



**FARGO
MOORHEAD**
ECONOMIC DEVELOPMENT

smartbook

2026



INCENTIVES, WORKFORCE PROGRAMS & FINANCING



Commercial Banking: Built for You. Built for Tomorrow.

At **Gate City Bank**, we're proud to sponsor the Greater Fargo-Moorhead Economic Development Corporation's SmartBook. This guide is designed to help businesses thrive in the Fargo-Moorhead area by highlighting the latest programs, incentives and tools for companies wanting to grow, innovate and invest.

As your local and trusted commercial banking partner, we're committed to you and your success. Whether you're expanding operations, investing in new technology or planning for a stronger future, we're here to provide the financial solutions and expertise you need – backed with personalized support.

Together, let's build a better way of life.



Rammie Olson

VP, Senior Business Lender
701-298-2885
RammieOlson@GateCity.Bank



Rick Morrow

AVP, Senior Business Lender
NMLS#: 766592
701-298-2867
RickMorrow@GateCity.Bank



Shane Brewer

AVP, Senior Business Lender
NMLS#: 460378
701-293-2592
ShaneBrewer@GateCity.Bank



Alex Lacey

AVP, Senior Business Lender
NMLS#: 1439997
701-271-2858
AlexLacey@GateCity.Bank

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2026 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.

A primary-sector business is defined as 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.

 **CONTACT US** 51 Broadway Suite 500, Fargo, ND 58102 > 701-364-1900 > www.gfmedc.com > info@gfmedc.com

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. In the case of an expansion project, only the net income attributable to the expanded portion of the business is eligible for exemption.

› PROPERTY TAX EXEMPTION

A qualifying primary sector 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. Tax incentives may not be granted for land. 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. The expansion must increase production volume, employment, or the types of products that can be manufactured or processed.

Other exemptions narrower 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) - 15% tax credit on equipment and technology used to automate a manufacturing process to improve job quality or increase productivity. 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 \$3 million cap per calendar year. \$500,000 dollars is designated for credits claimed by first-time claimants for manufacturing machinery and equipment for the purpose of automating manufacturing processes. If more than \$500,000 for first-time claimants or \$3 million is claimed in aggregate, the actual amount each taxpayer will receive will be a pro rata share of the 15% 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. An angel investor is allowed no more than \$500,000 of credits under the program.

➤ **BIOLOGIC INPUTS SALES TAX EXEMPTION**

Provides a sales and use tax exemption for raw materials, single-use product contact systems, and reagents used for biologic manufacturing.

➤ **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 primary focus of the Operation Intern program is private sector businesses in one of the targeted industries: Energy, Advanced Manufacturing, Value-Added Agriculture, Tourism and Technology-Based Businesses, and Autonomous Systems. Funding may also be granted for other in-demand occupations, such as healthcare.

Employers can access up to \$5,000 of matching funds for each student, with a maximum of 5 interns per year. Operation Intern awards require a one-to-one match from each employer receiving funds. Funding rounds are from May 1 through June of the following year. The application portal generally opens on February 1st and closes once incoming applications utilize all the funds allocated for that annual funding round.

➤ RELOCATION OPPORTUNITY FOR OUTSTANDING TALENT (ROOT GRANT)

Relocation assistance can be a highly effective tool for employers to fill in-demand jobs, especially in industries facing talent shortages. By offering financial support to cover moving expenses, companies can widen their candidate pool to include qualified workers who may otherwise be unable or unwilling to relocate due to the high costs associated with moving. This incentive can be particularly appealing for positions in fields like tech, healthcare, and engineering, where specific skills are in high-demand but the local talent supply may be limited.

Employers can access up to \$5,000 of matching funds for each candidate the business is eligible for. A 1:1 match is required. Expenses associated with relocation, such as hiring movers, transportation, temporary housing, and even utility connection fees are all eligible.

➤ 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.

➤ 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 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.

➤ GLOBAL TALENT OFFICE GRANT

The Global Talent Office grant is designed to support eligible employers and community-based organizations in their efforts to recruit, retain, and integrate New Americans in North Dakota.

Track A- Employer Strategies designed to support foreign-born workers onsite through the development of language specific signage, training and policy manuals, human resource materials, etc., access to English language learning, cultural trainings provided by New American and Immigrant serving organizations in North Dakota either in-person or virtually for current staff, and to partner/subcontract with New American and Immigrant serving organizations in North Dakota to provide community acclimation and integration activities and services for employees as a pilot.

Projects in Track A may be eligible for up to \$125,000. A 1:1 match is required.

➤ EMPLOYER CHILDCARE TAX CREDIT

The tax credit allows employers that offer this benefit to write off 50% of their child care contributions off their income taxes. Businesses can claim up to \$1,000 in child care subsidies per employee toward this total.



➤ TECHNICAL SKILLS TRAINING GRANT

The Technical Skills Training grant is designed to support eligible training providers and employers in their efforts to design and launch rapid, non-degree re-skilling and upskilling programs (with occupations listed on the in-demand occupations list), or expand capacity in existing programs. All tracks require a 1:1 match.

This program has three tracks, each focused on developing or expanding a highly skilled workforce:

Track A reflects the initial intent of this grant program and is designed for new and expanding accelerated, non-degree training programs that prepare trainees for new jobs.

- Programs in Track A may be eligible for up to \$200,000.
- Programs in Track A are not for incumbent workers.

Track B is designed for companies wishing to provide internal upskilling opportunities for their existing staff to promote movement and advancement throughout the organization, create more comprehensive onboarding and new worker training programs, and/or provide safety training for employees.

- Programs in Track B may be eligible for up to \$100,000 with a dollar-for-dollar match throughout the lifetime of the grant program.

Track C is designed to support workforce automation enhancement including but not limited to training and/or upskilling existing employees related to automation that has been implemented prior to the funding period; or to new or enhanced strategies, not to include the actual purchase of automation equipment. Programs in Track C may be eligible for up to \$200,000 for training and or upskilling existing workforce related to automation.

- Applicants for Track C may apply for up to \$100,000 for a feasibility study, related to automation.

CASS COUNTY FINANCIAL RESOURCES

› **NORTH DAKOTA OPPORTUNITY FUND**

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; and may be used as the "community" partner with the Bank of North Dakota Flex PACE program. The program is administered by Lewis & Clark Development Group.

› **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.

Applicants are invited to present their proposals to the Commission on a quarterly basis. Fifteen minutes are allowed for each presentation, followed by five minutes of question and answer. The first 15 qualified presentations will be heard each quarter. The deadlines for submitting applications are: January 1, April 1, July 1 and October 1.

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

› **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.

› **ADVANCE ND**

Awards "deal-closing" low interest loans to companies considering a new industrial project in North Dakota for up to 20% of total project cost. Project must have a minimum cost of \$5,000,000. Must be primary sector certified. Advance ND will serve as a financial incentive for those companies whose projects would contribute significant capital investment, add value to North Dakota resources, and provide new employment opportunities to the state's economy. Companies are eligible for up to \$20,000,000 through the program. Award amounts are based on projects' total expected cost. The interest rate on the loan is 2%. Advance ND funding must be the last money into a project.

› **GENER8TOR ACCELERATOR**

The gener8tor accelerator provides a \$100,000 investment and concierge-approach over a 12-week program for 5-6 high growth startups per cohort. In addition, their gBETA is a free 7-week program for early-stage companies, providing coaching, mentoring, meetups, pitch opportunities and more.

► LEGACY INVESTMENT FOR 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:

- Zero percent interest and no required payments for the first three years of the loan
- Two percent interest, with monthly interest payments, for the next two years of the loan
- All principal due at maturity, at the end of five years
Upon approval by the Bank of North Dakota, the loan may be refinanced at the beginning of year six, at an interest rate equal to a standard Bank of North Dakota loan for all subsequent years.

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.

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.



FINANCIAL RESOURCES (CONTINUED)

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

Provides interest rate buydowns and grants up to \$500,000 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. Businesses with a majority ownership comprised of North Dakota residents will have priority over majority non-North Dakota-owned applications. Companies outside North Dakota must have an established relationship with a North Dakota partner which includes individual, company or agency to validate the credibility of the proposal and comply with the intent of the Code. The Committee reserves the right to increase or decrease requested funding based on its findings and on its level of available funds.

➤ **NORTH DAKOTA GROWTH FUND**

The North Dakota Growth Fund ("NDGF") is a \$250 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. NDGF's fund investment portfolio will be diversified across vintage, stage, sector, geography and strategy. Portfolio funds include Badlands Capital, gener8tor 1889 Fund, Homegrown Capital, Lewis & Clark Agrifood, M25, Broadwater Capital and Longwater Opportunities.

➤ **ANGEL MATCH PROGRAM (AMP)**

AMP supports early-stage primary sector businesses by matching investor commitments up to \$250,000 per business. Businesses may apply for funds if the total funding round is \$2 million or less. Business must be headquartered in ND which shall mean a) business's principal address registered with the ND Secretary of State must be a North Dakota address, and b) at least one C-Suite employee and 25% of all W2 employees must be residents of ND. Investors may be individuals, LLCs, a business, a trust, or an investment fund, and shall remain in compliance with state and federal securities laws. An investment from a principal is not an eligible matching investment.

➤ **WONDER FUND NORTH DAKOTA**

\$45 million direct investment program providing early-stage investment opportunities for financial and operational growth. Funds from the program will be used to invest in early-stage businesses headquartered in North Dakota with less than 500 employees and will consider companies based outside the state if their product and service have a material impact on North Dakota. The program is administered by O'Leary Ventures.

➤ **STEP ND 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

The North Dakota Trade Office allocates funds to approved companies on a rolling basis. Funds will be used to assist eligible companies for reimbursement of 75% of eligible costs up to \$5,000 per activity.

› **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. The program is intended to encourage property owners and business tenants of properties to undergo projects which are transformational with respect to use, which must be consistent with the vision of the West Fargo 2.0 comprehensive plan, or lifespan of the building not just maintenance of the property. The grant is eligible for up to 50% of the qualified expenses, with the grant not to exceed \$75,000. To qualify for the entire \$75,000 the applicant must have at least \$150,000 of qualifying & approved 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.

› **INNOVATE ND**

Innovate ND is a voucher-based reimbursement program designed to help North Dakota entrepreneurs advance their businesses by supporting customer and market research. Each participant may receive up to \$50,000 in reimbursable expenses, administered through the Entrepreneur Centers. The program is divided into two phases, each offering up to \$25,000 in reimbursements. Participants have six months per phase, with a maximum of 12 months to complete the full program.



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.

| | ACCELERATED GROWTH LOAN | PACE & FLEX PACE | MATCH |
|---------------------------------------|---|---|---|
| borrower | ND business | Primary sector business | Primary sector business |
| funding limit | BND's maximum loan amount is \$3,000,000 or nine times (9x) the monthly recurring revenue, whichever is greater. | 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 |
| term | Max term is 10 years | Averages: working capital 1-5 yrs, equipment 5-7 yrs, real estate 12-15 yrs | Will vary depending on loan purpose, with a maximum of 20 years. |
| 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 | Provide evidence of considerable financial strength, as demonstrated by a long-term investment grade rating. |
| qualifications | Company anticipates a min. growth in sales of 15% over 3 years; OR a sales record showing min. monthly recurring revenues of \$50,000 per month. | PACE: BND buydown is based on either the total investment OR the number of jobs created. Flex PACE: Determined by community fund. | While intended to serve all investment rated companies in ND, specifically, Match shall serve as a loan program to support large-scale economic diversification projects. |
| 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 biennium per borrower. | Bank line of credit, pledged marketable securities or guarantees by particular other entities may be substituted for investment grade 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 30% 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 30% credit of the actual workers' compensation expense is available for qualifying companies in Moorhead with a \$40,000 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

› **CAPITAL EQUIPMENT EXEMPTION**

Minnesota provides opportunities for up-front 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. To qualify for the exemption, the equipment must be used for one of the following:

- To manufacture, fabricate, mine, or refine products that are ultimately sold at retail
- To electronically transmit information sold to retail customers from an online database
- To generate electricity or steam to sell at retail

› **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.

› **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, 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.



➤ GREATER MINNESOTA JOB EXPANSION PROGRAM

Purchases and use of tangible personal property and taxable services made by a qualified business are eligible for a sales tax refund. The purchase must be made, and the property or service must be delivered, during the business' certification period. The program is available for eligible existing businesses located in Greater Minnesota that meet eligibility requirements including specified job creation and wage level, and are approved by DEED. The maximum sales tax refund amount for each qualifying business is based on the application material submitted to DEED, subject to a maximum of \$2 million annually and \$10 million over the seven-year certification period.

The purchase and use of construction materials and supplies for property improvements by a qualified business in Greater Minnesota are also eligible for a sales tax refund. This refund applies whether the purchases are made directly by the business or by a contractor.

➤ RESEARCH AND DEVELOPMENT TAX CREDITS

The State of Minnesota offers partnership and S corporation 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, and 4% for expenses above that level. This credit is nonrefundable. You may carry forward up to 15 years any credit amount you are not able to claim in the current year.

➤ 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.





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 up to \$400,000 to one or more education institutions to supply new job training or retraining to existing employees. Funds awarded by the program may be used for training-related costs such as curriculum development, instruction, training materials and supplies, training equipment, and instructor travel. Participating businesses must match grant amounts on at least a one-to-one basis. Must be adding a minimum for three positions and award amount is limited to \$5,000 to \$10,000 per new employee trained based on wage rates.

› 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. No match from grant recipient is required.

› 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 people who have incomes at or below 200% of the federal poverty guidelines or those who are making a transition from public assistance to work.

Grants of up to \$400,000 are awarded to accredited Minnesota educational institutions and workforce development intermediaries partnering with businesses within the state. Preference will be given to projects that provide employment with benefits and/or with defined career paths. Further preference will be given to projects that demonstrate the active participation of local human service agencies or nonprofit organizations that provide employment and training services. 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-half-to-one ratio.

› 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.

› **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. For 2025, this is \$38,580 per year. Funds may be used to pay direct training costs for existing workers including trainee wages for on-the-job training, curriculum development, delivery of training, materials and supplies, training equipment and facilities, and trainer travel and lodging costs. Funds may also be used for assessment, testing and certification costs. Training may be provided in-house, by institutions of higher education, by federal, state, or local agencies, by consultants, or equipment vendors.

› **EMPLOYER REASONABLE ACCOMMODATION FUND**

The Employer Reasonable Accommodation Fund (ERAF) creates a central fund where small to mid-sized Minnesota employers can request reimbursement for expenses related to providing reasonable accommodations for job applicants and employees with disabilities. Onetime reasonable accommodation expenses must be no less than \$250 and no more than \$15,000 per individual with a disability, with an employer cap of \$30,000 per state fiscal year.

› **YOUTH SKILLS TRAINING PROGRAM**

Youth Skills Training (YST) program encourages, promotes and supports the development of local partnerships between schools, employers and community organizations. These local partnerships provide students with related classroom instruction, safety training, industry-recognized credentials and paid work experience in high-growth and high-demand occupations in the industries of advanced manufacturing, agriculture, automotive, health care and information technology. A total of \$1.5 million is available in YST grant funding on an annual basis. Grant awards may not exceed \$100,000 per local partnership.

› **DUAL TRAINING PIPELINE GRANTS**

Provides grants to employers to train employees in achieving the competency standard for an occupation identified by the MN Department of Labor and Industry (DLI). Maximum grant is \$150,000 per application based on a maximum of \$6,000 per trainee for a maximum of four years per employee. In addition, a grantee can receive up to \$15,000 for trainee support costs. Grantees receive funds through a reimbursement process.

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.
- Transportation – Aircraft maintenance technician, automotive mechanic, bus and truck diesel mechanic

› **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. The new jobs must pay wages at least equal to 120% of federal poverty guidelines for a family of four. For 2025, this is \$38,580 per year. 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 one-half-to-one basis.



CLAY COUNTY & MINNESOTA FINANCIAL RESOURCES

› 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. In some cases, companies may receive awards of up to \$2 million. You must certify that the project would not occur without Job Creation Fund assistance and projects that begin prior to becoming designated by DEED are not eligible for the Job Creation Fund.

› MINNESOTA INVESTMENT FUND

The Minnesota Investment Fund provides financing to help add new workers and retain high-quality jobs on a statewide basis. The focus is on industrial, manufacturing, and technology-related industries to increase the local and state tax base and improve economic vitality statewide.

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% 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% private financing. Grant terms are for a maximum of 20 years for land and buildings and 10 years for machinery and equipment. Interest rates are negotiable.

› AUTOMATION LOAN PARTICIPATION PROGRAM (ALPP)

Makes companion loans intended to fill gap financing needs for businesses purchasing machinery, equipment, or software to increase productivity and automation. Loans need to be made in conjunction with private financing, typically a bank, in an amount at least equal to the DEED loan. Loans may be up to \$500,000 with 1% interest on a 5 to 7-year term. Eligible borrowers include manufacturing, distribution, technology and warehousing businesses located in Minnesota. The program targets businesses with fewer than 500 employees.

› MINNESOTA FORWARD FUND

The Minnesota Forward Fund serves as a closing fund to enhance Minnesota's economic competitiveness by enabling the state to respond more flexibly to opportunities in business attraction, retention, or expansion—especially when competing with other states or matching federal funding opportunities. The fund supports projects that create and retain high-quality jobs across the state that makes significant capital expenditures that enhance the state's economic competitiveness and long-term growth. A single business may receive up to \$15 million in combined grant and loan assistance, with no more than \$10 million in the form of grants.

› WEST CENTRAL INITIATIVE SMALL ENTERPRISE LOAN FUND (SELF)

Provides loans from \$1,000 to \$50,000, 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.

› 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% LTV subordinated financing is available; low-interest fixed rate, 5-year balloon, amortization to match the bank.

➤ **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 10% of the net assets of the fund, whichever is greater, and cannot surpass 50% of the total project cost.

➤ **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 \$500 for export training that will result in the development of an export strategy or up to \$7,500 for approved export development activities. Companies may not apply for reimbursement for activities that have already taken place.

➤ **GROWTH LOAN FUND**

Supports start-up development in Minnesota by investing in technologically innovative seed- and early-stage businesses. Eligible companies must be researching or developing proprietary products or technologies in high-tech fields like aerospace, agriculture, renewable energy, biotech, conservation, environmental engineering, and food technology. Businesses must raise private equity in order to qualify for loans. Applicants state how much equity they intend to raise, then have 12 months to raise at least 70% of their goal with a minimum raise of \$400,000. If they achieve their goal, DEED will provide a loan based on 20% of the total amount of equity investment raised in the funding round. Loans range from \$100,000 to \$400,000

➤ **MN DIRECT INVESTMENT AND MULTI-FUND**

Two venture capital programs offered by the University of Minnesota investing in Minnesota-based seed- and early-stage businesses in the advanced manufacturing, agtech/foodtech, climate tech, life sciences, software, and technology sectors.

➤ **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. Applicants may receive no more than \$2,000,000 in two years for one or more projects for public infrastructure improvements. Cities must provide a match of at least 50% of the project capital costs.

➤ **MINNESOTA LOAN GUARANTEE PROGRAM (MNLGP)**

Provides loan guarantees to enrolled lenders for up to 80% of principal on loans to eligible businesses. The maximum loan guarantee amount is \$800,000. A fee of 0.25 percent of the guarantee amount is charged for each enrolled loan. The fee is waived for loans to qualified Socially and Economically Disadvantaged Individuals (SEDI)-Owned businesses and for loans with terms of less than one year. Borrowers must be Minnesota-headquartered small businesses using the loan proceeds for an eligible business purpose in Minnesota. Funds are targeted to Minnesota businesses with fewer than 500 employees and can only be provided to businesses with fewer than 750 employees.

➤ **SMALL BUSINESS LOAN PARTICIPATION PROGRAM (SBLPP)**

DEED will purchase 25% to 30% participations in loans made by approved non-depository Community Development Financial Institution (CDFI) and nonprofit lenders. Lenders are responsible for all credit decisions and loan terms. Borrowers must apply directly with an approved lender. Purchased participations will range from \$10,000 to \$250,000. Loan proceeds must be used for eligible business purposes, which may include equipment purchases, working capital and startup costs, as well as real estate purchase, construction, renovation, or tenant improvements of an eligible place of business. Loans may not be used for passive real estate.

➤ **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.



FARGO MOORHEAD

ECONOMIC DEVELOPMENT

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.



2026

CONTACT US

51 Broadway Suite 500, Fargo, ND 58102 > 701-364-1900 > www.gfmedc.com > info@gfmedc.com