

October 16, 2017

Amazon Office of Economic Development
 C/o Site Manager Golden
 2121 7th Ave
 Seattle, WA 98121

On behalf of the Minnesota Department of Employment and Economic Development (DEED), thank you for the opportunity to provide information on resources available to support your expansion. Minnesota has experienced significant economic growth in recent years and we welcome your project to join the numerous successful companies located in our great state.

Existing State-Level Economic Development Tools

As the principal economic development agency in Minnesota, DEED provides a variety of tools in concert with the local communities that we support. From preparing land for further development, financing business development opportunities, investing in transportation infrastructure improvements, to training workers, I anticipate existing DEED programs could support your investments in Minnesota both now and into the future.

DEED has worked with many companies that have expanded in phases, allowing for multiple awards from the same programs. The initial phase of your Request for Proposal, for example, suggests 500,000 square feet of office space and we estimate, 2,500 employees. An expansion of that size would typically generate a state award of \$3-5 million from existing DEED programs, in addition to local support as specified in the site proposals. The programs listed below are currently available under DEED’s existing authority to Amazon and all companies interested in expanding in Minnesota.

Table: Overview of Existing State-Level Economic Development Tools

Program	Purpose	Statutory Maximum	Performance Requirement	Application	Timing	Clawback
Minnesota Investment Fund	Financing (forgivable loan)	\$1 million to the business	1:1 match, 200 new jobs above \$13/hr. - 2 years to meet job goals	Continuous	Up to two months	Pro rata share
Job Creation Fund	Job creation and capital investment	\$2 million to the business	\$25m in real prop. investment, 200 new jobs above \$28k/yr. Pay for performance	Continuous	Up to one month	None
Job Skills Partnership	Worker training	\$400,000 to higher education institution	Train incumbent or new workers, match required – training must occur	Four rounds per year	Requires board approval (chaired by commissioner)	None
Community Infrastructure	Public infrastructure	\$2 million* to local government	50% match, expect development	Continuous	Up to two months	Possible from city

Redevelopment	Site preparation i.e. demolition	\$1 million* to local unit of government	50% match, expect development	Two rounds per year	Up to two months	Possible from city
Contamination Clean Up	Clean-up contaminated sites for development	\$2 million* to local unit of government	50% match expect development	Two rounds per year	Up to two months	Possible from city
Transportation and Economic Development	Transportation system improvements	\$10 million* to local unit of government	25% local match, expect development	One round per year	Up to two months	None
Data Centers	Tax Exemption (Refund)	None – to the business	\$30 million in 48 mos.	Continuous	90 days	None

*there are no maximum awards but these are the largest awards the department has made in recent years

Special Incentives Authorized by the Minnesota Legislature

Over the past decade, the Minnesota Legislature has authorized special incentive packages to support large, unique business expansions and economic development opportunities. The Minnesota Legislature is scheduled to convene in February 2018 and end in May 2018. Any special appropriation separate from DEED’s existing programs approved by the legislature would be available in July 2018, at the earliest. Below are examples of special incentives recently authorized by the Minnesota Legislature.

- Sales Tax Exemptions on Construction Materials - depending on the location, approximately 7 percent of taxable purchases on construction materials would be refunded from state sales tax. Estimates include Digi-Key (\$40m), 3M (\$5m) and United Technologies (\$4m).
- Expanded Minnesota Investment Fund Award - these projects received awards in excess of DEED’s statutory maximum of \$1 million per project. Estimates include Baxter International/Takeda (\$5m), Cirrus Aircraft (\$4m) and Digi-Key (\$4m).
- Infrastructure Support - these projects received a special appropriation through our agency: Medtronic (\$12m), St. Jude Medical (\$2m) and United Health Group (\$2m). The Minnesota Department of Transportation also managed large construction projects, appropriated by the legislature, for various system improvements to support these developments.
- Unique Public Private Partnerships - Destination Medical Center: In 2013, the Legislature authorized \$585 million in state and local public infrastructure funds over 20 years to support the city of Rochester and the Mayo Clinic’s anticipated growth. Total investment projections for the project are \$5 billion and adding more than 30,000 new jobs. US Bank Stadium: in 2012, the Legislature authorized \$498 million in state and local resources to support the construction of the \$1.1 billion publicly-owned US Bank Stadium.

We are thrilled to currently have Amazon facilities located in our state and look forward to strengthening that relationship through this process. Thank you for this incredible opportunity and your consideration of Minnesota.

Regards,



Shawntera Hardy
Commissioner