

## Automotive Component Manufacturer and Distributor Program Report

Initial Report
As required by Laws of Minnesota 2023,
Chapter 53, Article, 20, Section 2, Subdivision 2(ss)
February 24, 2025

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As requested by Minnesota Statutes, Section 3.197: This report cost approximately \$498 to prepare, including staff time, printing and mailing expenses.

Upon request, this material will be made available in an alternative format such as large print, Braille or audio recording. Printed on recycled paper.

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## **Automotive Component Manufacturer and Distributor Report**

Minnesota Session Laws – 2023, Regular Session, Chapter 53, Article, 20, Section 2, Subdivision 2(ss) requires the Department of Employment and Economic Development to report to the legislature on the Automotive Component Manufacture and Distributor Program. The report is to include the following:

- (1) A report on the uses of the money appropriated;
- (2) The number of jobs created due to the appropriation;
- (3) Wage information; and
- (4) The city and state in which manufacturing activity was located.

The Department is to provide an itnitial and final report. This report is intened to satisfy the initial report requirement.

## **Program Background**

Pursuant to the one-time appropriation, \$2,500,000 each year is for a grant to a Minnesota-based automotive component manufacturers and distributors specializing in electric vehicles and sensor technology that manufactures all of their parts onshore to expand their manufacturing. The program received one application on November 27, 2023. The Grantee and the State did not enter into a grant contract agreement until June 2, 2024. Therefore, as of the reporting period ending on December 25, 2023, there was no recipient or activity to report.

On June 2, 2024, the State entered into a grant conract agreement for \$2,475,000 with a Minnesota-based manufacturer of automotive components and vital electric vehicle and electric vehicle charging infrastructure components. The grantee is providing critical components to the emerging electric vehicle market as well as the charging infrastructure required to grow the market. They are working with original equipment manufacturers (OEM) in the auto industry that specialize in electric vehicles to meet the current market demand for products and create new solutions to meet OEM demands. The grantee currently has two manufacturing partners in the state of Minnesota and plans to acquire additional space for assembly of charging stations and new products, components, and related assembly. It is anticipated the project will create 16 new jobs in the City of Brooklyn Park. Grant applications are being accepted on a rolling basis for other potential projects.