

Budget for One Minnesota



DEED Capital Budget Request and Legislative Update

March 11, 2024

Kevin McKinnon – Deputy Commissioner



Implementing a Historic Slate of Programs

- DEED received almost **\$1.8 billion** in total funding for FY24-25 following **historic investments** in our legislative priorities in 2023.
- **Effective and efficient implementation** of the programs supported by these investments has been **the highest priority** at DEED.



Implementation– Capital Investment

The 2023 Capital Investment bill made many investments in public infrastructure, including **funding for three of DEED's existing programs and one new program:**

- **Greater Minnesota Business Development Public Infrastructure Grant Program - \$10 million**
- **Innovative Business Development Public Infrastructure Grant Program - \$1.5 million**
- **Transportation Economic Development Infrastructure Grant Program - \$1.5 million**
- **Greater Minnesota Child Care Facilities - \$900,000**
- There are also over 100 provisions **totaling \$47.7 million in General Obligation bonds and \$395.567 million in cash** projects that DEED is administering.

Implementation– Capital Investment Special Projects

- DEED received **118 individual projects** to administer out of the two Capital Investment bills.
- **Post Session:**
 - Held an overview session for all special projects
 - Working closely with MMB on process, questions and potential solutions
 - Hired, trained and assigned additional staff to projects
 - Finalizing and approving contracts and projects are kicking off their work
 - 17 projects approved or awaiting signatures
 - 26 grantees have advised DEED they will be ready to proceed within the next 6-12 weeks

DEED Capital Budget Request

Capital Budget Requests

- **Business Development Public Infrastructure Grant Program (BDPI) – \$3 million**
- **Transportation Economic Development Infrastructure Program (TEDI) – \$2 million**

Business Development Public Infrastructure Grant Program (BDPI)

\$3 million

Greater Minnesota Business Development Public Infrastructure – \$3 million

Grants fund public infrastructure improvements that will promote economic development such as:

- Wastewater collection and treatment, drinking water, storm sewers, utility extensions, and roads.



BDPI Project: Lineage Logistics (Luverne)

- City of Luverne awarded \$467,422.
- This includes extension of streets and utilities within their industrial park.
- Supports a 235,000-square-foot storage facility costing \$50 million in investments, creating 75 new jobs.



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BDPI Current Balance and Pipeline

- This program received \$12M in 2023 which, based on demand and pipelines, is projected to last through FY24.
 - \$10M in GO bond funding
 - \$2.25M in GF funding
- **Current Balance = ~\$7 million**
- Pipeline: Detroit Lakes and Chisago City (~\$2 million)

Transportation Economic Development Infrastructure Grant Program (TEDI)

\$2 million

Transportation Economic Development Infrastructure – \$2 million

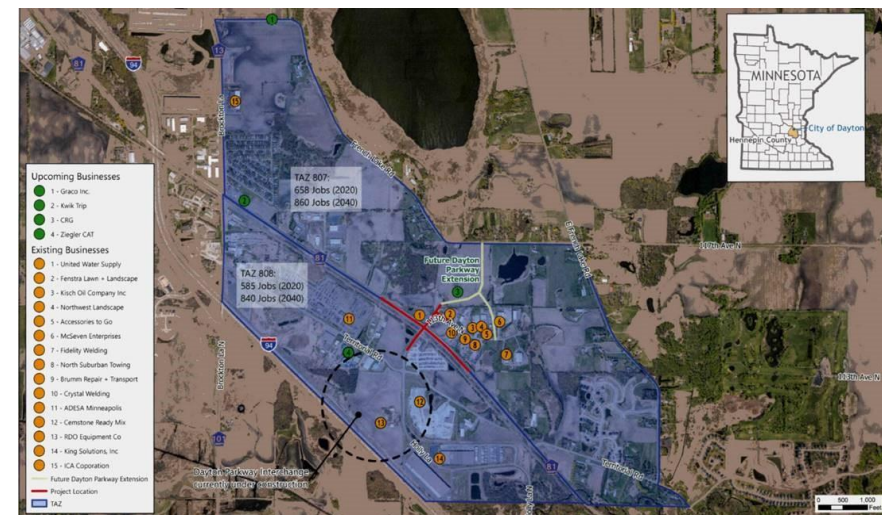
Grants fund improvements that will promote economic development, such as:

- Pre-design, land acquisition, construction, reconstruction, and infrastructure improvements.



TEDI Project: City of Dayton

- Dayton awarded \$1 million
- Will assist with the construction of a four-lane divided highway linking a new interchange on I94 to city of Dayton.
- Project will retain 1,455 jobs in the area at businesses like Graco, King Solutions, Zeigler, etc. Tax base increase estimated at \$134 Million



TEDI Current Balance and Pipeline

- Current Balance = \$1,962,400
- Pipeline: Anoka, Lino Lakes
- NOTE: We are currently in a TEDI grant review. Apps received from Waconia, Norwood Young America, Carver County, Brooklyn Center. Total requests = \$2,881,000

Targeted Community Capital Program - Report

Targeted Community Capital Program

- Minnesota Statute Laws of Minnesota 2021 1st Special Session authorized funds of **\$24,000,000** “for the targeted community capital project grant program under Minnesota Statutes, section 116J.9924.
 - Organizations could apply for a maximum award **not to exceed \$1,500,000**.
 - \$6,000,000 was also carved out for one or more grants to any business engaged in the meat processing industry.

Targeted Community Capital Program

Funding was awarded to the following grantees:

- Access North – project completed
- ACER – grant agreement in process
- CLUES – grant agreement in process
- Ecolibrium3 – project in process
- Emerge – project in process
- Itasca – project completed
- Kootasca – project completed
- LEDC – grant agreement in process
- Lower Sioux – grant agreement in process
- Masjed – project in progress
- MIGIZI – project completed
- Mille Lacs – project completed
- Osseo – project in progress
- PICA – grant agreement in progress
- Ridgewater – project in process
- Somali Comm resettlement – project completed
- All Funding Awarded: \$17.1 million
- Total Expenses Reimbursed: \$6.074 million

Story of Impact

Kootasca Early Childhood Hub – Grand Rapids

- Funding to further develop an **Early Childhood Hub Project**. Project completed August 2023.
- Offers low-income children, ages prenatal to 5 years, with comprehensive education, health, and nutrition services
- Creates a **one-stop-shop** for services for the whole family
 - Arrowhead Economic Opportunity Agency job training
 - School district Early Childhood Family Education
 - Mental Health services for children
 - Partnership with Farmers Market
 - Family support staff work to ensure SNAP/MFIP resources



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Questions?