

4300.1901 EVALUATION OF ECONOMIC DEVELOPMENT PROJECTS.

Subpart 1. **In general.** Evaluation of economic development applications consists of eligibility threshold screening and project review. Applications must meet the eligibility thresholds in order to be referred for project review. Applications that fail to meet eligibility thresholds may be revised and resubmitted.

Subp. 2. **Federal and state eligibility thresholds.** Applicants for federal funds shall provide a description of the ways that activities address one of the federal objectives described in part 4300.0300 and the state economic development objectives in items A to D. Each activity proposed for funding must be eligible under current federal regulations.

Applicants for state funds shall describe how they will meet the following state economic development objectives:

- A. creation or retention of permanent private sector jobs;
- B. stimulation or leverage of private investment;
- C. increase in local tax base; or
- D. improved employment and economic opportunity for Minnesota citizens to create a reasonable standard of living.

Subp. 3. **Project review.** Applications that meet eligibility thresholds will be awarded points by the division based on evaluation of the two rating categories: project design and financial feasibility. Applications must attain at least 400 of the 600 available points for economic development to be recommended for funding. Applications must score at least half of the points available in each of the two rating categories.

Four hundred points will be awarded based on an evaluation of project design including an assessment of need, impact, and the capacity of the applicant to complete the project in a timely manner. Need for an economic development project must be based on the value and benefit of the project as it relates to securing and improving economic stability while giving consideration to deficiencies in employment opportunities and circumstances contributing to economic vulnerability and distress. Consideration of impact must be based on the extent to which the project positively affects or addresses the creation or retention of permanent private sector jobs, the wage level of those jobs, and the increase in tax base. Consideration of capacity must be based on demonstration of administrative capability, realistic implementation schedules, and the ability to conform to state and federal requirements.

Two hundred points will be awarded based on an evaluation of the effective use of program funds to induce economic development. Consideration of financial feasibility must include investment analysis, commitment of other funds, and other factors relating to the type of program assistance requested.

Subp. 4. **Funding recommendations.** Applications that attain at least 400 points will be recommended to the commissioner for funding. Applications not recommended for funding may be revised and resubmitted.

Statutory Authority: *MS s 116J.035; 116J.401; 116J.403; 116J.873*

History: *8 SR 1263; L 1987 c 312 art 1; 14 SR 1384; 20 SR 2254(NO. 42)*

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