

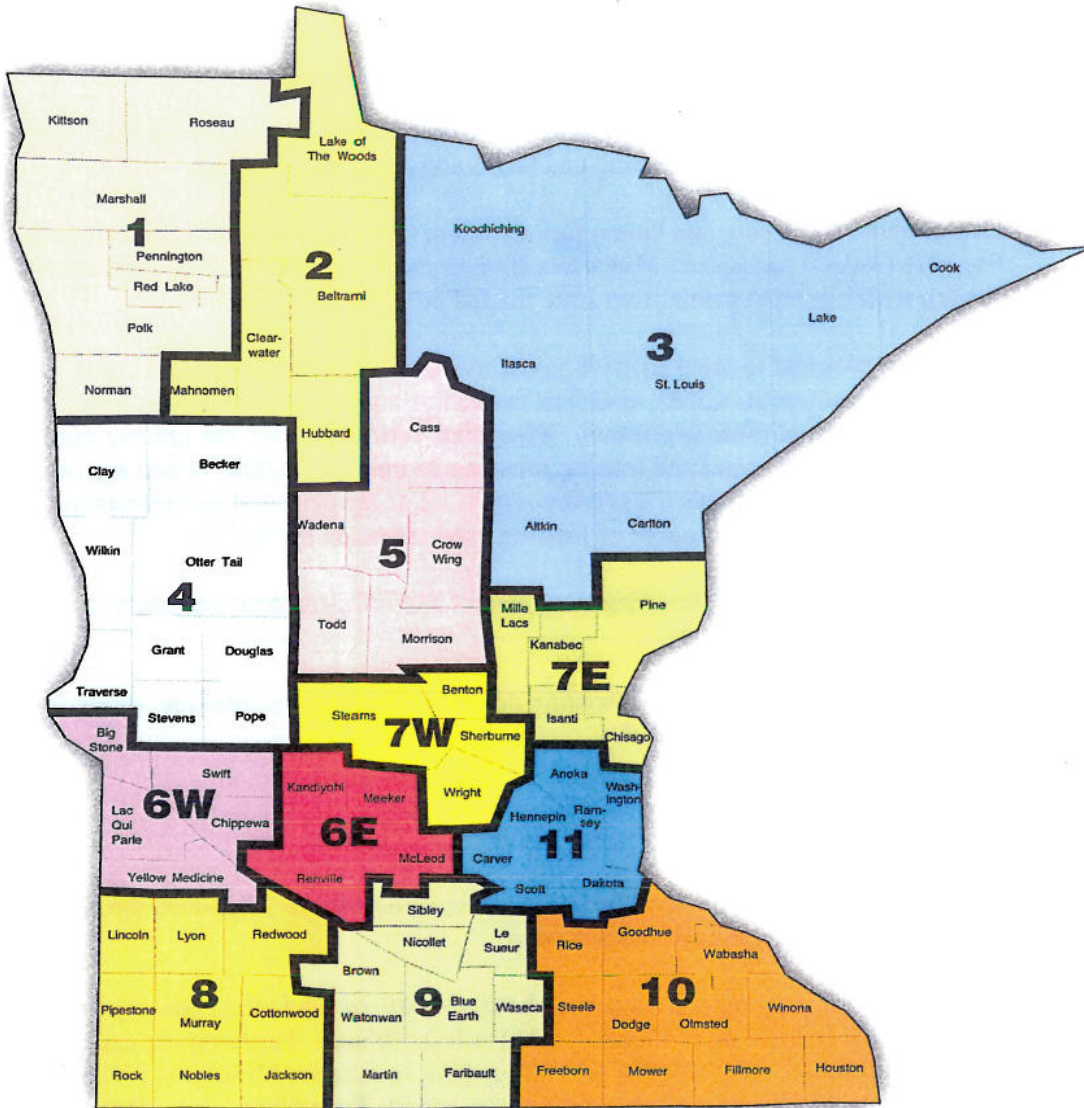
Minnesota Investment Fund Program

- Program Purpose:** To create new and retain the highest quality jobs possible on a statewide basis with a focus on industrial, manufacturing and technology related industries.
- Funding Sources:** Department of Housing and Urban Development (HUD), Small Cities Development Program (federal funds) and Minnesota Investment Fund (MIF) Revolving account (state funds), which is repayments from state funded projects.
- How It Works:** Grants are awarded to local units of government, which provide loans to assist expanding businesses. Cities, counties, townships and recognized Indian tribal governments are eligible applicants. When state funds are used, the grantee may retain 20% of the loan principal and interest repayments up to \$100,000. When a project is awarded with federal funds the grantee retains all of the principal and interest repayment. Determinations as to the source of funding used are made by DEED.
- Eligible Projects:** Loans are made for land, buildings, equipment and infrastructure necessary to support business expansions.
- Ineligible Projects:** Working capital, refinancing of existing debt, retail businesses, casinos, sports facilities and industrial park development.
- Maximum Available:** \$500,000 per project.
- Other Funds Required:** A minimum of 50% of the total project costs must be privately financed through various lending sources and owner equity.
- Job Creation/Wages:** All funded jobs must meet a wage threshold of 110% of the federal poverty level for a family of four, which, as of March 1, 2012 is \$12.19/hour. Furthermore, each job must pay, at a minimum, cash wage of \$10.25 per hour in outstate Minnesota (the balance may be Benefits) and \$13.00 per hour in the seven county Twin Cities area. This requirement includes benefits not mandated by law. Projects funded with Federal funds, 51% of the jobs created must benefit low and moderate income people.
- Project Timeline:** Two years to satisfy the job goals.
- Loan Terms:** Real estate: maximum of 20 years; machinery and equipment: maximum of 10 years.
- Interest Rate:** Negotiated.
- Collateral:** Negotiated. Personal guarantees may be required.
- Disbursement:** As costs are incurred but prorated with other sources of funding.

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Business and Community Development Division

Minnesota Investment Fund Program



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