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State of Minnesota  
**HOUSE OF REPRESENTATIVES**  
EIGHTY-EIGHTH SESSION  
**H. F. No. 2025**

02/25/2014 Authored by Dehn, R.; Clark; Mullery; Hornstein and Isaacson

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance and Policy

1.1 A bill for an act  
1.2 relating to economic development; creating a full employment initiative in  
1.3 targeted labor surplus areas; proposing coding for new law in Minnesota Statutes,  
1.4 chapter 116J.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[116J.9801] FULL EMPLOYMENT INITIATIVE IN TARGETED**  
1.7 **LABOR SURPLUS COMMUNITIES.**

1.8 Subdivision 1. **Establishment.** Within the limits of existing appropriations,  
1.9 the commissioner of employment and economic development shall establish a full  
1.10 employment initiative in targeted labor surplus communities.

1.11 Subd. 2. **Community councils.** (a) A community council proposing a  
1.12 redevelopment plan under section 469.027 may apply to the commissioner for coordinated  
1.13 benefits under this section. For the purposes of this section, "community council" means a  
1.14 locally appointed authority comprised of residents and stakeholders from targeted labor  
1.15 surplus areas as defined by the United States Department of Labor. A community council  
1.16 must agree to undertake a redevelopment plan in cooperation with a local redevelopment  
1.17 authority. The community council and redevelopment plan must be located within in cities  
1.18 that (1) have populations of more than 60,000 residents, and (2) contain areas designated  
1.19 as labor surplus areas.

1.20 (b) For the purposes of this section, cities meeting the definition in paragraph (a),  
1.21 clause (1), include:

1.22 (1) Bloomington;

1.23 (2) Brooklyn Park;

1.24 (3) Burnsville;

- 2.1 (4) Coon Rapids;
- 2.2 (5) Duluth;
- 2.3 (6) Eagan;
- 2.4 (7) Eden Prairie;
- 2.5 (8) Maple Grove;
- 2.6 (9) Minneapolis;
- 2.7 (10) Plymouth;
- 2.8 (11) Rochester;
- 2.9 (12) St. Cloud;
- 2.10 (13) St. Paul; and
- 2.11 (14) Woodbury.

2.12 Subd. 3. **Coordination benefits; targeted vendors.** (a) The commissioner, in  
2.13 cooperation with the commissioner of administration, shall ensure that a percentage of  
2.14 the state's targeted vendor agreements in section 16C.16 are set aside for utilization by  
2.15 businesses located in the labor surplus area targeted for redevelopment.

2.16 (b) The commissioner shall assist community councils in coordinating funds  
2.17 to finance the redevelopment projects using existing state, county, and city financing  
2.18 and grant programs and assist in the distribution of those funds in a manner that is  
2.19 directly proportionate to the surplus labor available in the labor surplus area targeted for  
2.20 redevelopment. The commissioner shall set aside a percentage of state and federal funds  
2.21 appropriated for redevelopment projects for use by community councils under this section.

2.22 (c) The commissioner shall work with the commissioner of management and budget  
2.23 and the treasurer of each county and city to establish a socially responsible investment  
2.24 program that requires a financial institution that proposes to provide services to the  
2.25 state, county, or city to commit to establishing a lending program that supports the  
2.26 redevelopment plan objectives in the targeted labor surplus area. In return for deposits  
2.27 received, participating lending institutions agree to establish a lending program that assists  
2.28 with the redevelopment plan goals.

2.29 Subd. 4. **Redevelopment plan requirements.** (a) A community council agrees to  
2.30 maximize, to the greatest extent possible, the purchase of goods and services and the hiring  
2.31 of labor for the projects from within the labor surplus area in which the redevelopment  
2.32 plan is located. This includes:

- 2.33 (1) utilizing local construction labor and contractors;
- 2.34 (2) recruiting, hiring, and training United States veterans and other individuals from  
2.35 the labor surplus area for jobs resulting from the redevelopment project;
- 2.36 (3) making purchases for the redevelopment project from local businesses;

3.1 (4) making new and redeveloped commercial and industrial space available to  
3.2 entrepreneurs within the labor surplus area; and

3.3 (5) making new and redeveloped housing available to residents currently residing  
3.4 within the labor surplus area.

3.5 (b) Redevelopment projects must utilize sustainable and ecofriendly development  
3.6 principles to the greatest extent possible.

3.7 (c) Redevelopment projects must be jointly ventured with a qualified housing and  
3.8 redevelopment authority as defined in section 469.002 and to the greatest extent possible  
3.9 prime contractors located within the labor surplus area.

3.10 Subd. 5. **Redevelopment plan goals.** Community councils must agree to use  
3.11 existing redevelopment plans for the labor surplus area or create a redevelopment plan  
3.12 that establishes outcome-based goals to measure the productivity of the redevelopment  
3.13 project, including:

3.14 (1) the number of temporary and permanent jobs to be created through the  
3.15 implementation of the redevelopment plan for residents within the labor surplus area;

3.16 (2) the number of affordable rental, owner-occupied, and permanent supportive  
3.17 housing units to be developed;

3.18 (3) the amount of commercial, manufacturing, and industrial space to be developed;  
3.19 and

3.20 (4) the amount of public infrastructure created, including but not limited to parks  
3.21 and safe agriculture space in the labor surplus area.