



## **Federal Financial Assistance**

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## **State Financial Assistance**

The State of Minnesota and its local partners stand ready to assist businesses with financial resources to facilitate expansions and new job creation in Minnesota. The program details and figures found below are based on the understanding of an initial construction budget of \$25-30,000,000 for an estimated 195,000 square foot warehouse/distribution facility situated on a 20 acre site. The growth in headcount in the plan would all be at the new site and new to Minnesota, with the understanding that 100-200 new full time jobs are created.

Program offerings are subject to change based on further discussion of project hiring, capital outlay and new job creation in Minnesota. We welcome a discussion with you about your project and our programs in the near future to develop an assistance package customized to your project.

## Minnesota Investment Fund

The Minnesota Investment Fund provides financing for capital improvements, equipment and adding new, quality jobs in Minnesota. **Up to \$1,000,000 could be made available from the Minnesota Investment Fund to support the investment and creation of new jobs. Depending on the job numbers, wages and overall investment levels, some of the loan may be forgiven.**

Full time employment is based on 2080 hours, with a minimum of \$12.00 cash wages in Greater Minnesota or wages and voluntary benefits of \$12.82 to be eligible. Final project specifications are used to determine the final award.

## Minnesota Job Creation Fund

The Minnesota Job Creation Fund provides rebates to approved businesses after specified job creation and capital investment goals are achieved. Program rebates are based on these capital investment and job creation project parameters. **\$1,000,000 in rebates may be provided for creating high paying jobs and for constructing a new facility.** \$500,000 may be rebated in each category: capital investment in real property improvements and job creation. Project must create a least 10 full-time jobs and invest at least \$500,000 in real property improvements.

**A project can achieve “mega project” status, potentially being eligible to receive \$2,000,000 in rebates may be provided to businesses creating 200 new jobs and with \$25,000,000 or more in capital investment.** \$1,000,000 may be rebated in each category: capital investment in real property improvements and job creation.

Rebates for employees may be up to 7 years in Greater Minnesota. In Greater Minnesota, 7.5% of costs eligible for capital investments include construction materials, supplies and services. Job creation funds are rebated on a tiered scale based upon annually-adjusted cash wages for full-time employees. In 2015, the wage levels are:

- \$1000 per year per job created for jobs paying at least \$26,335 in cash wages
- \$2000 per year per job created for jobs paying at least \$35,450 in cash wages
- \$3000 per year per job created for jobs paying at least \$45,579 in cash wages

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## **Minnesota Job Expansion Program (JEP)**

If the company has current operations in Minnesota and outside the Twin Cities metro area, up to \$2 million per year in sales tax refunds may be available through JEP up to a maximum of \$10 million over seven years. The refund would cover all general sales tax paid on all materials and services consumed in the facility. The key eligibility requirement is the facility must increase full-time equivalent employment by 10% within three (3) years. In 2015, all employees must earn total compensation (cash wages and voluntary benefits), of at least \$29,100 per year or \$13.99 per hour. Final project specifications are used to determine the final award.

## **Greater MN Business Dev. 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.**

## **Minnesota Job Skills Partnership**

The Minnesota Job Skills Partnership is a strategic program pairing businesses and educational institutions to train or retrain workers, expand work opportunities and retain high-quality jobs in the State of Minnesota. **The maximum grant is \$400,000 which is awarded to the educational institution to assist in underwriting the cost of developing and delivering the curriculum.** Training can be done on site of the business. In concert with the company receiving the training, the educational institution submits the MJSP grant application.

## **Greater Minnesota Internship Credit**

The Greater Minnesota Internship Credit provides up to \$2,000 available to businesses in Greater Minnesota to hire students through internships. Program is made available through the Minnesota Office of Higher Education.

## **Single Sales Factor Apportionment**

Apportionment formulas determine how much of a business's income is taxable in a state. Minnesota uses only sales in-state to apportion corporate income.

## **Throwback Rules**

Throwback rules treat sales to out-of-state buyers as in-state sales, if the buyer's state cannot tax the business/seller or if the purchaser is a federal government agency. Minnesota does not have a throwback rule.

## **Southern Minnesota Initiative Foundation (SMIF)**

### **Small Enterprise Loan Program (507-455-3215)**

Small loans are available for start up or expansion of businesses engaged in: Manufacturing, retail, service, childcare/eldercare. A small business with five employees or less, not including the owner; demonstrates a need for financing through a realistic business plan; projects sufficient income to repay the loan within an appropriate time frame; demonstrates good character and a strong commitment to a business plan; demonstrates an inability to obtain financing from a traditional lender; businesses located in 20-county service area. Business owners may use loan funds on the following: working capital, supplies, inventory and machinery/equipment. Loan size, up to \$35,000.

### **Revolving Loan Program (507-455-3215)**

Makes working and expansion capital loans in partnership with local lending institutions, economic development organizations and government agencies to help "fill the gap" between available and needed capital. Must create or retain jobs that pay livable wages with benefits, must have adequate cash flow to service debt, must be able to secure loan with tangible collateral, must demonstrate a lack of available private financing, must contribute to the region's economic competitiveness, must be committed to the region and must be located in 20-county

service area. The funds can be used for working capital, land and building acquisition, machinery/equipment, inventory and renovation. Loans will be considered up to \$200,000, but cannot exceed 50 percent of the total project.

### **Step-Up Loan Program (507-455-3215)**

Makes loans to licensed day care providers, both home-based and childcare centers.

### **FIND Fund (507-455-3215)**

Is a source of equity capital for product development and technology improvement. Maximum of \$25,000 per investment. Project funding requires a minimum of a one-to-one equity or cash match dollar for every dollar of FIND Fund investment. Business owners can use fund for prototype development and testing, marketing development, research and analysis, organizational development, product testing and analysis, new product tooling and fixtures, engineering drawings, working capital and patent opinions and filings.

Local Financial Assistance

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*Besides the traditional programs like Tax Increment Financing or Tax Abatement (eligibility dependent upon project specs), the following loan programs are designed to work with your lender financing when there is still a shortage of funds after loans and personal assets are injected into the financing formula.*

### **City of Albert Lea Revolving Loan Fund:**

The city has loan funds available through the Albert Lea Subsidy Plan. Projects must meet either economic development goals, creation or retention of jobs, creation of affordable housing or tax base expansion. More specific terms and conditions of the program are available through city administration at 507-377-4300.

### **Freeborn-Mower Cooperative Services Loan Funds:**

Freeborn Mower Cooperative Services (FMCS) has loan programs available to qualifying businesses. For more information, contact them at 507-373-6421.

**Business Recognition Loan Program (BPR):**

The Albert Lea Economic Development Agency has a revolving loan fund to assist potential or new businesses less than 5 years old operating or relocating to Freeborn County. A completed business plan must be submitted with the application. Loan term will be 36 months or less. More specific terms and conditions available at time of application. Please call 507-373-3930 for more information.

**Rural Business Enterprise Loan Program (RBEG):**

This program targets small, emerging businesses in Freeborn County with fewer than 50 employees and less than one million in total revenue per year. The loan must save or create at least 2 jobs in Freeborn County. Loan term will be 36 months or less. More specific terms and conditions available at time of application. Please call 507-373-3930 for more information.

**USDA Intermediary Relending Program (IRP) Loan:**

This program allows the Albert Lea Economic Development Agency to partner with banks on participation loans for gap financing and is open to a variety of businesses. Funds can be used to establish new businesses and/or expansion of existing businesses and creation of jobs or retaining existing jobs. More specific terms and conditions available at time of application. Please call 507-373-3930 for more information.

**Local Development Organization Loan (LDO):**

Eligible applicants are manufacturing, distribution and service businesses located in Freeborn County. Job creation is a requirement, but retention will be considered. Funds may be used for startups, expansions or renovations and can be used to purchase fixed assets and/or equipment. More specific terms and conditions available at time of application. Please call 507-373-3930 for more information.