

ATTACHMENT A

2012 State Bonding Bill Ch. 293. Sec. 33

Legislation Authorizing the Minnesota Business Development Capital Projects Grant Program

Sec. 33. [116J.433] BUSINESS DEVELOPMENT THROUGH CAPITAL
PROJECTS GRANT PROGRAM.

Subdivision 1. Creation of account. A business development through capital projects account is created in the bond proceeds fund. Money in the account may only be used for capital costs for eligible projects and public infrastructure.

Subd. 2. Definitions. For purposes of this section:

- (1) "local governmental unit" means a county, city, town, special district, public higher education institution, or other political subdivision or public corporation;
- (2) "governing body" means the city council, board of county commissioners, town board of supervisors, board of trustees, board of regents, or other body charged with governing a political subdivision of the state;
- (3) "public infrastructure" means publicly owned physical infrastructure in this state, including, but not limited to, wastewater collection and treatment systems, drinking water systems, storm sewers, utility extensions, telecommunications infrastructure, streets, roads, bridges, and parking ramps; and
- (4) "eligible project" means any project for which general obligation bonds of the state may be issued. Eligible projects must be capital projects for acquisition or improvement of publicly owned fixed assets having a useful life of at least ten years.

Subd. 3. Grant program established. The commissioner shall make competitive grants to local governmental units for eligible projects and public infrastructure required

to support an eligible project, which may include: predesign, design, acquisition of land or buildings, construction, furnishing, and equipping a new or renovated building. The local government unit may employ or contract with persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, or construction manager with respect to all or any part of an eligible project and related public infrastructure. The local government unit may deliver the eligible project and related public infrastructure through either a design-build or construction manager at-risk method. To the extent practicable and at the discretion of the local government unit, the local government unit may have rights and exercise powers with respect to the acquisition, construction, use, and operation of an eligible project, as are granted under section 473.756. No consent or approval of another political subdivision is required for the effectiveness or the exercise by a local government unit of the rights or powers.

Subd. 4. Application. (a) A local governmental unit must apply to the commissioner for a grant under this section. At a minimum, a local governmental unit must include the following information in its application:

- (1) a resolution of its governing body certifying that the money required to be supplied by the local governmental unit to complete the project is available and committed;
- (2) a detailed estimate, along with necessary supporting evidence, of the total costs of the eligible project;
- (3) an assessment of the potential or likely use of the site for innovative business activities after completion of the eligible project;
- (4) a timeline indicating the major milestones for the eligible project, including anticipated completion dates;
- (5) an estimate of the operating costs for the project for ten years following completion; and

(6) any additional information or material the commissioner prescribes.

(b) The determination of whether to make a grant under subdivision 3 is within the discretion of the commissioner, subject to this section.

Subd. 5. Match. An amount granted under this program must be matched with at least an equal amount from nonstate sources. Any contribution to a project from nonstate sources made before a grant award is made under this section shall count towards the match requirement.

Subd. 6. Priorities. (a) If applications for grants exceed the available appropriation, grants must be made for projects that, in the commissioner's judgment, provide the highest return in public benefits for the public costs incurred. In making this judgment, the commissioner shall evaluate and prioritize eligible projects on the following characteristics:

- (1) creation of new jobs, retention of existing jobs, or improvements in the quality of existing jobs as measured by the wages, skills, or education associated with those jobs;
- (2) improvement in the quality of existing jobs, based on increases in wages or improvements in the job duties, training, or education associated with those jobs;
- (3) increase in the local tax base, based on demonstrated measurable outcomes;
- (4) demonstration that investment of public dollars in the project will induce private investment;
- (5) whether the project provides necessary repair or replacement of existing capital assets;
- (6) whether the project reduces operating expenses of or increases revenue from existing capital asset, thereby offsetting at least a portion of project costs;
- (7) whether the project provides health or safety benefits;
- (8) the number of residents served by or who will benefit from the project;

(9) demonstration of local support;

(10) the capacity of the project to attract revenue from out of state; and

(11) objective cost benefit analysis and return on investment.

(b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate. In prioritizing projects, the commissioner shall make an appropriate balance between the metropolitan area and greater Minnesota.

Subd. 7. Sunset. This section expires June 30, 2016.