

Employment and Economic Development

Projects Summary

(\$ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2020	2022	2024	2020	2022	2024
Business Development Public Infrastructure Grant Program (BDPI)	1	GO	12,000	0	0	9,000	9,000	9,000
Innovative Business Development Public Infrastructure Grant Program (IBDPI)	2	GO	4,000	0	0	3,000	3,000	3,000
Transportation Economic Development Infrastructure Program (TEDI)	3	GO	7,000	0	0	3,000	3,000	3,000
South Minneapolis CareerForce Location Asset Preservation Phase III	4	GO	642	0	0	642	0	0
Total Project Requests			23,642	0	0	15,642	15,000	15,000
General Obligation Bonds (GO) Total			23,642	0	0	15,642	15,000	15,000

mn.gov/deed

AT A GLANCE

- DEED is the state's principal economic development and workforce development agency.
- We work to attract, retain, and expand businesses and create jobs for all Minnesotans.
- We work to connect workers to jobs, prepare individuals for jobs in high-demand industries, and help people to live independently.
- We stabilize and stimulate the economy through unemployment benefit payments.
- We work to ensure that no communities are left on the economic sidelines.
- We invest in programs and policies that ensure communities of color reach their professional and personal goals and aim to eliminate economic disparities throughout the state.

PURPOSE

Minnesota Department of Employment and Economic Development (DEED) programs provide employment and training for individuals; provide services that help individuals with disabilities achieve personal and vocational independence; promote business recruitment, expansion, and retention; promote career and business opportunities for individuals currently underrepresented in Minnesota's economy; promote international trade; promote broadband adoption; and support community development.

We support the following statewide outcomes:

- **A thriving economy that encourages business growth and employment opportunities**
- **Minnesotans have the education and skills needed to achieve their goals**
- **Efficient and accountable government services**
- **Strong and stable families and communities**

STRATEGIES

DEED manages many federal and state programs that support Minnesota's people, businesses, and communities. Our focus is on providing superior service, secure systems, and sustainable and equitable investment in order to combat the state's primary economic challenges: a growing labor shortage and widening economic disparities that exist for individuals with disabilities and communities of color throughout the state.

Our *Workforce Development* division works to ensure that businesses have the talent they need to be locally and globally competitive and that workers have the skills and opportunities they need for meaningful and family-sustaining employment. DEED delivers many of these services to Minnesotans at nearly 50 CareerForce locations (formerly WorkForce Centers), through partnerships and with grants to service providers, non-profits, colleges and universities, and Adult Basic Education programs.

- *Employment and Training Program*: Provides unemployed and underemployed Minnesotans with services such as career counseling, assessment, job seeker and placement services, education and training, and job development activities through our employment and training programs.
- *CareerForce Systems Innovation*: Provides compliance oversight and policy guidance to the operations of Minnesota's workforce development system. This includes oversight of Minnesota's Workforce Development State Plan, staff support to the Governor's WorkForce Development Board, and strategic alignment of system programs.
- *Vocational Rehabilitation*: Assists Minnesotans with disabilities to secure and retain employment, live independently, and reduce their dependence on government supports.

- *State Services for the Blind*: Facilitates the achievement of personal and vocational independence by Minnesotans who are blind, visually impaired, or DeafBlind.
- *Unemployment Insurance*: Pays unemployment benefits to workers unemployed due to no fault of their own to ensure that they are able to support themselves and their families while they search for employment.
- *Disability Determination*: Determines if Minnesota applicants meet federal criteria for disability benefits through the Social Security Administration.

Our *Economic Development* division contributes to Minnesota's economic success by providing services that support the growth of businesses and communities.

- *Business and Community Development*: Provides new and expanding businesses with various business finance incentives, while communities can receive grants, loans, and technical assistance for redevelopment and public infrastructure.
- *Minnesota Trade Office*: Provides export assistance and training for businesses and helps foreign companies invest in Minnesota through new business startups or expansions.
- *Office of Broadband Development*: Coordinates public, private, and philanthropic efforts to increase availability, speed, connectivity and use of broadband.

Our *General Support Services (GSS)* provides the agency with the infrastructure and leadership necessary to operate programs, develop policies, and provide assistance to individuals, businesses and communities.

- *Commissioner's Office*: Provides executive leadership through appointment by Office of the Governor of Minnesota. In addition to supervising all DEED programs, the Commissioner's Office oversees two quasi-independent agencies:
 - *The Public Facilities Authority (PFA)* is a multi-agency authority that provides municipal financing expertise and infrastructure financing programs to enhance the environmental and economic vitality of the State. The Commissioner of DEED serves as the chair and chief executive officer of the authority while day-to-day operations are managed by an executive director and staff.
 - *Explore Minnesota Tourism* is the state's tourism marketing entity and is an office in the executive branch. The director of that agency reports directly to the Commissioner of DEED.
- *Policy Office*: Oversees legislative policy planning for the agency, evaluates program performance, conducts economic analysis, and represents DEED at the Legislature.
- *Labor Market Information*: Develops and refines data on Minnesota's labor market and communicates that data to customers.
- *Communications Office*: Publicizes DEED services for customers, partners, and other stakeholders while promoting Minnesota as a place to live, work, and do business.
- *Office of Economic Equity and Opportunity*: Helps workers and businesses of color find career paths and business opportunities in Minnesota by breaking down barriers that contribute to disparities for communities of color throughout the state.
- *Office of Diversity and Equal Opportunity*: Ensures DEED's compliance with federal and state laws concerning discrimination, harassment, reasonable accommodation, site and program access and retaliation, and handles complaints of discrimination for any DEED employee, applicant, contractor, intern or customer.
- *Administrative and Financial Services*: Oversees all financial activities (including budgeting, payroll, procurement, continuity of operations and other functions) as well as managing all DEED facilities.
- *Human Resources*: Manages agency personnel, labor relations, and employee development.

State Fiscal Year” or “SFY” is used throughout DEED's program narratives to clarify the time period being referenced, since Minnesota’s state government and the Federal Government use different fiscal calendars. The “Federal Fiscal Year” is noted as “FFY.”

Minn. Stat. § 116L (<https://www.revisor.mn.gov/statutes/?id=116L>), Minn. Stat. § 116J

(<https://www.revisor.mn.gov/statutes/?id=116J>), and Minn. Stat. § 268

(<https://www.revisor.mn.gov/statutes/?id=268A.11>) provide the legal authority for DEED.

Additional applicable ‘general agency’ statutes and laws: Government Data Practices, Minn. Stat. § 13

(<https://www.revisor.mn.gov/statutes/?id=13>), Official Records Act, Minn. Stat. § 15.17

(<https://www.revisor.mn.gov/statutes/?id=15.17>), Open Meeting Law, Minn. Stat. § 13D

(<https://www.revisor.mn.gov/statutes/?id=13d>), Records Management, Minn. Stat. § 138.17

(<https://www.revisor.mn.gov/statutes/?id=138.17>).

Federal: Workforce Investment Act, the Workforce Investment Act (Public Law 113 – 128)

<https://www.gpo.gov/fdsys/pkg/PLAW-113publ128/pdf/PLAW-113publ128.pdf>, 29 U.S.C. Sec. 3101, et. seq. This is a non-state website.

At A Glance

Mission: To empower the growth of the Minnesota economy, for everyone. Minnesota Department of Employment and Economic Development (DEED) programs provide worker training and job search assistance; help individuals with disabilities achieve personal and vocational independence; facilitate business recruitment, expansion, and retention; promote international trade; support broadband adoption; and finance community development.

DEED's Capital Budget requests are focused on ensuring Minnesota communities have the resources they need to support economic development and business growth. The Greater Minnesota Business Development Public Infrastructure (BDPI), the Innovative Business Development Public Infrastructure (IBDPI), and the Transportation Economic Development Infrastructure (TEDI) community development programs provide local governments with financial assistance for transportation and other public infrastructure needed to support business development, expansions, or relocations, and economic development more broadly. These programs assist communities by lowering development costs, resulting in opportunities to create or retain jobs, leverage private investment, and expand their local tax base.

Factors Impacting Facilities or Capital Programs

Community Development Programs

Through DEED's community development programs, DEED offers grants, loans, and other assistance to help increase the vitality of communities across Minnesota, so they are well positioned for economic growth.

The *Greater Minnesota Business Development Public Infrastructure* (BDPI) program provides competitive grants to local governments in Greater Minnesota to pay for up to 50 percent of the costs of public infrastructure associated with business development, expansion, or relocation projects. Common needs include wastewater collection and treatment infrastructure, drinking water system improvements, storm sewers, utility extensions, and street improvements. This program helps rural communities mitigate public infrastructure costs that would have otherwise taken them out of the running for economic development projects.

The *Innovative Business Development Public Infrastructure* (IBDPI) program provides competitive grants to local governments statewide that can be used to pay for up to 50 percent of infrastructure costs related to the development, expansion, or relocation of a business engaged in "innovative" technology and research (particularly in the med-tech and bio-tech fields). Common needs include the development of roads, sewers, waterlines, telecommunication infrastructure, bridges, parking ramps, business incubators, and laboratories. Like the BDPI program, IBDPI helps rural communities mitigate public infrastructure costs that would have otherwise taken them out of the running for economic development projects.

The *Transportation Economic Development Infrastructure* (TEDI) program provides competitive grants to local governments for public highway improvement and transportation infrastructure projects related to business development, expansions, or relocations. TEDI is administered by DEED but is run in conjunction with a similar program administered at the Minnesota Department of Transportation. Grants fund up to 70 percent of costs for the construction, reconstruction, and improvement of state and local transportation infrastructure. A Site Selection magazine survey of corporate real estate executives identified transportation infrastructure as the most important factor in business location decision-making, well above taxes or other concerns. The TEDI program

helps communities mitigate high transportation infrastructure costs so they can position themselves as an attractive option for economic development.

Self-Assessment of Agency Facilities and Assets

DEED has asset preservation needs at its South Minneapolis CareerForce location. 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, weather-stripping and caulking, and water heater replacement.

Agency Process for Determining Capital Requests

DEED staff have had discussions internally and with customers to determine what funding level is most important to advance DEED's mission to enhance the economic success of individuals, businesses, and communities by improving opportunities to prosperity and independence.

Major Capital Projects Authorized in 2018 and 2019

2018: During the 2018 Legislative Session the following capital projects were appropriated:

- *Transportation Economic Development Infrastructure (TEDI)*: \$1 million in General Obligation bonds. These grants will allow DEED to assist communities with highway improvements and other transportation infrastructure projects that create jobs and support economic development.
- *Greater Minnesota Business Development Public Infrastructure (BDPI)*: \$5 million in General Obligation bonds. These grants will allow DEED to assist Greater Minnesota communities with infrastructure costs necessary for businesses expansions.
- *Innovative Business Development Public Infrastructure (IBDPI)*: \$2 million in General Obligation bonds. These grants will allow DEED to provide grants to local government units for up to 100 percent of the capital cost of the public infrastructure necessary for business expansions.

(\$ in thousands)

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.

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

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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Governor's Recommendation

The Governor recommends \$9 million in general obligation bonds for this request. Also included are budget estimates of \$9 million for each planning period for 2022 and 2024.

Employment and Economic Development

Project Detail

(\$ in thousands)

Business Development Public Infrastructure Grant Program (BDPI)

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 22,000	\$ 12,000	\$ 0	\$ 0
General Fund Cash	\$ 8,000	\$ 0	\$ 0	\$ 0
Funds Already Committed				
Other Funding	\$ 30,000	\$ 0	\$ 0	\$ 0
Pending Contributions				
Other Funding	\$ 0	\$ 12,000	\$ 0	\$ 0
TOTAL	\$ 60,000	\$ 24,000	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 60,000	\$ 24,000	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 60,000	\$ 24,000	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 12,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	N/A
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	N/A
Is the required information included in this request?	N/A

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

Project Contact Person

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Governor's Recommendation

The Governor recommends \$3 million in general obligation bonds for this request. Also included are budget estimates of \$3 million for each planning period for 2022 and 2024.

Employment and Economic Development

Project Detail

(\$ in thousands)

Innovative Business Development Public Infrastructure Grant Program (IBDPI)

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 3,158	\$ 4,000	\$ 0	\$ 0
General Fund Cash	\$ 500	\$ 0	\$ 0	\$ 0
Funds Already Committed				
Other Funding	\$ 3,658	\$ 0	\$ 0	\$ 0
Pending Contributions				
Other Funding	\$ 0	\$ 4,000	\$ 0	\$ 0
TOTAL	\$ 7,316	\$ 8,000	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 7,316	\$ 8,000	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 7,316	\$ 8,000	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 4,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	N/A
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	N/A
Is the required information included in this request?	N/A

(\$ in thousands)

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 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

Applications are accepted once per year in coordination the MnDOT’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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Governor's Recommendation

The Governor recommends \$3 million in general obligation bonds for this request. Also included are budget estimates of \$3 million for each planning period for 2022 and 2024.

Employment and Economic Development

Project Detail

(\$ in thousands)

Transportation Economic Development Infrastructure Program (TEDI)

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 6,500	\$ 7,000	\$ 0	\$ 0
Funds Already Committed				
Other State Funds	\$ 1,272	\$ 0	\$ 0	\$ 0
Other Funding	\$ 21,912	\$ 0	\$ 0	\$ 0
Pending Contributions				
Other State Funds	\$ 0	\$ 1,483	\$ 0	\$ 0
Other Funding	\$ 0	\$ 25,563	\$ 0	\$ 0
TOTAL	\$ 29,684	\$ 34,046	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Pre-design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 29,684	\$ 34,046	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 29,684	\$ 34,046	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 7,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Pre-design Review (M.S. 16B.335 subd. 3):	
Does this request include funding for pre-design?	N/A
Has the pre-design been submitted to the Department of Administration?	N/A
Has the pre-design been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	N/A
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	N/A
Is the required information included in this request?	N/A

(\$ in thousands)

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 in general obligation bonds in 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 received, 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 bonds in the 2017 Legislative session to preserve the South Minneapolis CareerForce location and has completed Phase I and II project work.

Project Contact Person

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Governor's Recommendation

The Governor recommends \$642,000 in general obligation bonds for this request.

Employment and Economic Development

Project Detail

(\$ in thousands)

South Minneapolis CareerForce Location Asset Preservation Phase III

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 1,342	\$ 642	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 1,342	\$ 642	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 1,342	\$ 642	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 1,342	\$ 642	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 642	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	N/A
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	N/A
Is the required information included in this request?	N/A