals.

Applicants must have a minimum of fifty percent match of the grant funds received.

➤ **AGRICULTURE DIVERSIFICATION AND DEVELOPMENT FUND (ADD)**

\$10 million fund that provides loans, interest rate buydowns, or grants to support new or expanding value -added agriculture businesses that demonstrate financial feasibility, enhance profitability for farmers and ranchers, create jobs, and grow the state's economy. Value added agriculture businesses include food production or processing facilities; feed or pet food processing facilities; commodity processing facilities; agriculture product manufacturers; and animal agriculture production facilities, including swine, poultry, dairy, and feed lot production facilities.

➤ **NORTH DAKOTA GROWTH FUND**

The North Dakota Growth Fund ("NDGF") is a \$100 million multi-stage investment fund that will seek to invest in North Dakota businesses and entrepreneurs. NDGF was created to further advance innovation and private markets investments in North Dakota by seeking investments that provide strong risk-adjusted returns and support the growing entrepreneurial ecosystem in the State. NDGF will do this by making targeted investments with venture capital, private credit (including venture debt), private equity, growth equity, infrastructure and real assets opportunities with a nexus to the State of North Dakota.



➤ **RENEWABLE ENERGY PROGRAM**

The Program's responsibilities include providing financial assistance as appropriate to foster the development of renewable energy and related industrial use technologies including, but not limited to, wind, biofuels, advanced biofuels, biomass, biomaterials, solar, hydroelectric, geothermal, and renewable hydrogen through research, development, demonstration and commercialization. In addition the Program shall promote research and utilization of renewable energy co-product utilization for livestock feed, human food products and industrial use technologies.

In 2007 the Renewable Energy Fund was established by the Legislature. In 2013 the Legislature authorized \$3,000,000 of funding be made available each biennium to the Renewable Energy Fund from the Resources Trust Fund. Grant round deadline dates will be February 1 and August 1 of each year.

➤ **WEST FARGO ENTERPRISE GRANT (WEST FARGO ONLY)**

The City of West Fargo targeted development program provides the use of public funds to leverage private investment for interior and exterior improvements to commercial properties located within the city. The program applies to all commercial property that is located within the targeted redevelopment area downtown. Interested parties may apply for a grant not to exceed \$75,000. To qualify for the entire \$75,000 the applicant must have at least \$150,000.00 of qualifying expenses that are approved by the West Fargo Economic Development Advisory Committee (EDAC) and City Commission. Projects will be considered on a prorated basis, the grant is eligible for up to 50% of the qualified expenses.

➤ **NORTH DAKOTA DEVELOPMENT FUND**

The fund provides "flexible financing" through loans and equity investments not available from most conventional lenders and is available to primary sector business. The fund is a source of financing whose funds can be subordinated to a company's lead lender. If a business can't handle added debt, the Development Fund can take an equity financing position. The fund invests up to \$3,000,000 per borrower, based on the project and job requirements. Examples of eligible funding uses include purchasing real estate or equipment, providing working capital or purchasing inventory. The purpose is to provide the proper risk/return consideration in keeping with the legislative intent of the Fund. The fund considers projects that are feasible and have a reasonable chance of succeeding.

➤ **VENTURE CAPITAL FUND**

The Venture Capital Program is an innovative financial program administered by the North Dakota Development Fund. The Fund provides flexible financing through debt and equity investments for new or expanding businesses in North Dakota. It can fund rapidly growing companies which require equity funding. The Fund may provide funding for early stage companies which can show clear proof of completed product development and market acceptance as evidenced by growing sales. They may also invest in growth and later stage manufacturing, service and businesses with profitable growth potential.



CASS COUNTY  
FINANCIAL RESOURCES (CONTINUED)

➤ **BANK OF NORTH DAKOTA PROGRAMS**

The Bank of North Dakota (BND) is the only state-run bank in the United States. Its commercial lending program serves the credit needs of the state and are made on a sound and collectible basis. All business loans are made in participation with a lead lender. The lead lender completes and submits an application requesting BND's participation.

	<b>ACCELERATED GROWTH LOAN</b>	<b>PACE &amp; FLEX PACE</b>	<b>MATCH</b>
<b>borrower</b>	ND business	Primary sector business	Primary sector business
<b>funding limit</b>	\$3,000,000 by BND	up to BND lending limit	up to BND lending limit
<b>BND participation requirements</b>	Lead lender required - BND Participation up to 90%	Lead lender required - BND must participate at 50%-80% of total loan	Lead lender required
<b>use of proceeds</b>	Working capital, equipment, real property, refinancing	Term working capital, equipment, real property	Real estate, term working capital, purchase or lease equipment
<b>interest rate</b>	Variable rate is 2% above prime	5% below yield rate and not less than 5% below Prime with a floor of 1%	BND's portion is 0.25% over the 1-5 year US Treasury rate with a 2% floor
<b>term</b>	Max term is 10 years	Averages: working capital 1-5 yrs, equipment 5-7 yrs, real estate 12-15 yrs	Averages: working capital 1-5 yrs, equipment 5-7 yrs, real estate 12-15 yrs
<b>collateral</b>	Evaluated on a loan-by-loan basis	First security interest on acceptable business assets	First security interest on acceptable business assets and corporate guarantee
<b>equity requirements</b>	Case-by-case	Based on project and management	No minimums, based on project and management
<b>personal guarantee</b>	Yes	Yes	Corporate guarantee from parent if borrower is a subsidiary
<b>credit criteria</b>	Based on borrower and project	Based on borrower and project	Borrower must have a long-term credit rating of "A" or better, or its equivalent.
<b>qualifications</b>	Company that anticipates a min. growth in sales of 15% over 3 yrs with existing annual sales of \$1.5-10 million.	PACE: BND buydown is based on either the total investment OR the number of jobs created. Flex PACE: Determined by community fund.	Project must demonstrate a significant impact on the state's economy.
<b>cost and fees</b>	Assessed on a loan-by-loan basis.	Minimum of \$250, assessed on a loan-by-loan basis.	Assessed on a loan-by-loan basis.
<b>miscellaneous</b>	Have a record of proven operations, experienced management and the ability to generate cash flow but have limited assets for traditional bank financing	Maximum BND buydown is \$500,000 per loan per biennium.	Bank line of credit may be substituted for "A" credit rating.







CLAY COUNTY & MINNESOTA  
TAX INCENTIVES

➤ **BORDER CITIES ENTERPRISE ZONE**

Qualifying businesses that locate or expand in Dilworth or Moorhead are eligible for tax reductions under the Border Cities Enterprise Zone legislation. Potential tax reductions are determined at the city level and may include: refundable sales tax credit for the tax paid on construction materials, supplies and equipment consumed in the zone; corporate income tax credit; new job credit; property tax exemption and disparity reduction credits; and credits to offset workers compensation costs.

**WORKERS COMPENSATION REBATE PROGRAM**

- This program offers to reimburse 20% of annual workers compensation expenses. Participating businesses submit an application each year to receive a credit for a percentage of the actual cost of workers' compensation insurance.
- A 20% credit of the actual workers' compensation expense is available for qualifying companies in Moorhead with a \$25,000 program cap per company per year.

**MOORHEAD EMPLOYEE CREDIT**

- Moorhead may offer up to a \$1,500 credit per employee with a cap of \$150,000.
- This is a fully refundable credit available for the first two years of operation

➤ **SALES TAX EXEMPTION**

Minnesota provides opportunities for sales and use tax exemptions for the purchase of capital equipment and utilities used in a production process. Specific qualifying capital equipment may be eligible for an exemption of the sales tax on the equipment. Electricity, gas, steam or water used or consumed in agricultural or industrial production is exempt from sales and use tax. The exemption does not apply to space heating, lighting or water used or consumed in non-production areas, such as office or administrative areas.

➤ **PROPERTY TAX INCENTIVES**

Local or county government agencies may use a property tax abatement/exemption or tax increment financing to help finance certain economically beneficial projects. A qualifying project and the level of abatement will vary depending on the community.

➤ **MINNESOTA'S ANGEL TAX CREDIT**

Minnesota provides a 25 percent credit to investors or investment funds that make equity investments in startup companies focused on high technology, new proprietary technology, or a new proprietary product, process or service in specified fields. The maximum credit is \$125,000 per person, per year (\$250,000 if filing jointly). The credit is refundable. Residents of other states and foreign countries are eligible.

On 4/22/2021, the Angel Tax Credit Program exhausted its available credits for investments in businesses eligible for general credits; as a result they are no longer accepting credit allocation applications for these businesses (but see below for important information). As of 7/19/2021, \$3.2 million in reserved credits remain; these are for investments in businesses 51% or more owned and managed by minorities or women or headquartered in Greater Minnesota.

Any remaining reserved credits not allocated by 10/1/2021 become available on that date for investments in any qualified business. You may initiate a credit allocation application for a business that qualifies for the general credits beginning on 9/1/2021 in anticipation of remaining reserved credits being released on 10/1/21. All complete credit allocation applications submitted between 9/1/21 and on 10/1/2021 will be considered received on 10/1/2021 and have equal priority with the credit allocation applications received in September, an important consideration should demand for credits exceed their supply. Applications will continue to be accepted thereafter and processed each day until all program funds are allocated.

➤ **SEED CAPITAL INVESTMENT PROGRAM**

The Seed Capital Investment Program provides tax incentives for investing in innovative business located in the Minnesota border cities including Dilworth and Moorhead. 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.

➤ **LAUNCH MINNESOTA**

Innovative and scalable technology businesses in Minnesota may apply for Launch Minnesota grants for business operation expenses (max. \$35,000 match), housing/childcare expenses (max. \$7,500 match), and SBIR-STTR Phase 2 (max. \$50,000).

**BUSINESS OPERATIONS:** These grants provide up to \$35,000 for business operations, including research and development, direct business expenses and technical assistance.

**HOUSING OR CHILD CARE:** These grants provide up to \$7,500 for housing or child care expenses.

**SBIR (SMALL BUSINESS INNOVATION RESEARCH) MATCH:** These grants provide up to \$50,000 for businesses awarded a Phase 2 SBIR and STTR (Small Business Innovation Research) award.

Businesses are eligible to receive one of each grant over the next two years. Increased consideration to startups located in Greater Minnesota, as well as businesses owned by women, veterans, or people of color.

➤ **GREATER MINNESOTA JOB EXPANSION PROGRAM**

The program will provide sales tax exemptions of up to 12 years to eligible existing businesses located in Greater Minnesota that meet eligibility requirements including specified job creation and wage level, and are approved by DEED.

➤ **RESEARCH AND DEVELOPMENT TAX CREDITS**

The State of Minnesota offers businesses tax credits based upon their R&D expenditures. The tax credit for R&D expenditures is 10 percent, up to the first \$2,000,000 in eligible expenses. The credit is 2.5 percent for eligible expenses above \$2,000,000.

➤ **DATA CENTER TAX CREDIT**

Companies that build new data or network operation centers of at least 25,000 square feet and invest \$30 million, or refurbish an existing center of at least 25,000 square feet and invest \$50 million, qualify for sales tax exemptions for 20 years on computers and servers, cooling and energy equipment, energy use and software, and they pay no personal property tax ever. Companies have 48 months to complete a new center and 24 months to complete a refurbished center.



➤ **MINNESOTA JOB SKILLS PARTNERSHIP**

The Minnesota Job Skills Partnership (MJ SP) program was created to join Minnesota businesses and schools in developing a competitive workforce. The program provides grants to one or more education institutions to supply new job training or retraining to existing employees. Funds awarded by the program may be allocated to training-related costs or educational infrastructure improvements to assist current businesses or businesses interested in locating operations in Minnesota. Participating businesses must match grant amounts with equal or greater amounts of in-kind contributions.

➤ **MINNESOTA PATHWAYS PROGRAM**

The Pathways Program is designed to act as a catalyst between business and education in developing cooperative training projects that provide training, new jobs and career paths for individuals making the transition from public assistance to the workforce. Grants are awarded to educational institutions with businesses as partners. Preference will be given to projects that provide employment with benefits and/or with defined career paths. All projects must have at least one educational institution and one business working together. Funds may be used for educational infrastructure improvements necessary to support businesses located or intending to locate in Minnesota. Requests for wage subsidies and tuition reimbursements are ineligible. A cash or in-kind contribution from the contributing business must match Pathway funds on at least a one-to-one ratio.

➤ **JOB TRAINING INCENTIVE PROGRAM**

Provides grants of up to \$200,000 to new or existing business for the purpose of training new workers as quickly and efficiently as possible. Grant funds may be used for direct training costs for training provided in-house; by institutions of higher education; by federal, state, or local agencies; or private training providers

➤ **LOW INCOME WORKER TRAINING PROGRAM**

Helps workers whose incomes are at or below 200 percent of the federal poverty guidelines gain new skills necessary to move up the career ladder to higher paying jobs and greater economic self-sufficiency. The program provides grants of up to \$200,000 to public, private, or nonprofit entities that provide employment services to low-income individuals. Grant funds may be used to pay for job-specific skills training, and may also be used for training-related materials and supplies and for training-related certification or test fees. When a need is adequately demonstrated, up to 10% of the direct training costs may be requested for operating costs directly related to project coordination. Allowable operating costs include costs associated with recruitment, screening and referral of program participants, along with costs for completing program reporting requirements.

➤ **AUTOMATION TRAINING INCENTIVE PROGRAM**

This program provides grants of up to \$35,000 to existing businesses for the express purpose of training incumbent workers as quickly and effectively as possible on new automation technology. The program is available to existing businesses located in Greater Minnesota that are investing in new automation technology at the project location. Training is for existing, full-time jobs paying at least 120% of federal poverty guidelines.



➤ **DUAL TRAINING COMPETENCY GRANTS**

Provides grants to employers to train employees in achieving the competency standard for an occupation identified by the Commissioner of DLI. Maximum grant is \$150,000 per application based on a maximum of \$6,000 per trainee.

- Matching funds may be required. Dual-training grants can be used to meet competency standards in the following industries and occupations:
- Advanced manufacturing – Machinist/CNC operator, logistics and supply chain manager, etc.
  - Agriculture – Agronomist, grain merchandiser, etc.
  - Health care services – LPN, medical lab assistant, radiologic technician, etc.
  - Information technology – security analyst, software developer, web developer, etc.

➤ **SCITECH INTERNSHIP PROGRAM**

SciTech connects STEM college students (science, technology, engineering and math) to paid internships that provide rewarding hands-on experience in small Minnesota businesses. Companies receive assistance finding qualified candidates and a \$1:\$1 wage match to cover 50% of the intern's wages (capped at \$2,500) when they hire a student through SciTech.



➤ **MINNESOTA INVESTMENT FUND**

Provides grants that create and retain high quality jobs, with a focus on industrial, manufacturing and technology-related industries.

Grants are awarded to local units of government who provide loans to assist expanding businesses. All projects must meet minimum criteria for private investment, number of jobs created or retained, and wages paid. There is a maximum of \$500,000 per grant, and only one grant per state fiscal year can be awarded to any individual governmental unit. At least 50 percent of the total project costs must be privately financed through owner equity and other lending sources, and most applications that are actually selected for funding have around 70 percent privately financed. Grant terms are for a maximum of 20 years for land and buildings and 10 years for machinery and equipment. Interest rates are negotiable.

➤ **SMALL BUSINESS DEVELOPMENT LOAN PROGRAM**

Provides loans for 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 (MAEDB) through the issuance of industrial development bonds. Manufacturing and industrial companies located or intending to locate in Minnesota and meet the federal definition of a small business (generally those with 500 or fewer employees) are eligible.

➤ **WEST CENTRAL INITIATIVE ACCESS TO CAPITAL**

Makes it easier for banks to work with WCI for certain small business financing. WCI will match bank loan amount up to \$75,000; 100 percent LTV subordinated financing is available; 4 percent fixed rate, 5-year balloon, amortization to match the bank; 3-day approval based on bank write up.



➤ **WEST CENTRAL INITIATIVE BUSINESS AND INDUSTRY LOAN FUND**

Used for loans from \$20,000 to \$300,000. Most of the loans in this fund are given to manufacturing businesses. WCI receives funds from several different sources for this loan program, and they all have different qualifying criteria for projects, businesses, startups and some retail businesses.

➤ **WEST CENTRAL INITIATIVE COMMUNITY-BASED COMPONENT FUNDS**

A number of Clay County communities offer their own community-based revolving loan funds through the West Central Initiative. They include Barnesville, Hawley and Moorhead; for more information on eligibility and funding, please contact our office. Clay County also operates the Clay County Loan Fund to assist businesses that demonstrate a financing gap and that most likely would not succeed without the fund's support. Specific use of loan funds could include machinery or equipment, real estate, working capital, inventory and related expenses and professional fees. The maximum loan amount is \$20,000 or ten percent of the net assets of the fund, whichever is greater, and can not surpass 50 percent of the total project cost.

➤ **WEST CENTRAL INITIATIVE SMALL ENTERPRISE LOAN FUND (SELF)**

Provides loans from \$1,000 to \$35,000, and includes smaller loans to businesses in the manufacturing or service sectors. A small number of loans are made to retail businesses that do not compete with others in their immediate trade area.

➤ **STEP GRANT PROGRAM: EXPORT ASSISTANCE**

- Provides financial and technical assistance to qualifying small businesses with an active interest in exporting products or services to foreign markets
- Reimbursement of up to \$5,000 for export training or up to \$7,500 for approved export development activities

➤ **MINNESOTA JOB CREATION FUND**

May provide up to \$1 million in grants to approved businesses after specified job creation and capital investment goals are achieved (5 jobs and \$250,000 capital investment are minimum levels for participation). Actual job creation and capital investment rebates are based on project parameters.

➤ **GREATER MINNESOTA BUSINESS DEVELOPMENT INFRASTRUCTURE GRANT PROGRAM**

Helps stimulate new economic development 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 jobs in the area and create new capital investments in greater Minnesota communities. \$500,000 in grants may be provided to the host community for public infrastructure improvements assisting in this project.

➤ **AGRI VALUE-ADDED GRANT PROGRAM**

The AGRI Value-Added Grant helps Minnesota processors add value to Minnesota agricultural products by investing in the purchase of equipment, production capacity, market diversification, and market access for value-added products. The maximum award is \$150,000, and the minimum award is \$1,000..





Please note: While the information provided reflects a majority of the incentives and programs available, it does not list every program and incentive available in North Dakota and Minnesota. For a complete list of programs and incentives, including community-specific programs and incentives, please contact the GFMEDC at (701) 364-1900.