

New Markets Tax Credit

MINNESOTA



AGCO

AGCO is a leading global manufacturer of agricultural equipment, offering a full line of tractors, combines, hay tools, sprayers, and forage and tillage equipment, which are distributed in more than 140 countries worldwide. In 2011, AGCO announced plans to expand the company's Jackson, Minnesota manufacturing facility to produce high-horsepower, wheeled, row-crop tractors, which had previously been produced in France.

Jackson is a small, rural, economically distressed community with a history of outmigration. Between 2000 and 2010, the town lost 9 percent of its population. Jackson is not without assets though. It is situated in an area of high agricultural production and is conveniently located at the intersection of Interstate 90 and U.S. Highway 71, cutting down the transportation time of getting its products to market, making it an ideal location for AGCO to expand its operations. Jackson welcomed AGCO's expansion in its rural community and the jobs and tax base it brought back to the United States.

To help make the expansion project a reality, Midwest Minnesota Community Development Corporation provided \$14.4 million in NMTC financing, which, combined with local and state incentives, covered the \$16.5 million cost needed for construction.

Opened in June 2012, the expanded 75,000 square foot manufacturing facility includes new machinery and equipment, an assembly line extension, and additional warehouse space. The expansion also includes a 17,000-square-foot, state-of-the-art visitor center to give dealers and their customers the opportunity to see AGCO's workmanship. More than 2,700 people have toured the Intivity Visitors Center since it opened to the public.

The \$16.5 million project created over 200 well-paying jobs in Jackson and is spurring additional development in the community. Plans are in place for rehabilitation of a nearby hotel and the construction of a new hotel and restaurant, creating an estimated 95 new jobs.

NMTC ALLOCATEE

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COMMUNITY PROFILE

- Jackson, MN
- Median income 75.6% of Area Median Income
- 9% ten year population decrease
- Minnesota TIF district

PROJECT HIGHLIGHTS

- Expansion of agricultural equipment manufacturing facility
- Total Project Cost: \$16.5 million
- NMTC: \$14.4 million
- Investor: PNC Bank
- Jobs: 54 construction, 130 new direct, 79 indirect



Top: AGCO's manufacturing facility in Jackson, MN

Bottom: AGCO's expanded Jackson, MN facility manufacturers wheeled row-crop tractors