

## Update & Improve the Greater Minnesota Business Expansion Program

The Greater Minnesota Business Expansion program offers a seven-year sales tax refunds for businesses that expand where they are currently located.

- To date, \$488,082 has been awarded (\$249,979 in 2015 and \$238,103 in 2016)
- Five businesses are currently taking advantage of the program, creating 19.5 jobs to date.



PurNet in Worthington will receive up to \$100,000 as it expanded to a 10,000 square foot facility.



SMI and Hydraulics invested \$2.45 million in a new 9,000 square foot facility located in Porter and added 4 full-time positions.



Rural Computer Consultants added three full-time workers as it expanded in Bird Island.

### The Program Can Be Even Better – Here's How:

- Encourage home-grown economic growth by eliminating state commercial/industrial property taxes on expanded property.
- Make prevailing wage requirements mirror those of other economic development programs.
- Set employee compensation level requirements to 110% of the federal poverty level, which would mirror MIF and the Job Creation Fund program.
- Stop penalizing businesses for having been previously located in the metro area. Currently, the program requires that a business be located in Greater Minnesota for one year before it can receive a benefit. This should be changed to expand eligibility to businesses who had previously been located in the metro area prior to pursuing the incentive.