

Minnesota has always been a place where innovation takes shape, from pioneering advances in supercomputing and medical technology to creating inventions that changed everyday life. That same foundation of ingenuity, reliable infrastructure, and a skilled workforce has made Minnesota an important location for data-driven industries. Minnesota continues to be a place built for building what's next.



Minnesota's Data Center Industry

WHO'S BUILDING IN THE STATE

- Minnesota currently has 73+ enterprise facilities in operation. (Baxtel, 2026)
- Minnesota's first hyperscale location is under construction in Rosemount, MN. The 715,000-sq.-ft. facility is set to open in 2026. (Meta, 2024)
- There are 12 additional proposed hyperscale projects across the state, including Google facilities near Duluth, MN ([Hermantown, 2026](#)) and Pine Island, MN, and plans for a 2.5-million-sq.-ft. facility developed by Tract in Farmington, MN. (Tract, 2026)

TAX INCENTIVES

- Enacted in 2011 and extended in 2025, Minnesota offers a 35-year sales tax exemption on IT equipment, servers, cooling gear, and software. A center certifying in 2042 can claim exemptions through 2077. (MN Statute 297A.68, subd. 42)
- Three types of data centers qualify for the Data Center Tax Exemption: New, Refurbished, and Large-Scale. See more eligibility information at the [MN Dept. of Revenue](#).
- Minnesota exempts personal property like machinery and inventory from the property tax, resulting in a lower effective tax rate for real and personal property.

CLIMATE ADVANTAGE

Cold winters drive **free-air economization**, reducing mechanical cooling costs for most of the year.

State (Competing Markets)	Mechanical Cooling Days per Year
Minnesota	~90
Illinois	~130
Georgia	~180
Texas	~210
Arizona	~240

Source: WeatherSpark.com

CLEAN ENERGY

- State law requires 100% of electricity generated or procured for use in Minnesota must be from carbon-free resources by 2040.
- Minnesota is ranked #1 in the Midwest and 11th overall for energy efficiency programs according to the American Council for an Energy-Efficient Economy. (ACEEE, 2025)
- Xcel Energy, the largest utility provider in the state, became the first energy company in the nation to announce a vision to provide 100% carbon-free electricity by 2050 across the eight states it serves. (Xcel Energy, 2026)



EXCELLENT FIBER INFRASTRUCTURE

- The [Minnesota Office of Broadband Development](#) oversees grant and line-extension programs, including the Border-to-Border program, which appropriated \$50 million for each of FY 2024 and FY 2025.
- Currently Minnesota has more than 280 internet providers with over 98% of residents with access to wireline service and over 92% with access to broadband of 100 Mbps or faster.

WORKFORCE & BUSINESS CLIMATE

- Minnesota has a labor pool of more than 615,000 people in relevant occupations for data centers, with over 440,000 in the Metro area. (Source: Lightcast)
- Minnesota ranks as a Top-10 state for business, according to 2025 rankings by CNBC. The source scored all 50 states on 135 metrics in 10 broad categories of competitiveness.
- 17 Fortune 500 companies call Minnesota home. These built-in tenants include UnitedHealth Group, Target, Best Buy, 3M, U.S. Bancorp, and 12 others with headquarters in the state.

ONE POINT OF CONTACT: MINNESOTA BUSINESS FIRST STOP

- DEED's interagency team navigates site selection, environmental review, utility interconnection, and permitting as your single point of contact. Minnesota Business First Stop (MBFS) cuts through the thicket of state bureaucracy, programs, and services to find the right information and resources to help meet your development goals. The MBFS, which consists of representatives from the Departments of Commerce, Transportation, Labor and Industry, and Agriculture, works with business leaders and their site selection, permitting, and environmental consultants to answer and direct companies through the licensing, regulatory, and permitting process. To get started, visit [Minnesota Business First Stop](#).
- Major CDNs (Content Delivery Networks) recognize the value of regional and national networks that exist in Minnesota. Netflix, Google, Akamai, Apple, and CloudFare all have presence here. Recent data center projects include Wells Fargo, Land O'Lakes, Xcel Energy, U.S. Bank, Involta, Google, and DataBank, among others. Last but not least, the State of Minnesota offers assistance finding the right shovel-ready certified site for you.



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dobusiness.mn.gov

