



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: June 26, 2025

STATEMENT OF ISSUE: Consider a Government Relations Representation Services Agreement with Primacy Strategy Group.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

As you will recall during this past summer, GREDA proposed our 35-acre East Airport Rd. Industrial Site as a location for Niron Magnetics. Niron, a Greentech manufacturing business proposing to develop a \$180M production facility for non-rare earth materials magnets, was considering potential sites within a 75-mile radius around the Twin Cities and a 50-mile radius centered on Grand Rapids.

The GREDA site attracted the interest of Niron and was one of 6 sites out of 75 proposed that they narrowed their consideration to following the two presentations/site visits GREDA hosted with them.

As you will also recall, during our discussions with Niron, we discovered an anomaly within the Department of Energy (DOE) Section 48 Tax Credit language. While a larger swath of land near Cohasset and Grand Rapids is Section 48 eligible, we were surprised to learn that the area of our site was not included. We subsequently learned this exclusion occurred because of the 2020 Census, whereby a larger Census tract that included our site was divided into three Census tracts (see attached maps). The result of this subdivision of a Census tract was that the new Census tract where our industrial site is located is no longer adjacent to the Census tract where the Boswell facility is located, which is expressly required by the language within the Federal law.

Prior to Niron's final site decision, we worked with representatives of Senator Klobuchar and Senator Smith's offices to explore an administrative solution to this unintended consequence. However, the result of this inquiry was a finding that the language with the law was very specific, and the only solution would be to amend the legislation.

Within the original Request for Information prepared by Niron, which GREDA responded to, they indicated that eligibility for a Federal 48C Tax Credit was preferred by not required. We now know, however, that the site eventually selected by Niron in Sartell was 48C eligible and had a monetary value to the project of over \$50M.

GREDA's 2025 Work Plan contains a directive to continue work on addressing 48C tax credit eligibility. Toward that objective, Commissions Blake and Hodnik and staff met recently with [Primacy Strategy Group](#), to discuss their possible assistance and scope of work to draft a legislative change and lobby for its passage. The proposal is attached for consideration.

RECOMMENDATION:

REQUIRED ACTION: Pass a motion to approve a Government Relations Representation Services Agreement with Primacy Strategy Group.



