

Employment and Economic Development

Projects Summary

(\$ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2024	2026	2028	2024	2026	2028
Transportation Economic Development Public Infrastructure Grant Program	1	GO	5,000	5,000	5,000	2,000	2,000	2,000
Greater MN Business Development Public Infrastructure Program	2	GO	8,000	8,000	8,000	3,000	3,000	3,000
Innovative Business Development Grant Program	3	GO	2,000	2,000	2,000	0	0	0
Total Project Requests			15,000	15,000	15,000	5,000	5,000	5,000
General Obligation Bonds (GO) Total			15,000	15,000	15,000	5,000	5,000	5,000

<https://www.mn.gov/deed>

AT A GLANCE

- The mission of the Department of Employment and Economic Development (DEED) is to empower the growth of the Minnesota economy, for everyone.
- 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

DEED's 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. The agency has the following shared values: focus on the customer, communicate early and often, seek solutions, create inclusion, encourage new ideas and be gracious.

STRATEGIES

DEED manages federal and state programs that support Minnesota's people, businesses, and communities. Across all of our programs, we set results-driven goals, drafting agency-wide objectives that we track through quarterly performance indicators. It's critical to our approach that we maximize our effectiveness by setting ambitious goals and collaborating to achieve them.

Our focus is on providing superior service, secure systems, and sustainable and equitable investments in order to combat the state's primary economic challenges: economic impacts from the COVID-19 pandemic coupled with deep 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 directly to Minnesotans via our CareerForce System, which includes 55 CareerForce locations as well as digital services with new ways to provide virtual assistance. We also prioritize partnerships and grants to service providers, non-profits, colleges and universities, and Adult Basic Education programs.

- *Employment and Training Programs:* 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:* Engages with career seekers and employers in 55 CareerForce Locations across the state, online and through outreach to people and populations who have experienced greater challenges accessing the workforce development system.

- *Governor’s Workforce Development Board (GWDB)*: Has statutory responsibility under the federal Workforce Innovation and Opportunity Act (WIOA), which provides leadership on opportunities and key workforce strategies for the state.

The *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. This includes the new Launch Minnesota initiative, focused on technology-based businesses.
- *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.
- *Small Business*: Administers programs and services that provide information and resources to entrepreneurs and small businesses.
- *Research*: Provides research services to internal and external customers including Economic Analysis and Labor Market Information.

The *Workforce Services* division supports Minnesotans who need income and program supports due to a loss of employment or disability and works to connect those workers with employment opportunities.

- *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.
- *Paid Family & Medical Leave*: Provides partial wage replacement when a serious health condition prevents an individual from working, when they need to care for a family member, care for a new child, for certain military-related events or for certain personal safety issues.

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.
- *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 Diversity and Equal Opportunity*: Ensures DEED’s compliance with federal and state laws concerning discrimination, harassment, reasonable accommodation, retaliation, site and program access, and handles complaints of discrimination for any DEED employee, applicant, contractor, or customer.
- *Office of Public Engagement*: Provides targeted outreach and engagement efforts on DEED’s programs.
- *General Counsel*: Supports DEED’s legal needs, including data requests, ethics questions, litigation, contracts, and other items.
- *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 training and development.

- *Technical Planning*: Advises DEED on technical investments, coordinates the IT project decision process, and ensures that IT projects are set up, implemented, and maintained successfully.
 - *Performance and Technical Management*: Advises DEED on technical investments, coordinates the IT project decision process, and ensures that IT projects are set up, implemented, and maintained successfully.
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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, and parking ramps. 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. There is no match requirement for this program. 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.

The *Greater Minnesota Child Care Facilities Program* provides competitive grants for cities, counties or school districts in Greater Minnesota which can pay for up to 50 percent of the land acquisition, predesign, design, renovation, construction, furnishings or to equip facilities in which to provide child care. Funding can also be used to upgrade or expand existing nonprofit child care facilities for purposes of meeting state requirements. All projects must increase child care capacity in the community.

Self-Assessment of Agency Facilities and Assets

DEED is not requesting asset preservation at this time.

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 2022 and 2023

Laws 2023, Chapter 72

- *Greater Minnesota Business Development Public Infrastructure (BDPI)*: \$10 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)*: \$1.5 million in General Obligation bonds. These grants will allow DEED to provide grants to local government units for up to 50 percent of the capital cost of the public infrastructure necessary for business expansions.
- *Transportation Economic Development Infrastructure (TEDI)*: \$1.5 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 Child Care Facilities*: \$900,000 in General Obligation bonds. These grants will allow DEED to assist Greater Minnesota communities with the capital costs associated with expanding the child care capacity in the community.

(\$ in thousands)

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)

Project Contact Person

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Governor's Recommendation

The Governor recommends \$2 million in general obligation bonds for this request. Also included are budget estimates of \$2 million for each planning period for 2026 and 2028.

Employment and Economic Development

Project Detail

(\$ in thousands)

Transportation Economic Development Public Infrastructure Grant Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2024	FY 2026	FY 2028
State Funds Appropriated and Requested				
General Obligation Bonds	\$ 5,400	\$ 5,000	\$ 5,000	\$ 5,000
Other Funding	\$ 1,080	\$ 0	\$ 0	\$ 0
State Funds Pending				
Non-State Funds Already Committed				
Other Funding	\$ 21,200	\$ 15,000	\$ 15,000	\$ 15,000
Non-State Funds Pending				
TOTAL	\$ 27,680	\$ 21,000	\$ 21,000	\$ 21,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2024	FY 2026	FY 2028
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	\$ 27,680	\$ 21,000	\$ 21,000	\$ 21,000
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	\$ 27,680	\$ 21,000	\$ 21,000	\$ 21,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2024	FY 2026	FY 2028
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	\$ 5,000	100 %

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
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)?	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)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2028?	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)

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.

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 2026 and 2028.

Employment and Economic Development

Project Detail

(\$ in thousands)

Greater MN Business Development Public Infrastructure Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2024	FY 2026	FY 2028
State Funds Appropriated and Requested				
General Obligation Bonds	\$ 23,200	\$ 8,000	\$ 8,000	\$ 8,000
General Fund Cash	\$ 9,748	\$ 0	\$ 0	\$ 0
State Funds Pending				
Non-State Funds Already Committed				
Other Funding	\$ 32,948	\$ 12,574	\$ 12,574	\$ 12,574
Non-State Funds Pending				
TOTAL	\$ 65,896	\$ 25,148	\$ 25,148	\$ 25,148

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2024	FY 2026	FY 2028
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	\$ 65,896	\$ 25,148	\$ 25,148	\$ 25,148
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	\$ 65,896	\$ 25,148	\$ 25,148	\$ 25,148

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2024	FY 2026	FY 2028
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	\$ 8,000	100 %

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
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)?	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)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2028?	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 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)

Project Contact Person

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Governor's Recommendation

The Governor does not recommend capital funding for this request.

Employment and Economic Development

Project Detail

(\$ in thousands)

Innovative Business Development Grant Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2024	FY 2026	FY 2028
State Funds Appropriated and Requested				
General Obligation Bonds	\$ 5,400	\$ 2,000	\$ 2,000	\$ 2,000
State Funds Pending				
Non-State Funds Already Committed				
Other Funding	\$ 5,400	\$ 2,000	\$ 2,000	\$ 2,000
Non-State Funds Pending				
TOTAL	\$ 10,800	\$ 4,000	\$ 4,000	\$ 4,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2024	FY 2026	FY 2028
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	\$ 10,800	\$ 4,000	\$ 4,000	\$ 4,000
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	\$ 10,800	\$ 4,000	\$ 4,000	\$ 4,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2024	FY 2026	FY 2028
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	\$ 2,000	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)?	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)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2028?	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