

City of Waseca

Incentives

The City of Waseca has been actively involved in working with businesses that wish to locate or expand here in Waseca. Over the past ten years, the City of Waseca has witnessed eighteen business expansions of the City's top 28 employers. Many of the expansions were from our top ten employers expanding multiple times.

Brown Printing, the City's largest employer has expanded several times during that period. Their latest expansion was completed in 2007. The additions completed totaled 150,000 square feet and were designed to increase plant capacity by 15%. The \$50 million expansion included an impressive Automated Storage and Retrieval System (ASRS) and Automated Guided Vehicles (AGV) to move and store materials throughout the plant.

Another Waseca printer, Clear Lake Press, completed an expansion of approximately 13,000 square feet in 2007. This is the firm's second expansion.

The City of Waseca assembled a site for the Wal-Mart Supercenter expansion. Birds Eye Foods, a Waseca food processor, added a 98,000 square foot freezer addition onto their plant and has expanded their facility twice recently. Corchran Inc., a metal fabricator, has completed a 28,000 square foot addition to their production facility and expanded their offices. Delta Waseca, a truck body manufacturer, has also expanded their production facilities.

The Mayo Health System operates the hospital in Waseca. They are continually improving their facilities within the community.

The City of Waseca has approved nine tax abatements and the Economic Development Authority of the City of Waseca operates five tax increment districts.

The Economic Development Authority of the City of Waseca owns an industrial park with special incentives available for qualified businesses.

The City of Waseca operates a revolving loan fund with funds available.

CITY OF WASECA ECONOMIC DEVELOPMENT PROGRAMS

The City of Waseca, the State of Minnesota and several regional entities offer a variety of financing programs to qualifying businesses to assist them with their development needs. The majority of the programs are designed to provide assistance to industrial development activities, however, there are exceptions. The following are examples of some of the assistance that may be available to assist with the expansion or development of industrial facilities:

For information on the Waseca programs listed below please contact:

Kimberly Johnson
Planning Director
City of Waseca
508 South State Street
Waseca, MN 56093
Phone: 507-835-9741
Fax: 507-835-8871

Note: Not all of the programs may be used in conjunction with one another.

City of Waseca Programs:

Job Opportunity Building Zone (JOBZ)

The Job Opportunity Building Zone (JOBZ) initiative is the State of Minnesota's premier economic development program for the rural, out-state area. The program, launched on January 1, 2004, provides substantial tax relief to companies that start up or expand in targeted areas of Greater Minnesota. Any company that utilizes the program must sign a business subsidy agreement until the program expires on December 31, 2015. The program also aims to promote development in places that are already poised for business growth and have adequate infrastructure in place. It also seeks out places where favorable conditions exist for restoring productivity to under-used and unproductive properties through development, redevelopment, reclamation or recycling.

The program offers savings including:

1. corporate franchise taxes;
2. income tax for operators or investors, including capital gains tax;
3. sales tax on goods and services used in the zone if the goods and services were purchased during the duration of the zone;
4. property tax on commercial and industrial improvements but not on land;
5. wind energy production tax, and; employment tax credit for high paying jobs.

Exemption does not apply to the following property:

1. Property subject to a general obligation bond levy;
2. Property subject to a school operating referenda approved by the voters before designation of the JOBZ or APFZ;
3. Land only (improvements to land are exempt);
4. Property where neither the owner nor lessee is a qualified business.

Tax exemptions apply only to qualified businesses. Qualified businesses include businesses expanding in a Zone, business startups in a Zone, business relocations from other states, and business relocations from Minnesota if the business increases employment by a minimum of 5 jobs or 20%, whichever is greater, within the first full year of operations in the Zone. A qualified business, as defined by M.S. § 469.310 subd.11, will be eligible for JOBZ through the execution of a local Business Subsidy Agreement and Relocation Agreement (if necessary). A qualifying business must pay each employee compensation, including benefits not mandated by law that on an annualized basis is equal to at least 110 percent of the federal poverty level for a family of four. Retail development is not eligible for JOBZ benefits.

Tax Increment Financing (TIF)

Tax increment financing programs are available for those businesses where the expansion of the physical plant will result in a significant increase in real estate taxes. The program is tightly regulated by the State.

Tax Abatement (Abatement)

Tax Abatements involve the use of certain portions of the real estate taxes paid following the physical expansion of properties generating real estate taxes. Each taxing jurisdiction must abate their own portion of the taxes generated on their behalf.

Waseca County

Waseca County offers loans for business expansion projects and the rehabilitation of certain businesses through the Waseca County Revolving Loan Fund. Loans are available with reduced interest rates on a matching funds basis. The loans are normally subordinated. Other requirements may apply.

For Information contact:

Waseca County Coordinator
308 South State Street
Waseca, MN 56093
507-835-0630

Region Nine

For further information, please contact:

Region 9 Development Commission
410 South 5th Street
Mankato, MN 56001
507-387-5643

Region 9 Revolving Loan Fund

The Regional Development Commission for this area operates a revolving loan program specializing in assisting certain types of development projects.

Southern Minnesota Initiative Foundation

The Initiative Fund for the Waseca area operates a revolving loan fund that can assist a variety of project types. For further information, please contact:

Executive Director
Southeastern Minnesota Initiative Fund
P.O. Box 570
Owatonna, MN 55060
507-455-3213.

State of Minnesota Programs

The State of Minnesota offers assistance through the state Department of Employment and Economic Development (DEED). These dollars are matching funds. Generally, the business loan program provides a grant to governmental units that are then loaned to a private business enterprise. Application is made through an individual city or county. For further information, contact the City of Waseca or DEED directly at:

Department of Employment & Economic Development
121 East 7th Place
500 Metro Square
St. Paul, MN 55101-1421
612-297-1844

Minnesota Investment Fund

The Minnesota Investment Fund provides grants 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 the economic vitality for all Minnesota citizens.

Grants are awarded to local units of government who provide loans to assist expanding businesses. Cities, counties, townships and recognized Indian tribal governments are eligible for this fund. All projects must meet minimum criteria for private investment, number of jobs created or retained, and wages paid. There is a maximum of \$500,000 per grant. Only one grant per state fiscal year can be awarded to a government unit. At least 50 percent of total project costs must be privately financed through owner equity and other lending sources (most applications selected for funding have at least 70 percent private financing). Grant terms are for a maximum of 20 years for real estate and 10 years for machinery and equipment. Interest rates are negotiated.

Minnesota Jobs Skills Partnership Program

The Partnership Program acts as a catalyst between business and education in developing cooperative training projects for new or existing employees. Grants are awarded to educational institutions with businesses as partners.

Accredited public and/or private educational institutions within the state are eligible. All projects must have at least one educational institution and one business working together. Funds may be used for training-related costs or educational infrastructure improvements necessary to support businesses located or intending to locate in Minnesota. Requests for wage subsidies and tuition reimbursements are ineligible. Up to \$400,000 of Partnership funds per grant can be awarded for a project. A cash or in-kind contribution from the contributing business must match Partnership funds on at least a one-to-one ratio. Projects average twelve months to three years in duration. Costs are paid on a reimbursement basis. A short-form application is also available for grants of up to \$50,000.

The MJSP Board awards the grants. Normally, several grant rounds are held each year. Grant application deadlines are posted on the MJSP Board web page and are also published in Minnesota's State Register. Interested businesses should contact their local accredited Minnesota educational institution about the possibility of submitting a grant application.