

ANNUAL REPORT: Third Report April 03, 2024

**Northgate Development, LLC**, pursuant to MS 2021, Minn. Laws, 1<sup>st</sup> Spec Sess, Chap 4, 4 Art, 8 Sec 30

**Narrative Summary.** Northgate was appropriated \$2,500,000 for capital improvements and programmatic expenditures associated with the Regional Apprenticeship Training Center (RATC) in North Minneapolis. Northgate executed a Funding Agreement with the Minnesota Department of Employment and Economic Development (DEED) on November 24, 2021. The agreement allowed for reimbursement of expenses made within the previous 60 days of contract execution.

Renovation work on the training space at the Regional Apprenticeship Training Center was substantially completed at the end of 2023. Equipment is in-place or was ordered for fit-up of specialized classrooms and lab spaces for Solar Energy (three solar “carts”) and Energy Efficiency (HAM house, blower doors, infrared readers, etc.) and other diagnostic tools. Classes in Solar Energy and HVAC Tech have been held on a regular basis in temporary classroom and specialized training spaces for those skills. RATC hosted two courses in Building Science Principles taught by Slipstream. Work is ongoing with a number of key partners for additional training courses including: Housing First, City of Minneapolis Green Jobs Exploration, Building Talent Foundation, Hennepin Technical College, and Slipstream. Northgate contracted with Minneapolis Climate Action, a Minneapolis-based non-profit to serve as “master tenant” for the space and coordinator space use and training partnerships. Additional funding for training programs was secured from Bush Foundation and US Bank that will extend the program beyond the term of the state appropriation.

## **I. Annual Expenditures**

The total appropriation, after transfer of the \$125,000 fee to DEED, was \$2,375,000. As of December 31, 2023, Northgate has submitted invoices totaling \$2,036,520.17 to DEED that have been reimbursed. As of that date, a balance of \$338,479.83 remained to be spent, primarily in the direct customer training category.

## **II. Number of Participants**

Delays in completing the space renovations resulted in program partners offering only limited training courses to cohorts that used temporary facilities at the RATC. Courses included certification as a Solar Associate by the North American Board of Certified Energy Practitioners (NABCEP), in partnership with the City of Minneapolis and Midwest Renewable Energy Association in advanced solar energy skills. Courses were also initiated in HVAC Tech, offered by Avivo at the RATC. The program also hosted two courses by Slipstream, a national training provider, in Building Science Principles.

Courses still in development include electric vehicle infrastructure installation, energy efficiency (auditor, weatherization) and foundational skills in OSHA-10 safety certification and in residential construction skills. RATC is working with Hennepin

Technical College to develop a foundational courses in work in electrical fields to be offered for college credit at the RATC in the fall of 2024.

In addition to the federal earmark appropriation of \$1,000,000 received in 2023, RATC was awarded funding from US Bank and multi-year funding from Bush Foundation that has a goal of training 1,500 individuals by 2029.

Currently, there have been 114 total enrollments in Workforce One, with 78 enrolled in credentialed training and 71 receiving support services in addition to their training. There were 21 exits to employment at an average wage rate of \$21.07 an hour. Northgate and its training partners recognize that the “pass rate” and placements are too low and a series of corrective actions is underway to improve those metrics.

Demographics: The demographics of trainees remain largely represented by low-income and BIPOC residents, comprising more than 80% of program participants, and primarily in the 18-30 year old age group.

Trainees have been exited into three primary pathways: direct employment with an energy services employer, referral to a registered apprenticeship program in an energy-related field, or registration in a post-secondary degree program in an energy-related field. Most trainees have also been offered paid, on-the-job training in addition to classroom and hands-on training at the RATC.

At the end of the grant period on June 30, 2024, Northgate will have completed renovations for a state-of-the-art training space in clean energy and climate economy skills in an Environmental Justice neighborhood with excellent transit access to most of the region. Northgate will be offering courses and developing new courses in key clean energy and energy efficiency career fields, with focused recruitment of low-income and BIPOC residents that helps address the state’s racial disparities. This facility and its capacity for training is well-positioned to implement programming funded with expanded federal resources for workforce training that is more equitable and focused on emerging fields. The program will provide some of the skilled and craft workforce needed to meet the state’s aspirational clean energy and climate goals and will benefit the state and regional economies for many years following the end of the grant period.

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