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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 703

02/04/2021 Authored by Huot
The bill was read for the first time and referred to the Committee on Workforce and Business Development Finance and Policy

1.1 A bill for an act
1.2 relating to economic development; repurposing an unexpended appropriation for
1.3 wastewater infrastructure in Rosemount; amending Laws 2017, chapter 94, article
1.4 1, section 2, subdivision 2, as amended.

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

1.6 Section 1. Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended by Laws
1.7 2017, First Special Session chapter 7, section 2, is amended to read:

1.8 Subd. 2. Business and Community Development \$ 46,074,000 \$ 40,935,000

Table with 4 columns: Fund Name, Current Amount, Previous Amount, and Change. Rows include General, Remediation, Workforce Development, and Special Revenue.

1.15 (a) \$4,195,000 each year is for the Minnesota
1.16 job skills partnership program under
1.17 Minnesota Statutes, sections 116L.01 to
1.18 116L.17. If the appropriation for either year
1.19 is insufficient, the appropriation for the other
1.20 year is available. This appropriation is
1.21 available until spent.

2.1 (b) \$750,000 each year is for grants to the  
2.2 Neighborhood Development Center for small  
2.3 business programs:

2.4 (1) training, lending, and business services;

2.5 (2) model outreach and training in greater  
2.6 Minnesota; and

2.7 (3) development of new business incubators.

2.8 This is a onetime appropriation.

2.9 (c) \$1,175,000 each year is for a grant to the  
2.10 Metropolitan Economic Development  
2.11 Association (MEDA) for statewide business  
2.12 development and assistance services, including  
2.13 services to entrepreneurs with businesses that  
2.14 have the potential to create job opportunities  
2.15 for unemployed and underemployed people,  
2.16 with an emphasis on minority-owned  
2.17 businesses. This is a onetime appropriation.

2.18 (d) \$125,000 each year is for a grant to the  
2.19 White Earth Nation for the White Earth Nation  
2.20 Integrated Business Development System to  
2.21 provide business assistance with workforce  
2.22 development, outreach, technical assistance,  
2.23 infrastructure and operational support,  
2.24 financing, and other business development  
2.25 activities. This is a onetime appropriation.

2.26 (e)(1) \$12,500,000 each year is for the  
2.27 Minnesota investment fund under Minnesota  
2.28 Statutes, section 116J.8731. Of this amount,  
2.29 the commissioner of employment and  
2.30 economic development may use up to three  
2.31 percent for administration and monitoring of  
2.32 the program. This appropriation is available  
2.33 until spent.

3.1 (2) Of the amount appropriated in fiscal year  
3.2 2018, \$4,000,000 is for a loan to construct and  
3.3 equip a wholesale electronic component  
3.4 distribution center investing a minimum of  
3.5 \$200,000,000 and constructing a facility at  
3.6 least 700,000 square feet in size. Loan funds  
3.7 may be used for purchases of materials,  
3.8 supplies, and equipment for the construction  
3.9 of the facility and are available from July 1,  
3.10 2017, to June 30, 2021. The commissioner of  
3.11 employment and economic development shall  
3.12 forgive the loan after verification that the  
3.13 project has satisfied performance goals and  
3.14 contractual obligations as required under  
3.15 Minnesota Statutes, section 116J.8731.

3.16 (3) Of the amount appropriated in fiscal year  
3.17 2018, \$700,000 is for a ~~loan to extend an~~  
3.18 ~~effluent pipe that will deliver reclaimed water~~  
3.19 ~~to an innovative waste-to-biofuel project~~  
3.20 ~~investing a minimum of \$150,000,000 and~~  
3.21 ~~constructing a facility that is designed to~~  
3.22 ~~process approximately 400,000 tons of waste~~  
3.23 ~~annually. Loan grant to the Metropolitan~~  
3.24 Council under Minnesota Statutes, section  
3.25 116.195, for wastewater infrastructure to  
3.26 support industrial users in Rosemount that  
3.27 require significant water use. Grant funds are  
3.28 available until June 30, ~~2024~~ 2025.

3.29 (f) \$8,500,000 each year is for the Minnesota  
3.30 job creation fund under Minnesota Statutes,  
3.31 section 116J.8748. Of this amount, the  
3.32 commissioner of employment and economic  
3.33 development may use up to three percent for  
3.34 administrative expenses. This appropriation

4.1 is available until expended. In fiscal year 2020  
4.2 and beyond, the base amount is \$8,000,000.

4.3 (g) \$1,647,000 each year is for contaminated  
4.4 site cleanup and development grants under  
4.5 Minnesota Statutes, sections 116J.551 to  
4.6 116J.558. This appropriation is available until  
4.7 spent. In fiscal year 2020 and beyond, the base  
4.8 amount is \$1,772,000.

4.9 (h) \$12,000 each year is for a grant to the  
4.10 Upper Minnesota Film Office.

4.11 (i) \$163,000 each year is for the Minnesota  
4.12 Film and TV Board. The appropriation in each  
4.13 year is available only upon receipt by the  
4.14 board of \$1 in matching contributions of  
4.15 money or in-kind contributions from nonstate  
4.16 sources for every \$3 provided by this  
4.17 appropriation, except that each year up to  
4.18 \$50,000 is available on July 1 even if the  
4.19 required matching contribution has not been  
4.20 received by that date.

4.21 (j) \$500,000 each year is from the general fund  
4.22 for a grant to the Minnesota Film and TV  
4.23 Board for the film production jobs program  
4.24 under Minnesota Statutes, section 116U.26.  
4.25 This appropriation is available until June 30,  
4.26 2021.

4.27 (k) \$139,000 each year is for a grant to the  
4.28 Rural Policy and Development Center under  
4.29 Minnesota Statutes, section 116J.421.

4.30 (l)(1) \$1,300,000 each year is for the greater  
4.31 Minnesota business development public  
4.32 infrastructure grant program under Minnesota  
4.33 Statutes, section 116J.431. This appropriation  
4.34 is available until spent. If the appropriation

5.1 for either year is insufficient, the appropriation  
5.2 for the other year is available. In fiscal year  
5.3 2020 and beyond, the base amount is  
5.4 \$1,787,000. Funds available under this  
5.5 paragraph may be used for site preparation of  
5.6 property owned and to be used by private  
5.7 entities.

5.8 (2) Of the amounts appropriated, \$1,600,000  
5.9 in fiscal year 2018 is for a grant to the city of  
5.10 Thief River Falls to support utility extensions,  
5.11 roads, and other public improvements related  
5.12 to the construction of a wholesale electronic  
5.13 component distribution center at least 700,000  
5.14 square feet in size and investing a minimum  
5.15 of \$200,000,000. Notwithstanding Minnesota  
5.16 Statutes, section 116J.431, a local match is  
5.17 not required. Grant funds are available from  
5.18 July 1, 2017, to June 30, 2021.

5.19 (m) \$876,000 the first year and \$500,000 the  
5.20 second year are for the Minnesota emerging  
5.21 entrepreneur loan program under Minnesota  
5.22 Statutes, section 116M.18. Funds available  
5.23 under this paragraph are for transfer into the  
5.24 emerging entrepreneur program special  
5.25 revenue fund account created under Minnesota  
5.26 Statutes, chapter 116M, and are available until  
5.27 spent. Of this amount, up to four percent is for  
5.28 administration and monitoring of the program.  
5.29 In fiscal year 2020 and beyond, the base  
5.30 amount is \$1,000,000.

5.31 (n) \$875,000 each year is for a grant to  
5.32 Enterprise Minnesota, Inc. for the small  
5.33 business growth acceleration program under  
5.34 Minnesota Statutes, section 116O.115. This  
5.35 is a onetime appropriation.

6.1 (o) \$250,000 in fiscal year 2018 is for a grant  
6.2 to the Minnesota Design Center at the  
6.3 University of Minnesota for the greater  
6.4 Minnesota community design pilot project.

6.5 (p) \$275,000 in fiscal year 2018 is from the  
6.6 general fund to the commissioner of  
6.7 employment and economic development for  
6.8 a grant to Community and Economic  
6.9 Development Associates (CEDA) for an  
6.10 economic development study and analysis of  
6.11 the effects of current and projected economic  
6.12 growth in southeast Minnesota. CEDA shall  
6.13 report on the findings and recommendations  
6.14 of the study to the committees of the house of  
6.15 representatives and senate with jurisdiction  
6.16 over economic development and workforce  
6.17 issues by February 15, 2019. All results and  
6.18 information gathered from the study shall be  
6.19 made available for use by cities in southeast  
6.20 Minnesota by March 15, 2019. This  
6.21 appropriation is available until June 30, 2020.

6.22 (q) \$2,000,000 in fiscal year 2018 is for a  
6.23 grant to Pillsbury United Communities for  
6.24 construction and renovation of a building in  
6.25 north Minneapolis for use as the "North  
6.26 Market" grocery store and wellness center,  
6.27 focused on offering healthy food, increasing  
6.28 health care access, and providing job creation  
6.29 and economic opportunities in one place for  
6.30 children and families living in the area. To the  
6.31 extent possible, Pillsbury United Communities  
6.32 shall employ individuals who reside within a  
6.33 five mile radius of the grocery store and  
6.34 wellness center. This appropriation is not  
6.35 available until at least an equal amount of

- 7.1 money is committed from nonstate sources.
- 7.2 This appropriation is available until the project
- 7.3 is completed or abandoned, subject to
- 7.4 Minnesota Statutes, section 16A.642.
- 7.5 (r) \$1,425,000 each year is for the business
- 7.6 development competitive grant program. Of
- 7.7 this amount, up to five percent is for
- 7.8 administration and monitoring of the business
- 7.9 development competitive grant program. All
- 7.10 grant awards shall be for two consecutive
- 7.11 years. Grants shall be awarded in the first year.
- 7.12 (s) \$875,000 each year is for the host
- 7.13 community economic development grant
- 7.14 program established in Minnesota Statutes,
- 7.15 section 116J.548.
- 7.16 (t) \$700,000 each year is from the remediation
- 7.17 fund for contaminated site cleanup and
- 7.18 development grants under Minnesota Statutes,
- 7.19 sections 116J.551 to 116J.558. This
- 7.20 appropriation is available until spent.
- 7.21 (u) \$161,000 each year is from the workforce
- 7.22 development fund for a grant to the Rural
- 7.23 Policy and Development Center. This is a
- 7.24 onetime appropriation.
- 7.25 (v) \$300,000 each year is from the workforce
- 7.26 development fund for a grant to Enterprise
- 7.27 Minnesota, Inc. This is a onetime
- 7.28 appropriation.
- 7.29 (w) \$50,000 in fiscal year 2018 is from the
- 7.30 workforce development fund for a grant to
- 7.31 Fighting Chance for behavioral intervention
- 7.32 programs for at-risk youth.
- 7.33 (x) \$1,350,000 each year is from the
- 7.34 workforce development fund for job training

8.1 grants under Minnesota Statutes, section  
8.2 116L.42.

8.3 (y)(1) \$519,000 in fiscal year 2018 is for  
8.4 grants to local communities to increase the  
8.5 supply of quality child care providers in order  
8.6 to support economic development. At least 60  
8.7 percent of grant funds must go to communities  
8.8 located outside of the seven-county  
8.9 metropolitan area, as defined under Minnesota  
8.10 Statutes, section 473.121, subdivision 2. Grant  
8.11 recipients must obtain a 50 percent nonstate  
8.12 match to grant funds in either cash or in-kind  
8.13 contributions. Grant funds available under this  
8.14 paragraph must be used to implement solutions  
8.15 to reduce the child care shortage in the state  
8.16 including but not limited to funding for child  
8.17 care business start-ups or expansions, training,  
8.18 facility modifications or improvements  
8.19 required for licensing, and assistance with  
8.20 licensing and other regulatory requirements.  
8.21 In awarding grants, the commissioner must  
8.22 give priority to communities that have  
8.23 documented a shortage of child care providers  
8.24 in the area.

8.25 (2) Within one year of receiving grant funds,  
8.26 grant recipients must report to the  
8.27 commissioner on the outcomes of the grant  
8.28 program including but not limited to the  
8.29 number of new providers, the number of  
8.30 additional child care provider jobs created, the  
8.31 number of additional child care slots, and the  
8.32 amount of local funds invested.

8.33 (3) By January 1 of each year, starting in 2019,  
8.34 the commissioner must report to the standing  
8.35 committees of the legislature having

9.1 jurisdiction over child care and economic  
9.2 development on the outcomes of the program  
9.3 to date.

9.4 (z) \$319,000 in fiscal year 2018 is from the  
9.5 general fund for a grant to the East Phillips  
9.6 Improvement Coalition to create the East  
9.7 Phillips Neighborhood Institute (EPNI) to  
9.8 expand culturally tailored resources that  
9.9 address small business growth and create  
9.10 green jobs. The grant shall fund the  
9.11 collaborative work of Tamales y Bicicletas,  
9.12 Little Earth of the United Tribes, a nonprofit  
9.13 serving East Africans, and other coalition  
9.14 members towards developing EPNI as a  
9.15 community space to host activities including,  
9.16 but not limited to, creation and expansion of  
9.17 small businesses, culturally specific  
9.18 entrepreneurial activities, indoor urban  
9.19 farming, job training, education, and skills  
9.20 development for residents of this low-income,  
9.21 environmental justice designated  
9.22 neighborhood. Eligible uses for grant funds  
9.23 include, but are not limited to, planning and  
9.24 start-up costs, staff and consultant costs,  
9.25 building improvements, rent, supplies, utilities,  
9.26 vehicles, marketing, and program activities.  
9.27 The commissioner shall submit a report on  
9.28 grant activities and quantifiable outcomes to  
9.29 the committees of the house of representatives  
9.30 and the senate with jurisdiction over economic  
9.31 development by December 15, 2020. This  
9.32 appropriation is available until June 30, 2020.

9.33 (aa) \$150,000 the first year is from the  
9.34 renewable development account in the special  
9.35 revenue fund established in Minnesota

10.1 Statutes, section 116C.779, subdivision 1, to  
10.2 conduct the biomass facility closure economic  
10.3 impact study.

10.4 (bb)(1)\$300,000 in fiscal year 2018 is for a  
10.5 grant to East Side Enterprise Center (ESEC)  
10.6 to expand culturally tailored resources that  
10.7 address small business growth and job  
10.8 creation. This appropriation is available until  
10.9 June 30, 2020. The appropriation shall fund  
10.10 the work of African Economic Development  
10.11 Solutions, the Asian Economic Development  
10.12 Association, the Dayton's Bluff Community  
10.13 Council, and the Latino Economic  
10.14 Development Center in a collaborative  
10.15 approach to economic development that is  
10.16 effective with smaller, culturally diverse  
10.17 communities that seek to increase the  
10.18 productivity and success of new immigrant  
10.19 and minority populations living and working  
10.20 in the community. Programs shall provide  
10.21 minority business growth and capacity  
10.22 building that generate wealth and jobs creation  
10.23 for local residents and business owners on the  
10.24 East Side of St. Paul.

10.25 (2) In fiscal year 2019 ESEC shall use funds  
10.26 to share its integrated service model and  
10.27 evolving collaboration principles with civic  
10.28 and economic development leaders in greater  
10.29 Minnesota communities which have diverse  
10.30 populations similar to the East Side of St. Paul.  
10.31 ESEC shall submit a report of activities and  
10.32 program outcomes, including quantifiable  
10.33 measures of success annually to the house of  
10.34 representatives and senate committees with  
10.35 jurisdiction over economic development.

11.1 (cc) \$150,000 in fiscal year 2018 is for a grant  
11.2 to Mille Lacs County for the purpose of  
11.3 reimbursement grants to small resort  
11.4 businesses located in the city of Isle with less  
11.5 than \$350,000 in annual revenue, at least four  
11.6 rental units, which are open during both  
11.7 summer and winter months, and whose  
11.8 business was adversely impacted by a decline  
11.9 in walleye fishing on Lake Mille Lacs.

11.10 (dd)(1) \$250,000 in fiscal year 2018 is for a  
11.11 grant to the Small Business Development  
11.12 Center hosted at Minnesota State University,  
11.13 Mankato, for a collaborative initiative with  
11.14 the Regional Center for Entrepreneurial  
11.15 Facilitation. Funds available under this section  
11.16 must be used to provide entrepreneur and  
11.17 small business development direct professional  
11.18 business assistance services in the following  
11.19 counties in Minnesota: Blue Earth, Brown,  
11.20 Faribault, Le Sueur, Martin, Nicollet, Sibley,  
11.21 Watonwan, and Waseca. For the purposes of  
11.22 this section, "direct professional business  
11.23 assistance services" must include, but is not  
11.24 limited to, pre-venture assistance for  
11.25 individuals considering starting a business.  
11.26 This appropriation is not available until the  
11.27 commissioner determines that an equal amount  
11.28 is committed from nonstate sources. Any  
11.29 balance in the first year does not cancel and  
11.30 is available for expenditure in the second year.

11.31 (2) Grant recipients shall report to the  
11.32 commissioner by February 1 of each year and  
11.33 include information on the number of  
11.34 customers served in each county; the number  
11.35 of businesses started, stabilized, or expanded;

12.1 the number of jobs created and retained; and  
12.2 business success rates in each county. By April  
12.3 1 of each year, the commissioner shall report  
12.4 the information submitted by grant recipients  
12.5 to the chairs of the standing committees of the  
12.6 house of representatives and the senate having  
12.7 jurisdiction over economic development  
12.8 issues.

12.9 (ee) \$500,000 in fiscal year 2018 is for the  
12.10 central Minnesota opportunity grant program  
12.11 established under Minnesota Statutes, section  
12.12 116J.9922. This appropriation is available until  
12.13 June 30, 2022.

12.14 (ff) \$25,000 each year is for the administration  
12.15 of state aid for the Destination Medical Center  
12.16 under Minnesota Statutes, sections 469.40 to  
12.17 469.47.

12.18 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2017.