

(\$ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds		
			2024	2026	2028
Transportation Economic Development Public Infrastructure Grant Program	1	GO	\$ 5,000	\$ 5,000	\$ 5,000
Greater MN Business Development Public Infrastructure Program	2	GO	\$ 8,000	\$ 8,000	\$ 8,000
Innovative Business Development Grant Program	3	GO	\$ 2,000	\$ 2,000	\$ 2,000
Total Project Requests			\$ 15,000	\$ 15,000	\$ 15,000
General Obligation Bonds (GO) Total			\$ 15,000	\$ 15,000	\$ 15,000

Transportation Economic Development Public Infrastructure Grant Program

AT A GLANCE

2024 Request Amount:	\$5,000
Priority Ranking:	1
Project Summary:	\$5 million in general obligation bonds is requested for the Transportation Economic Development Infrastructure Program. This is a competitive grant program that pays for public infrastructure for economic development projects in conjunction with the MNDOT's sister program.

Project Description

The Transportation Economic Development Infrastructure (TEDI) program established in 2010, is a joint effort of the Department of Employment and Economic Development and the Department of Transportation (MnDOT). 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 MnDOT 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

Grants are awarded through a competitive process with 1 grant round per year (pending available funding).

Other Considerations

This program is a well-used 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. Established marketing, application, project selection, and project awarding systems are in place.

Description of Previous Appropriations

GO Bond Total: \$17.9 million (2023 \$1.5 million; 2020 \$2.9 million; 2018 \$1 million; 2017 \$3.5 million; 2015 \$2 million; 2012 \$3 million; 2010 \$4 million via BDPI program)

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(\$ in thousands)

Greater MN Business Development Public Infrastructure Program

AT A GLANCE

2024 Request Amount: \$8,000

Priority Ranking: 2

Project Summary: \$8 million in state GO bonds is requested for the Greater MN Business Development Public Infrastructure Grants.

Project Description

DEED is requesting \$8 million in GO Bond funding for the Greater Minnesota Business Development Public Infrastructure Grant Program (BDPI) under Minnesota Statutes 116J.431. The program provides grants to eligible local units of government for 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.

DEED forecasts 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

Funds are awarded as eligible applications/projects are received until the funds appropriated to the program have been exhausted.

Other Considerations

This grant program is a well-used 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. Established marketing, application, project selection, and project awarding systems are in place.

Description of Previous Appropriations

The program has been funded since 2003 (off and on) with both GO Bonds and General Fund Dollars. Prior capital investment bill GO Bond appropriations: 2023 \$10M; 2020 \$8.2M; 2018 \$5M. The program also receives general fund cash in the operating budget; most recently: \$4.574M_ in the FY24-25 biennium and \$3.574M in the FY22-23 biennium.

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(\$ in thousands)

Innovative Business Development Grant Program

AT A GLANCE

2024 Request Amount: \$2,000

Priority Ranking: 3

Project Summary: \$2 million in GO Bond funding is requested for the Innovative Business Development Public Infrastructure Grant Program.

Project Description

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

IBDPI 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 IBDPI 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 IBDPI 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

Grants are awarded throughout the year as eligible applications are received.

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. Established marketing, application, project selection, and project awarding systems are in place.

Description of Previous Appropriations

GO Bonds: \$15.558 million (2023 \$1.5 million; 2020 \$1.9 million; 2018 \$2 million; 2017 \$1.158 million; 2011 \$5 million; 2010 \$4 million)

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