

2019-2020

smartbook

INCENTIVES,
WORKFORCE
PROGRAMS
& FINANCING

WINTER 2020



**FARGO
MOORHEAD**
ECONOMIC DEVELOPMENT

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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.

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.

51 Broadway Suite 500
Fargo, ND 58102
www.gfmedc.com
(701) 364-1900
Info@gfmedc.com

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 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 \$1 million 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**

Employers can access up to \$4,000 of matching funds for each student with a maximum of 5 interns per funding year. 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 first round of funding will be from June 1, 2019-March 31, 2020.

The second funding round will be from May 1, 2020-June 30, 2021. Applications will be accepted from March 25-April 12, 2020. Companies may apply for the maximum number of interns each round. Targeted industries will be eligible for 60% of the funding, high wage/high demand occupations 40%.

- **CAREER BUILDERS STUDENT LOAN REPAYMENT PROGRAM**

The maximum loan repayment grant is \$17,000, with one-third of the loan repaid each year the graduate lives and works in North Dakota. Program is targeted towards in-demand technical careers and retention. Students must be enrolled full time and maintain a 2.5 GPA. Upon completion, the student must reside and work in an eligible high-demand or emerging occupation for a minimum of three years or repay the scholarship. The program requires a 1:1 public-private match.

- **CAREER BUILDERS SCHOLARSHIP PROGRAM**

The maximum scholarship amount is \$17,000 and is limited to programs which can be completed in four semesters. Program is targeted towards in-demand technical careers and retention. Upon completion, the student must reside and work in an eligible high-demand or emerging occupation for a minimum of three years or repay the scholarship. The program requires a 1:1 public-private match.

- **WORKFORCE OPPORTUNITY TAX CREDIT (WOTC)**

The Work Opportunity Tax Credit (WOTC) program is an income tax credit incentive provided by the IRS and the U.S. Department of Labor. The one-time tax credit is available to for-profit employers hiring individuals in the target groups listed below and to tax-exempt organizations that hire qualified veterans. North Dakota employers can receive a tax credit up to \$9,600 per qualifying new employee during their first year of employment. There is no limit to the number of new hires that can qualify.

- Unemployed Veterans (including disabled veterans)
- Temporary Assistance for Needy Families (TANF) Recipients
- Food Stamp (SNAP) Recipients
- Vocational Rehabilitation Referred Individuals
- Ex-Felons

CASS COUNTY FINANCIAL RESOURCES

- **GROWTH INITIATIVE FUND (GIF)**

Growth Initiative Fund 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 COMMISSION (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.

• **LEGACY INVESTMENT FOR TECHNOLOGY - LIFT FUND**

An innovation loan fund to support technology advancement put in place by the 2019 legislative session. Currently under development, implementation for the program is expected in the second half of 2019. This fund will be 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 the target diversification sectors within the state.

Diversification Sectors

- Advanced computing and data management
- Agriculture technology
- Autonomous and unmanned vehicles and related technologies
- Energy
- Health care
- Value added agriculture
- Any additional industry as specified by the LIFT committee

Loan Terms:

Years	Interest Rate
1-3	0%
4-5	2%
All Subsequent years	Standard BND rate

Approval for the LIFT fund applications shall be made by the LIFT fund committee with consideration given to the following:

- Deliver applied research, experimentation or operational testing in one or more of the diversification sectors to create information or data to enhance North Dakota companies or industries or companies making investments in North Dakota,
- Lead to the commercialization or patent of an innovation technology solution, or
- Result in the development of a new company or expansion of an existing company that will diversify the state's economy through new products, investment, or skilled jobs.

• **VENTURE CAPITAL FUND**

North Dakota Development Fund is working with Bank of North Dakota to fund \$15 million in this space to leverage venture capital money and truly infuse startups across the state.

• **WEST FARGO ENTERPRISE GRANT**

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 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.

- **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

- **NORTH DAKOTA DEVELOPMENT FUND PROGRAMS**

The North Dakota Development Fund, part of the North Dakota Department of Commerce, provides flexible gap financing for new or expanding primary sector businesses in the state.

	NORTH DAKOTA DEVELOPMENT FUND/RURAL REVOLVING LOAN FUND	NEW VENTURE CAPITAL FUND
borrower	Primary sector business	Primary sector business
funding limit	Up to \$1 million and based on job creation	\$300,000
Interest rate	lower than market rate - subject to risk of project	lower than market rate - subject to risk of project
term	working capital 1-3 yrs equipment 3-5 yrs real estate 7-10 yrs	working capital 1-3 yrs equipment 3-5 yrs real estate 7-10 yrs
min. equity	15%	15%
corp./pers. guarantees	Yes	Yes
	a North Dakota business	a North Dakota business
cost and fees	1% of original loan or equity balance	1% of original loan or equity balance
	Development Fund: for businesses located in cities with a pop. of 8,000 or more; job creation of one job per \$40,000 Rural Fund: for businesses located in cities of less than 8,000, job creation requirement of one job per \$50,000 Equity financing available	Does not have a job creation requirement Equity financing available

• 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.

	ACCELERATED GROWTH LOAN	PACE & FLEX PACE	MATCH
borrower	ND business	Primary sector business	Primary sector business
funding limit	\$3,000,000 by BND	up to BND lending limit	up to BND lending limit
BND participation requirements	Lead lender required - BND Participation up to 90%	Lead lender required - BND must participate at 50%-80% of total loan	Lead lender required
use of proceeds	Working capital, equipment, real property, refinancing	Term working capital, equipment, real property	Real estate, term working capital, purchase or lease equipment
interest rate	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
term	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
collateral	Evaluated on a loan-by-loan basis	First security interest on acceptable business assets	First security interest on acceptable business assets and corporate guarantee
equity requirements	Case-by-case	Based on project and management	No minimums, based on project and management
personal guarantee	Yes	Yes	Corporate guarantee from parent if borrower is a subsidiary
credit criteria	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.
qualifications	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.
cost and fees	Assessed on a loan-by-loan basis.	Minimum of \$250, assessed on a loan-by-loan basis.	Assessed on a loan-by-loan basis.
miscellaneous	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

• 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.

• 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.

• 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.

• 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.

• MINNESOTA JOB EXPANSION PROGRAM (JEP)

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.

- **ANGEL LOAN FUND PROGRAM**

Direct loan for 10% of the total amount of new equity investment that the business raises from one or more investors. At least one equity investment must be made by an investor that has been both certified by the Minnesota Angel Tax Credit Program and qualified as an accredited investor.

- Maximum loan cannot be more than \$250,000 and the minimum loan available is \$20,000

- **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**

Beginning in 2014, the 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**

The Greater Minnesota Business Development Infrastructure 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.

- **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.

- **LAUNCH MN**

A statewide collaborative effort to accelerate the growth of innovative scalable technology startups through grants, tax credits, educational programming, and a statewide network.

- Launch Minnesota Innovation Grants are targeted to the most promising innovative scalable technology businesses in Minnesota. Together we're working to help reduce the risk for Minnesota technology startups and entrepreneurs, who are solving problems and growing our state's innovation ecosystem. The application process is now open for the following Innovation Grants:
- 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. We give increased consideration to startups located in Greater Minnesota, as well as businesses owned by women, veterans, or people of color.

CLAY COUNTY & MINNESOTA WORKFORCE PROGRAMS

• 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.

• LOW INCOME WORKER TRAINING PROGRAM

The 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.

• JOB TRAINING INCENTIVE PROGRAM

This program provides grants to new or expanding businesses located in Greater Minnesota for the purposes of training workers as quickly and efficiently as possible. Grants of up to \$200,000 are awarded to eligible businesses to provide training for new jobs. Eligible applicants include businesses located outside of the seven county metropolitan area or located in the cities of Hanover, Rockford, Northfield and New Prague that are adding at least three new jobs. The new jobs must pay wages at least equal to the median weekly wage for the county in which the jobs are located. The new jobs must also provide at least 32 hours of work per week for a minimum of nine months per year. Businesses are required to match the grant on a .5:1 basis.

• AUTOMATION TRAINING INCENTIVE PILOT PROGRAM

The Automation Training Incentive Pilot Program provides grants to help small businesses train existing workers as quickly and efficiently as possible on new automation equipment and technology. Grants are available to Minnesota businesses that have 100 or fewer full-time employees, are in the manufacturing or skilled assembly production industry, and that have recently invested in new automation technology or plans to invest in new automation technology within the project timeframe. Grants of up to \$25,000 are available. Minimum award of \$10,000. Award amount is limited to \$5,000 per employee trained. Applications will be accepted from July 1, 2019 through June 30, 2020 contingent on the availability of funds.

CLAY COUNTY & MINNESOTA FINANCIAL RESOURCES

• MINNESOTA INVESTMENT FUND

The 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

The 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

The Access to Capital program 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

The Business and Industry Loan Fund is 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)

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.

• EMERGING ENTREPRENEUR FUND

Administered through MN DEED, the program provides financing for small and micro-businesses starting up or expanding throughout Minnesota. Financing projects must be partnered with approved lenders and EEF funds may total up to \$150,000 per loan and must be matched on at least a one-to-one basis. Participating lenders are encouraged to structure their loans to achieve at least a 5:1 leverage of EEF funds.



51 Broadway Suite 500
Fargo, ND 58102

www.gfmedc.com

(701) 364-1900

Info@gfmedc.com

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.