



2024 Business Assistance Report

Report to the Legislature Summary of Business and Financial Assistance Reported by State and Local Government Agencies Provided Between August 1, 1999 and December 31, 2023

In Accordance With

Minnesota Statutes, Chapters §116J.993 through §116J.995

12/16/2024

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As requested by Minnesota Statute 3.197: This report cost approximately \$28,634.26 to prepare, including staff time, printing, and mailing expenses.

Upon request, this material will be made available in an alternative format such as large print, Braille, or audio recording. Printed on recycled paper.

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Introduction

The business subsidy law, Minnesota Statutes §116J.993 through §116J.995, provides a mechanism for taxpayers to learn about state and local funds used for business subsidies and financial assistance. The law applies to state and local government agencies with the authority to provide business subsidies and financial assistance. Grantors are required to submit a Minnesota Business Assistance Form (MBAF) to the Minnesota Department of Employment and Economic Development (DEED) for each agreement signed since August 1, 1999 for two years after the benefit date or until all goals are met.

Under the law, local government agencies in communities with a population of more than 2,500 persons and state and local agencies with authority to grant subsidies must submit a report to DEED, regardless of whether they have awarded business subsidies. Local government agencies in communities with a population of 2,500 or less are exempt from filing the MBAF unless they have awarded a subsidy in the past five years.

Forms summarized in this report are primarily reported by local government agencies and are primarily local aid. Examples of local aid include loans, grants, tax abatements and tax increment financing. Some, but not all, state subsidies are captured in this report but are reflected if the local entity receiving the subsidy submits their report. Minnesota Job Creation Fund grants, Minnesota Investment Fund loans, and the Minnesota Forward Fund provided by DEED and reported by local government agencies are also summarized.

State government agencies are also required to report if they have the authority to award business subsidies. Eligible business assistance loans and grants reported from the Minnesota Department of Agriculture, Minnesota Agricultural and Economic Development Board, Department of Iron Range Resources and Rehabilitation, and Minnesota Rural Financial Authority are summarized in this report. Public facilities funding programs, flood recovery funding programs, housing financing, federal loan funds and angel tax credits are not subject to business subsidy reporting. DEED monitors and reports on all agency-run programs, and the annual report program summaries can be found at DEED's website located at <http://mn.gov/deed/about/what-we-do/agency-results/program-summaries/>.

Data Collection and Reporting Periods

Reports can be filed with DEED by mailing a hard copy or using the online application launched in 2016. For agreements entered into between August 1, 1999 and December 31, 2023, government agencies use the standard MBAF form. A separate form is now required for financial assistance of \$25,000 and greater that is excluded from the definition of "business subsidy" by Minnesota Statute Chapter §116J.993, Subdivision 3, clause (1), and of business loans and loan guarantees from \$75,000 and \$150,000 for agreements signed on or after January 1, 2008.

Forms summarized cover business and financial assistance agreements reached between August 1, 1999 and December 31, 2023 that were submitted to DEED by June 1, 2024. These forms and forms submitted by government agencies after June 1, 2024 are available online on DEED the website at <https://mn.gov/deed/government/business-subsidy/biz-subsidy-annuals/non-jobz/>.

Overview

Per [Minnesota Statute §116J.994, Subdivision 9](#), the Commissioner of DEED is required to publish a compilation and summary of results on eligible business and financial assistance provided by state and local government agencies by December 2024 for the previous two calendar years and every year thereafter. To fulfill that requirement, DEED staff prepared updated calendar year (CY) 2022 and CY 2023 reports for all of the eligible business and financial assistance reported by government agencies from August 1, 1999 through December 31, 2023. Reporting on business and financial assistance is available at the links provided throughout the report.

2023 Business Assistance Activity Findings

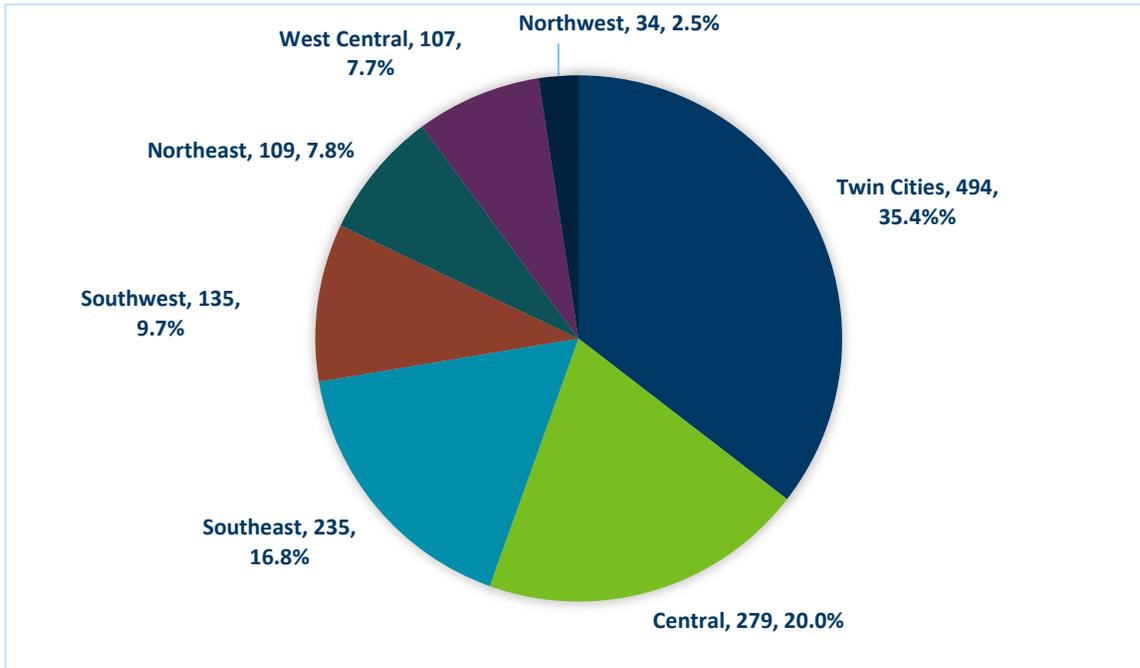
There were four business assistance agreements reported by government agencies for CY 2023 and six agreements reported for CY 2022 in 2024. The total value of business assistance agreements for CY 2023 was \$4.8 million and \$3.7 million for CY 2022 activity.

Of the four business assistance agreements reached between January 1, 2023 and December 31, 2023, no recipient had yet to achieve all goals and obligations. Agencies reported that recipients had more time to meet their goals and obligations.

Of the six business assistance agreements reached between January 1, 2022 and December 31, 2022, two recipients (33.3 percent) had achieved all stipulated goals and obligations, compared to four recipients (66.7 percent) that have yet to achieve goals and obligations. Agencies reported that those four recipients had more time to meet their goals and obligations.

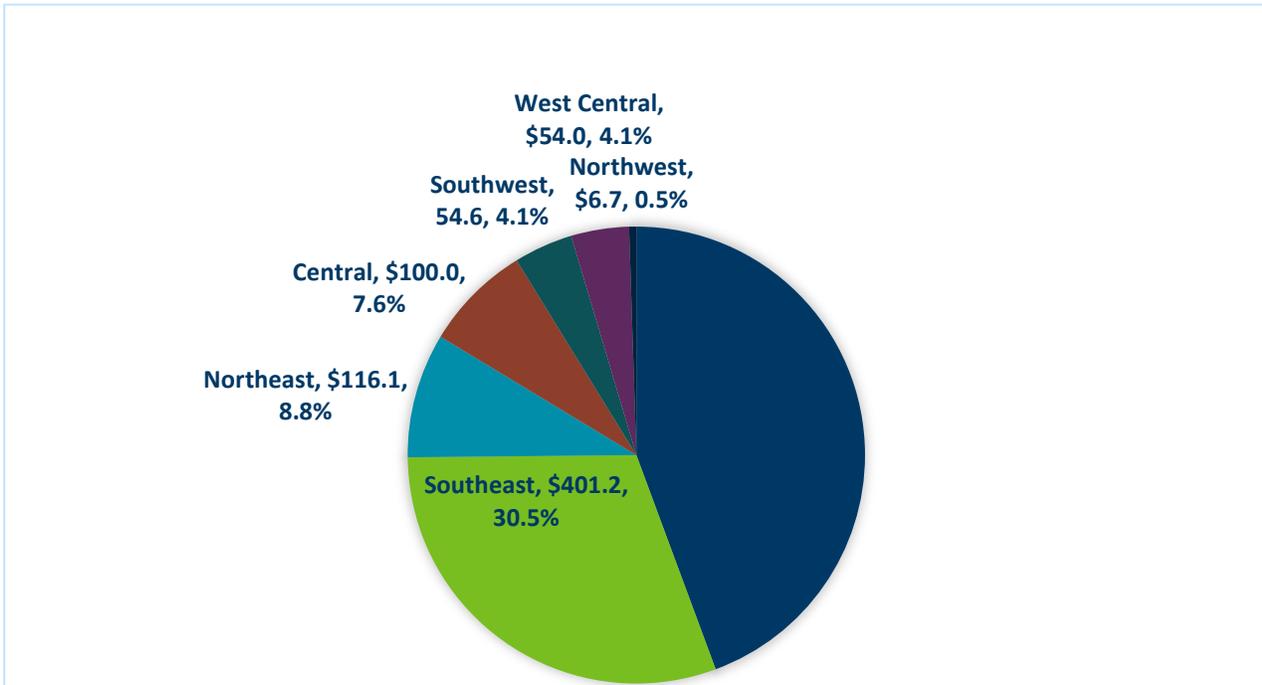
There were 1,395 business assistance agreements entered into by government agencies between August 1, 1999 and December 31, 2023. The Twin Cities region accounted for 494 agreements (35.4 percent); Central region, 279 agreements (20.0 percent); Southeast, 235 agreements (16.8 percent); Southwest, 135 agreements (9.7 percent); Northeast, 109 agreements (7.8 percent); West Central, 107 agreements (7.7 percent); and Northwest, 36 agreements (2.6 percent) (Figure 1).

Figure 1 Regional Distribution of Business Assistance by Quantity



There were \$1.32 billion of business subsidies reported for agreements between August 1, 1999 and December 31, 2023 reported in 2024 by government agencies. The Twin Cities region provided about \$584.2 million (44.4 percent); Southeast region, \$401.2 million (30.5 percent); Northeast region, \$116.1 million (8.8 percent); Central region, \$100.0 million (7.6 percent), Southwest region, \$54.6 million (4.1 percent); West Central, \$54.0 million (4.1 percent); and Northwest region, \$6.7 million (0.5 percent) (Figure 2).

Figure 2 Regional Distribution of Business Assistance by Value (in millions)



There were 1,395 business assistance agreements reached between August 1, 1999 and December 31, 2023, 1,155 agreements (82.8 percent) had achieved all stipulated goals and obligations, compared to 148 active agreements (10.6 percent) had not attained their goals but have more time to meet their goals and 92 terminated agreements (6.6 percent) that were discontinued.

2023 Business Subsidy Financial Assistance Activity Findings

Per Minnesota Statute §116J.994, Subdivision 7 (c), government agencies are required to report on four types of financial assistance (property polluted by contaminants, renovating building stock, pollution control and TIF soil condition district) for agreements reached between August 1, 1999 and December 31, 2023.

There were two financial assistance agreements report by government agencies CY 2023 and one agreement reported for CY 2022 in 2024. The total value of financial assistance agreements for CY 2023 was \$2.4 million and \$700,000 for CY 2022 activity.

Of the two financial assistance agreements reached between January 1, 2023 and December 31, 2023, no recipient had yet to achieve stipulated goals and obligations. Agencies reported that recipients had more time to meet their goals and obligations.

Of the one financial assistance agreement reached between January 1, 2022 and December 31, 2022, no recipient had yet to achieve all goals and obligations. The agency reported that the recipient had more time to meet their goals and obligations.

There were 53 financial assistance agreements entered into by government agencies for agreements between August 1, 1999 and December 31, 2023. The Twin Cities region accounted for 28 agreements (52.8 percent); Southeast region, 15 agreements (28.3 percent); Northeast region, five agreements (9.4 percent); Southwest region, four agreements (7.5 percent); and Central region, one agreement (2.0 percent).

There were about \$51.5 million of financial assistance reported by agreements between August 1, 1999 and December 31, 2023 reported in 2024 by government agencies. The Twin Cities region provided about \$45.6 million (88.5 percent); Southeast region, \$2.4 million; Northeast region, \$2.2 million; Southwest region, \$830,734 (1.6 percent); and Central region, \$440,000 (0.9 percent).

Of the 53 financial assistance agreements reached between August 1, 1999 and December 31, 2023, 47 agreements (88.7 percent) had achieved all stipulated goals and obligations, compared to six active agreements (11.3 percent) had not attained their goals but have more time to meet their goals.

2023 Financial Assistance Activity Findings

There were two financial assistance agreements reported by government agencies CY 2023 and eight agreements reported for CY 2022 in 2024. The total value of financial assistance agreements for CY 2023 was \$245,000 and \$660,575 for CY 2022 activity.

Of the two financial assistance agreements reached between January 1, 2021 and December 31, 2021, no recipient had achieved all stipulated goals and obligations but have more time to meet goals and obligations.

Of the eight financial assistance agreements reached between January 1, 2022 and December 31, 2022, two recipient (25.0 percent) had all achieved stipulated goals and obligations, compared to six recipients (75.0 percent) that have yet to achieve goals and obligations but have more time to meet their goals and obligations.

There were 272 financial assistance agreements entered into by government agencies for agreements between January 1, 2008 and December 31, 2023. The Central region accounted for 64 agreements (23.5 percent); Southeast region, 63 agreements (23.2 percent); Twin Cities region accounted for 57 agreements (21.0 percent); West Central region, 40 agreements (14.7 percent); Southwest region, 22 agreements (8.1 percent); Northwest region, 14 agreements (5.1 percent) and Northeast region, 12 agreements (4.4 percent).

There were about \$24.0 million of financial assistance reported by agreements between January 1, 2008 and December 31, 2023 reported in 2024 by government agencies. The Southeast region provided about \$5.9 million (24.5 percent); Central region, \$5.7 million (23.8 percent); Twin Cities region, \$4.6 million (19.2 percent); West Central region, \$3.0 million (12.5 percent); Southwest region, \$2.0 million (8.3 percent); Northwest region, \$1.6 million (6.7 percent); and Northeast region, \$1.2 million (5.0 percent).

Of the 272 financial assistance agreements that were reached between January 1, 2008 and December 31, 2023, 169 agreements (62.1 percent) had achieved all stipulated goals and obligations,

compared to 100 active agreements (36.8 percent) that did not achieve goals and obligations but have more time to meet goals and obligations and three terminated agreements (1.1 percent) that were discontinued.

Job Creation Fund, Minnesota Investment Fund, and Minnesota Forward Fund Program Activity Findings

This report also summarizes program activity for the Minnesota Job Creation Fund for projects designated between CY 2014 and CY 2024. This program provides assistance to businesses for up to seven years (Greater Minnesota) and five years (Twin Cities). Businesses are required to spend at least \$500,000 in real property improvements within one year and to create at least 10 new full-time positions with two years. All financing is performance-based and is provided after the business meets capital investment and job creation thresholds. No program dollars are disbursed until the business submits evidence of qualifying capital investment and job creation to DEED. The projects remain active until the contract period has expired, once the contract period is completed the projects are considered completed. In some cases, projects that have not met performance benchmarks such as capital investment or job creation and have been removed from the program without receiving any assistance, those projects are not reflected in either the active or completed project data. Program summaries and project activity are located at <https://mn.gov/deed/business/financing-business/deed-programs/mn-jcf/job-creation-fund-map.jsp>.

Businesses reported to DEED in 2024 between CY 2014 and CY 2024 on 65 active projects for the Job Creation Fund program. Of the 65 active Job Creation Fund agreements reached by businesses between January 2014 and November 2024, they reported projected full-time jobs of 3,531. The projected average hourly wage was \$32.35 and a projected eligible capital investment of \$750.0 million. The total Job Creation Fund awarded to active projects was \$31.9 million. Active projects have more time to meet goals and obligations. There were 100 completed Job Creation Fund projects reported by businesses to DEED in 2024 for CY 2014 through CY 2024. Of the 100 completed projects businesses reported 4,990 actual new full-time jobs created with an average actual hourly wage of \$28.72 and an actual eligible capital investment of \$604.7 million. The total Job Creation Fund awarded to completed projects was \$37.2 million.

This report also summarizes program activity for the Minnesota Investment Fund projects for approved between CY 2014 and CY 2024. 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. Funds are awarded to local units of government who provide loans to assist expanding businesses. Cities, counties, townships, certain development authorities and recognized Indian tribal governments are eligible for this fund. Program summaries and project activity are located at <https://mn.gov/deed/business/financing-business/deed-programs/mif/award-map.jsp>.

Businesses reported to DEED in 2024 between CY 2014 and CY 2024 on 75 active projects for the Minnesota Investment Fund program. Of the 75 active Minnesota Investment Fund agreements reached between January 2014 and November 2024, they reported projected full-time jobs of 4,316.

The projected average hourly wage was \$31.19 and a projected leverage amount of \$2.0 billion. The total Minnesota Investment Fund award for active projects was \$58.9 million. Active projects have more time to meet goals and obligations. There were 112 closed or completed Minnesota Investment Fund projects reported by businesses to DEED in 2024 between CY 2014 and CY 2024. Of the closed or completed projects businesses reported 10,152 actual full-time jobs created with an average actual hourly wage of \$27.16 and an actual leverage amount of \$1.98 billion. The total Minnesota Investment Fund award for completed projects was \$55.1 million.

This report also summarizes program activity for the Minnesota Forward Fund projects approved in CY 2024. The Minnesota Forward Fund provides resources that the state can leverage to increase business retention, expansion, and the attraction of projects in both new and existing industries. It also provides funding to meet the state match requirements of federal funding programs. Only projects for which federal funding requires state matching dollars are eligible for the Minnesota Forward Fund. Program summaries and project activity are located at <https://mn.gov/deed/business/financing-business/deed-programs/forward-fund/map/forward-fund-map.jsp>.

A business reported to DEED in CY 2024 on one active project for the Minnesota Forward Fund. They reported projected full-time jobs of 98. The projected average wage was \$46.23 and a projected leverage amount of \$450,064,000. The total Minnesota Forward Fund award was \$75.0 million. The government agency reported that the business had more time to meet their goals for the active project.

Annual Business Assistance Reporting Summary Features

Per [Minnesota Statute §116J.994, Subdivision 9](#), information in the compilation and summary reports includes:

- [Total amount of business assistance awarded in each development region in the state;](#)
- [Distribution of business assistance amounts by size of subsidy;](#)
- [Distribution of business assistance amounts by time category;](#)
- [Distribution of business assistance by type and public purpose;](#)
- [Percentage of all business assistance that reached their goals;](#)
- [Percentage of business assistance that did not reach their goals after two years from the benefit date;](#)
- [Percentage of business assistance that did not meet their goals and that did not receive repayment;](#)
- [List of recipients that have failed to meet the terms of a business assistance agreement in the past five years and have not satisfied their repayment obligations;](#)
- [Number of full-time and part-time jobs within separate bands of wages for the entire state and for each development region of the state;](#)
- [Average benefits paid for business assistance projects within separate bands of wages for the entire state and for each development region of the state;](#)

- [Number of employees in the entire state and in each development region of the state who ceased to be employed because of their employers relocated to become eligible for a business assistance;](#) and
- [Business assistance by industry sector](#)

Annual Business Subsidy Financial Assistance Reporting Summary Features

Per [Minnesota Statute §116J.994, Subdivision 9](#), information in the compilation and summary reports includes:

- [Total amount of financial assistance awarded in each development region in the state;](#)
- [Distribution of financial assistance amounts by size of subsidy;](#)
- [Distribution of financial assistance amounts by time category;](#)
- [Distribution of financial assistance by type and public purpose;](#)
- [Percent of all financial assistance that reached their goals;](#)
- [Percent of financial assistance that did not reach their goals after two years from the benefit date;](#)
- [Percent of financial assistance that did not meet their goals and that did not receive repayment;](#)
- [List of recipients that have failed to meet the terms of a financial assistance agreement in the past five years and have not satisfied their repayment obligations;](#)
- [Number of full-time and part-time jobs within separate bands of wages for the entire state and for each development region of the state;](#)
- [Average benefits paid for financial assistance projects within separate bands of wages for the entire state and for each development region of the state;](#)
- [Number of employees in the entire state and in each development region of the state who ceased to be employed because of their employers relocated to become eligible for a financial assistance;](#) and
- [Financial assistance by industry sector](#)

Annual Financial Assistance Reporting Summary Features

Information in the compilation and summary reports includes:

- [Total amount of financial assistance awarded in each development region in the state;](#)
- [Distribution of financial assistance amounts by size of subsidy;](#)
- [Distribution of financial assistance by type and public purpose;](#)
- [Project status of financial assistance projects that reached their goals;](#)
- [Number of full-time, part-time, and retained jobs for the entire state and for each development region of the state;](#)

- [Average benefits paid for financial assistance projects for the entire state and for each development region of the state;](#) and
- [Financial assistance by industry sector](#)