

# Employment and Economic Development

# Projects Summary

(\$ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds		
			2018	2020	2022
Business Development Public Infrastructure Grant Program (BDPI)	1	GO	\$ 3,000	\$ 0	\$ 0
Transportation Economic Development Infrastructure Program (TEDI)	2	GO	\$ 10,000	\$ 0	\$ 0
Innovative Business Development Public Infrastructure Grant Program (IBDPI)	3	GO	\$ 2,000	\$ 0	\$ 0
<b>Total Project Requests</b>			\$ 15,000	\$ 0	\$ 0
<b>General Obligation Bonds (GO) Total</b>			\$ 15,000	\$ 0	\$ 0

**Business Development Public Infrastructure Grant Program (BDPI)****AT A GLANCE****2018 Request Amount:** \$3,000**Priority Ranking:** 1**Project Summary:** \$3 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 \$1 million in a two year funding period.

The goal of the program is to enhance job creation, to increase local tax base, and to encourage significant private investment that expands economic development opportunities. Funds are available through competitive grants. The program accepts applications at any time, but will only fund a project when it is ready to undertake construction. In the past, BDPI funds have been exhausted in each biennium. DEED needs the resources to adequately capture the opportunities over the full two year capital budget period. It is forecasted that there will not be funds remaining in the BDPI program and a significant demand is expected by the time funds would be available.

**Project Rationale**

Providing infrastructure within undeveloped industrial parks is critical in stimulating private investment and maintaining healthy, vital communities 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 has 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: \$69.25 million subtotal (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: \$5.4 million (2017 \$1.3 million, 2016 \$1.9 million (with carve outs), 2015 \$2.2 million)

Total funding: \$74.65 million

**Project Contact Person**

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**Transportation Economic Development Infrastructure Program (TEDI)****AT A GLANCE****2018 Request Amount:** \$10,000**Priority Ranking:** 2**Project Summary:** \$10 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 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.

A significant number of our competing states have established their own transportation economic development programs. For example, Iowa has its RISE (Revitalize Iowa's Sound Economy) program; Wisconsin has its TEA (Transportation Economic Assistance) program; Illinois has its "Economic Development Program"; and Michigan has its Transportation Economic Development Fund. Establishment of a permanent transportation economic development program will send a clear message to our competing states and to prospective businesses that Minnesota recognizes that transportation infrastructure is critical to our economic viability.

**Project Rationale**

The program continues to be over-subscribed and is currently out of funds. There is demand for additional dollars.

**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 Bond: 2017 \$3.5 million; 2015 \$2 million; 2012 \$3 million ; 2010 GO Bond \$4 million via BDPI/IDBPI programs. In 2010, the TEDI pilot program, in concert with the MN DOT TED program used \$30 million in trunk highway bonds and \$4 million in general obligation bonds. The Greater Minnesota Business Development Public Infrastructure (BDPI) program funding \$3 million and the Innovative Business Development Public Infrastructure (IBDI) program funding \$1 million of GO bonds through their respective programs for infrastructure costs because TEDI didn't have direct funding. In 2012, TEDI was allocated its first direct appropriation of \$3 million in GO Bonding. Those funds were supplemented with \$20 million of MnDOT Trunk Highway funds, \$1.5 million of BDPI, and \$1 million of IBDI funds. In 2013, MNDOT's TED program was allocated \$20 million of Trunk Highway funds (\$10 million per year). No GO bonding was available through TEDI, BDPI, or IBDI. In 2015, \$28 million of trunk highway funds and \$2 million of GO bonds were awarded.

## **Project Contact Person**

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**Innovative Business Development Public Infrastructure Grant Program (IBDPI)****AT A GLANCE****2018 Request Amount:** \$2,000**Priority Ranking:** 3**Project Summary:** \$2 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 (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 telecommunications infrastructure, bridges, parking ramps, business incubators facilities and laboratories that support basic science, development of innovative technology and research infrastructure.

The goal of the IBDPI is to keep or enhance jobs in the technology area, to increase a city's tax base, or to create and/or expand new economic development within a city, and to encourage significant private investment, business expansion and relocation in the high-tech, medical and bioscience industries. Funds are available through competitive grants.

**Project Rationale**

The program is low on funds and will not be able to assist future project requests without additional dollars. The last appropriation given to the program was in 2014.

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

**Description of Previous Appropriations**

GO Bonds: \$10.158 million total (2017 \$1.158; 2011 \$5 million; 2010 \$4 million)

Capital budget, cash: \$0.5 million (2014 laws 2014, c 295)

Grand Total: \$10.658 million

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