



## Government Finance Programs

### Incentives

All community wide financial assistance to business is based on a case by case basis. Fairmont has been aggressive in helping to assist its business community grow. In the past, Fairmont had 21 active Tax Increment Financing (TIF) projects. Today, three are active. These projects have ranged from large 80,000 square foot industrial expansions, to downtown redevelopment to warehouse and distribution, a \$1.1 million 225,000 square foot commercial and retail mall redevelopment, a 28,000 square foot professional and health care center with out-patient surgery and a \$75 million soybean processing plant.

Fairmont approved 2 Job Opportunity Building Zones. One is a \$150 million dollar ethanol plant. The second is a 30,000 square foot five acre expansion of warehouse and distribution.

The City operates a \$1.3 Million Revolving Loan Fund. At the present time funds are available for individual projects.

The City owns Industrial Park real estate with many different options available for land acquisition.

Below is a listing of the numerous programs available to improve Fairmont's business climate and make investment profitable for your business and the community.

### Governmental Finance Programs

A wide variety of special financing programs are available to qualifying businesses. The majority of the programs concentrate on providing assistance to industrial types of firms but there are exceptions. The following brief description can be used as a guide to the various governmental financing programs.

#### **1. Local Programs**

##### **a. City Revolving Loan Fund**

Through the Fairmont Economic Development Authority (FEDA), reduced interest rate loans are available on a matching basis for business expansion projects. The loans are normally subordinated and the criteria is adaptable but is normally up to 30% of the project cost, to a maximum of \$75,000. Other requirements include assistance can not exceed \$10,000 for each FTE (full time equivalent) created or retained. The interest rate and term are negotiable within a general range. For further information please contact:



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Michael Humpal, CEcD  
City Administrator  
Fairmont Economic Development Authority  
100 Downtown Plaza  
Fairmont, MN 56031  
507-238-3936

### b. Tax Increment Financing

Tax increment financing (TIF) programs are available for those businesses where physical expansion will result in a significant increase in normal property taxes. The program is tightly regulated by the State. For further information please contact:

Michael Humpal, CEcD  
City Administrator  
Fairmont Economic Development Authority  
100 Downtown Plaza  
Fairmont, MN 56031  
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### c. Fairmont Business Development Center

The Fairmont Economic Development Authority (FEDA) has acquired an industrial building for use as an industrial incubator. Over 12,000 square feet of space is available with loading docks, exterior truck access, concrete parking area and other related amenities. For further information please contact:

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### d. Equity Investors

The Fairmont area has a large number of successful individuals and/or companies that consider equity investment opportunities. The diversity and variation in the types of firms within the community makes it possible to evaluate any size of equity investment opportunity that may be proposed. For information about potential equity investment, please contact:

Michael Humpal, CEcD  
City Administrator  
Fairmont Economic Development Authority  
100 Downtown Plaza  
Fairmont, MN 56031  
507-238-3936

## **2. Regional**

### a. Region 9 Revolving Loan Fund

The Regional Development Commission for this area operates a revolving loan program specializing in assisting industrial types of projects. For further information, please contact:

LuAnn Vander  
Finance Director/RLF Coordinator  
Region 9 Development Commission  
410 South 5th Street  
Mankato, MN 56001  
507-387-5643

### b. Southern Minnesota Initiative Foundation (SMIF)

The Initiative Fund for this area operates a revolving loan fund that can assist a variety of project types.

- Bio Seed Fund: Up to \$25,000 is available to support seed and start-up stage biobusinesses that need capital, business expertise, and networking opportunities
- Revolving Loan Fund: Up to \$200,000 is available to "fill the gap" between available and necessary financing in partnership with local lenders, economic development organizations and government agencies. Priority will be give to biobusinesses and minority entrepreneurs.

- Small Enterprise Loan Fund: Up to \$35,000 is available to support small business owners or start-up entrepreneurs, including minority-owned businesses
- Technical Assistance: We provide assessment, planning and implementation support, trainings, and specialized consulting that result in increased business success.
- Incentive Grants: We provide up to \$20,000 to support asset based collaborative projects or programs within our five key emerging business and emerging workforce areas.
- Community Growth Initiative: SMIF's Community Growth Initiative process brings community members together to evaluate the assets of the community, set goals and accomplish a project of choice. We provide facilitation, technical assistance, and up to \$15,000 to initiate/create asset based community development efforts (ABCD).
- Convenings: We collaborate with regional partners to create small and large convenings that enhance awareness, increase knowledge, and produce results within our focus areas.

Diane Lewis  
Southeastern Minnesota Initiative Fund  
P.O. Box 570  
Owatonna, MN 55060  
507-455-3215  
[www.smifoundation.org](http://www.smifoundation.org)

### **3. State Programs**

#### **a. Small Cities Program/Minnesota Investment Fund**

The State of Minnesota through the Department of Employment and Economic Development (DEED) provides a matching business loan program that provides a grant to governmental units that is then lent to private business enterprises. Application is made through the individual cities or counties. For further information, contact the appropriate local governmental agency or DEED directly.

#### **b. Minnesota Job Creation Fund**

The Job Creation Fund (JCF) program is DEED's newest program to encourage job creation and capital investment in new or expanding businesses. The program provides job creation awards of up to \$500,000 and capital investment rebates of up to \$500,000 for qualifying businesses.



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### *JCF Eligibility*

Businesses may apply through a local government where their new or expanding business will be located and must be primarily engaged in manufacturing, warehousing, distribution, IT or other eligible activities. At minimum, a business must:

- Invest \$500,000 in real property improvements within one year of designation as a Job Creation Fund Business; and,
- Create 10 new full-time, permanent jobs within two years of designation as a Job Creation Fund Business; and,
- Obtain a resolution of support from the local government where the business will be located.

### c. Minnesota Job Skills Partnership

Minnesota has numerous programs that can meet the specific needs of business and industry. For additional information contact:

Lisa Hughes  
E.D. Program Specialist  
Department of Employment & Economic Development  
1st National Bank Building  
332 Minnesota Street, Suite E200  
St. Paul, MN 55101  
507-389-6779  
lisa.hughes@state.mn.us