

**116J.431 GREATER MINNESOTA BUSINESS DEVELOPMENT PUBLIC INFRASTRUCTURE GRANT PROGRAM.**

Subdivision 1. **Grant program established.** The commissioner shall make grants to cities to provide up to 50 percent of the capital costs of public infrastructure necessary for an eligible economic development project. The city receiving a grant must provide for the remainder of the costs of the project, either in cash or in kind. In-kind contributions may include the value of site preparation other than the public infrastructure needed for the project.

For purposes of this section, "city" means a statutory or home rule charter city located outside the metropolitan area, as defined in section 473.121, subdivision 2.

"Public infrastructure" means publicly owned physical infrastructure necessary to support economic development projects, including, but not limited to, sewers, water supply systems, utility extensions, streets, wastewater treatment systems, stormwater management systems, and facilities for pretreatment of wastewater to remove phosphorus.

The purpose of the grants is to keep or enhance jobs in the area, increase the tax base, or to expand or create new economic development.

Subd. 2. **Eligible projects.** An economic development project for which a city may be eligible to receive a grant under this section includes:

- (1) manufacturing;
- (2) technology;
- (3) warehousing and distribution;
- (4) research and development;
- (5) agricultural processing, defined as transforming, packaging, sorting, or grading livestock or livestock products into goods that are used for intermediate or final consumption, including goods for nonfood use; or
- (6) industrial park development that would be used by any other business listed in this subdivision.

Subd. 3. **Ineligible projects.** The following projects are not eligible for a grant under this section:

- (1) retail development; or
- (2) office space development, except as incidental to an eligible purpose.

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a city must include in its application a resolution of the city council certifying that the required local match is available. The commissioner must evaluate complete applications for eligible projects using the following criteria:

(1) the project is an eligible project as defined under subdivision 2;

(2) the project will result in substantial public and private capital investment and provide substantial economic benefit to the city in which the project would be located;

(3) the project is not relocating substantially the same operation from another location in the state, unless the commissioner determines the project cannot be reasonably accommodated within the city in which the business is currently located, or the business would otherwise relocate to another state; and

(4) the project will create or maintain full-time jobs.

(b) The determination of whether to make a grant for a site is within the discretion of the commissioner, subject to this section. The commissioner's decisions and application of the priorities are not subject to judicial review, except for abuse of discretion.

Subd. 5. **Set asides.** (a) During the first two years of the program, \$2,000,000, must be used only for grants to cities with a population of less than 5,000.

(b) Twenty percent of the amount available must be used only for grants for industrial park developments.

Subd. 6. **Maximum grant amount.** A city may receive no more than \$1,000,000 in two years for one or more projects.

Subd. 7. **Cancellation of grant; return of grant money.** If after five years, the commissioner determines that a project has not proceeded in a timely manner and is unlikely to be completed, the commissioner must cancel the grant and require the grantee to return all grant money awarded for that project. For industrial park development projects, if after five years the industrial park is not developed and available for business use, the commissioner must cancel the grant and require the grantee to return all grant money for that project. If the industrial park is developed and available for use within five years, but no businesses have located in the park, the grantee is not required to return any grant money.

Subd. 8. **Appropriation.** Grant money returned to the commissioner is appropriated to the commissioner to make additional grants under this section.

**History:** *2002 c 393 s 46*