

Employment and Economic Development

Projects Summary

(\$ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds		
			2020	2022	2024
Business Development Public Infrastructure Grant Program (BDPI)	1	GO	\$ 12,000	\$ 0	\$ 0
Innovative Business Development Public Infrastructure Grant Program (IBDPI)	2	GO	\$ 4,000	\$ 0	\$ 0
Transportation Economic Development Infrastructure Program (TEDI)	3	GO	\$ 7,000	\$ 0	\$ 0
South Minneapolis CareerForce Location Asset Preservation Phase III	4	GO	\$ 642	\$ 0	\$ 0
Total Project Requests			\$ 23,642	\$ 0	\$ 0
General Obligation Bonds (GO) Total			\$ 23,642	\$ 0	\$ 0

Business Development Public Infrastructure Grant Program (BDPI)**AT A GLANCE****2020 Request Amount:** \$12,000**Priority Ranking:** 1**Project Summary:** \$12 million in state bonding funds is requested for the Greater MN Business Development Public Infrastructure Grant Program.**Project Description**

DEED is requesting funding for the Greater Minnesota Business Development Public Infrastructure Grant Program (BDPI), Minnesota Statute 116J.431. The program provides grants to eligible cities for complex and costly public infrastructure development projects for industrial parks and to facilitate business expansions. The BDPI program pays up to 50 percent of eligible capital costs, not to exceed \$2 million in a two year funding period for one or more projects per city or county. Funds are available through competitive grants. The program accepts applications at any time. Eligible projects are publicly-owned infrastructure needs that may include wastewater collection and treatment, drinking water, storm sewers, utility extensions, and streets. Eligible business projects include manufacturing, technology, warehousing and distribution, research and development, and agricultural processing.

It is forecasted that there will be a significant demand for these funds by the time they would be available. In the past, BDPI funds have been exhausted in each biennium.

Project Rationale

Funding for the BDPI program is critical in assisting Greater Minnesota communities with business retention and expansion needs. On the ground, these investments will fund wastewater collection and treatment, drinking water, storm sewers, utility extensions and roads in conjunction with business expansions and industrial parks throughout Greater Minnesota. By adequately funding the program over the next two years DEED will have a significant tool to help provide opportunities to compete for businesses that create jobs, increase the local tax base and expand economic development opportunities that is critical in revitalizing the State's economy.

Project Timeline

This grant program is available on a pipeline basis. Applications are accepted throughout the year pending the availability of program funding.

Other Considerations

This grant program is a well utilized tool for business expansion and location in Greater MN. The program is typically over-subscribed.

Impact on Agency Operating Budgets

DEED has experienced staff that have administered the program since its inception. An established marketing, application, project selection, and project awarding systems are in place.

Description of Previous Appropriations

GO Bonding: \$74.25 million subtotal (2018 \$5 million; 2017 \$12 million; 2015 \$1 million; 2014 \$4 million; 2012 \$6 million; 2011 \$4 million; 2010 \$10 million; 2008 \$7 million; 2006 \$7.75 million; 2005 \$10 million; 2003\$7.5 million)

General Fund: \$11.574 million (2020/21 \$3.574 million; 2018/19 \$2.6 million (with carve outs); 2016/17 \$3.2 million (with carve outs); 2015 \$2.2 million)

Total funding: \$85.824 million

Project Contact Person

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Innovative Business Development Public Infrastructure Grant Program (IBDPI)**AT A GLANCE****2020 Request Amount:** \$4,000**Priority Ranking:** 2**Project Summary:** \$4 million in state bond funds is requested for the Innovative Business Development Public Infrastructure Grant Program.**Project Description**

Innovative Business Development Public Infrastructure Grant Program provides funding up to 50 percent of eligible public infrastructure costs related to innovative, high tech, bio, and medical technology business development investments statewide.

MN Statute 116J.435, the Innovative Business Development Public Infrastructure Grant Program (IBDP), provides grants to eligible cities for public infrastructure development projects associated with strategic business investments throughout the state. These eligible capital costs are matched 1:1 from non-state sources and are used to fund publicly owned infrastructure including roads, sewer and water lines. In addition, the IBDI program also allows funding for telecommunications infrastructure, bridges, parking ramps, business incubators facilities and laboratories that support basic science, development of innovative technology and research infrastructure. Funds are available through competitive grants.

Project Rationale

The goal of the IBDP is to keep or enhance jobs in the high-tech, medical and bioscience industries throughout the state. Investments made from this program increase a city's tax base, create and/or expand new economic development within a city, and encourage significant private investment. Investments are made into waste water systems, drinking systems, sewer systems, utility extensions, roads, and bridges related to innovative technology and research.

Project Timeline

Applications are accepted throughout the year.

Other Considerations

This program is a valuable tool to accommodate infrastructure needs for business expansions and locations. This is the only infrastructure program available for the Metro Area.

Impact on Agency Operating Budgets

DEED has experienced staff that have administered the program since its inception. An established marketing, application, project selection, and project awarding systems are in place.

Description of Previous Appropriations

GO Bonds: \$12.158 million (2018 \$2 million; 2017 \$1.158 million; 2011 \$5 million; 2010 \$4 million)

Capital budget, GF Cash: \$0.5 million (2014)

Total Funding: \$12.658 million

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Transportation Economic Development Infrastructure Program (TEDI)**AT A GLANCE****2020 Request Amount:** \$7,000**Priority Ranking:** 3**Project Summary:** \$7 million in state bonding funds is requested for the Transportation Economic Development Infrastructure Grant Program.**Project Description**

The Transportation Economic Development Infrastructure (TEDI) program established in 2010, is a joint effort of the Departments of Employment and Economic Development and the Department of Transportation. The program's purpose is to create and preserve jobs, improve the state's economic competitiveness, increase the tax base, accelerate transportation improvements and leverage greater private investment in public infrastructure improvements.

TEDI is a competitive grant program that runs in concert with the Transportation Economic Development (TED) program at MN DOT and provides up to 70% of the transportation and other public infrastructure costs associated with economic development projects.

Project Rationale

TEDI funds pay for public infrastructure improvements that promote economic development, increase employment and improve transportation systems to accommodate private investment and job creation. The TEDI program provides competitive grants to local governments for local transportation infrastructure needs related to business development, expansions, or relocations. TEDI contributes significantly to Minnesota's economic growth by targeting projects in high value industries such as manufacturing, technology, warehousing and distribution, research and development, agricultural processing, bioscience, tourism/recreation, and industrial park development.

Project Timeline

Applications are accepted once per year in coordination the MN DOT's TED program.

Other Considerations

This program is a well utilized tool for transportation needs to accommodate business growth and location in MN.

Impact on Agency Operating Budgets

DEED has experienced staff that have administered the program since its inception. Public and private infrastructure and transportation systems are key to creating and retaining jobs in Minnesota. This collaboration between DEED and MnDOT has proven to be effective in assisting local communities address these needs. An established marketing, application, project selection, and project awarding systems are in place.

Description of Previous Appropriations

GO Bonding: \$13.5 million (2018 \$1 million; 2017 \$3.5 million; 2015 \$2 million; 2012 \$3 million ; 2010 GO Bond \$4 million via BDPI/IDBPI programs)

Project Contact Person

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South Minneapolis CareerForce Location Asset Preservation Phase III**AT A GLANCE****2020 Request Amount:** \$642**Priority Ranking:** 4**Project Summary:** \$642 thousand dollars in state bonding funds is requested to cover related architectural design services and finish the significant repairs, asset preservation, and renovation to the South Minneapolis CareerForce Location building, grounds and adjacent parking facility as Phase III of the bonding project.**Project Description**

DEED received \$1,342 million state bonding funds that were appropriated by the Legislature at the end of the 2017 Legislative session. An additional \$642 thousand in state bonding funds is needed to fund Phase III of the asset preservation project to meet the remaining state standards, code compliance, energy conservation, life-safety issues, and infrastructure and repair work that must be addressed. It also includes the architectural design fees for the new project. Highlights of the remaining asset preservation work to be completed include: LED lighting and fixture upgrades in the building, building exterior and parking facility for safety and energy conservation, parking lot replacement, curb and gutter replacement, sidewalk replacement, fire protection service shut-off valve replacement, heating water circulation pumps replacement, elevator code compliance, weatherstripping and caulking, and water heater replacement.

Project Rationale

This bonding request will preserve and repair the existing infrastructure and facility at the South Minneapolis CareerForce Location. The South Minneapolis CareerForce Location has been in this same location since 1993 and is well known to Twin Cities metropolitan residents due to its strong community reputation, significant foot traffic, and proximity to a major transit hub and several public transit routes, DEED has determined preserving the South Minneapolis CareerForce Location as a priority.

The South Minneapolis CareerForce Location has served at least 7,000 individuals each year over the past five years. During the peak of the recession, that number swelled to over 10,400 annually. The South Minneapolis CareerForce Location is the 2nd most visited CareerForce Location in the state for non-white job seekers – behind only the North Minneapolis CareerForce Location in that category. 54% of its visitors identify as a race other than white. As both a key location generally and an integral part of DEED's effort to reduce the significant racial employment disparities we face in Minnesota, DEED wants to make sure this facility will serve as an important CareerForce Location for many years into the future by reducing safety risks for employees and job seekers.

Project Timeline

If these additional asset preservation resources are allocated to DEED, DEED would expect to begin the process of making repairs immediately. Since there has already been extensive asset preservation work at the South Minneapolis CareerForce location through state capital bonding

dollars, Admin Real Estate and Construction Services (RECS) are familiar with the building and the new asset preservation project addressing the remaining code compliance, life/safety, energy conservation issues, and other priority repairs. Because of this involvement, the coordination of this request will be easier and could commence upon receipt of the capital bonding dollars.

Other Considerations

Repairing the code compliance, life/safety, and other priority issues at this location would reduce safety risks for employees and job seekers. This is a heavily-trafficked location and should remain open, safe, and code-compliant for DEED's job seekers and employees.

Impact on Agency Operating Budgets

DEED does not have an operating budget to repair this location and no other government entities will contribute to these improvements.

Description of Previous Appropriations

Per Minnesota Session Law 2017, 1st Special Session, Chapter 8-HF5, Article 1, Section 20, Subdivision 2, DEED received \$1,342 million in general obligation funds at the end of the 2017 Legislative session to preserve the South Minneapolis CareerForce location and has completed Phase I and II project work.

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