



Minnesota Business Development Capital Projects Grant Program Request for Proposal

Application Packet

Funding provided by 2012 Bonding Bill Appropriation

Ojibwe Business Development Economic Development Program

BACKGROUND/PURPOSE

The Business Development Capital Projects Grant Program assists with complex and costly projects that might not occur without public financial assistance. Pursuant to Minnesota Statutes Section 116J.433, the Minnesota Department of Employment and Economic Development (DEED) has the authority to award grants to assist local governmental units with capital projects.

Information on requirements associated with general obligation bond funds for capital projects can be found in the Capital Grants Manual at: <http://www.mmb.state.mn.us/doc/bonds/grants/grants-manual.pdf>.

ELIGIBLE APPLICANTS AND PROJECTS

Eligible Applicants for the Business Development Capital Projects Grant Program are local governmental units including counties, cities, towns, special districts, public higher education institutions, or other political subdivisions or public corporations.

Eligible projects must be capital projects for acquisition or improvement of publicly owned fixed assets having a useful life of at least ten years for which state general obligation bonds may be used. Eligible costs include pre-design, design, acquisition of land or buildings, construction, furnishing and equipping a new or renovated building. Projects may also include publicly owned physical infrastructure required to support an eligible project 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.

State bond funds can only be used for eligible costs on publicly owned sites and any development must be publicly owned.

For purposes of this program, projects with total costs of less than \$1 million will not be eligible for funding. DEED will make every effort to recommend alternative sources of assistance for projects below that size.

FUND AVAILABILITY AND MATCH REQUIREMENT

General obligation bond funds from the 2012 Bonding Bill appropriation provide \$47.5 million for this program. DEED provides funds to Eligible Applicants on a competitive basis as a grant for not more than 50 percent of public capital costs on a project. Amounts granted under this program must be matched with at least an equal amount of cash contributions from non-state sources (i.e., in-kind contributions are not permitted). Evidence of matching funds must be provided. Any contribution to a project from non-state sources made before a grant award can count towards the match requirement. For purposes of this program, DEED will allow any cash contribution made since July 1, 2010 to count toward the non-state match requirement.

Please note: IRS rules do not allow bond proceeds to reimburse expenses incurred before the effective date of appropriation of May 12, 2012. A local government unit's resolution certifying an equal or greater non-state match must be included with the application. A sample resolution is attached.

APPLICATION DEADLINES

Applications for funding must be received no later than 4:30 p.m. on Tuesday, June 26, 2012. DEED reserves the right to modify or withdraw this Application at any time and is not required to reimburse an applicant for

costs incurred in the preparation or submittal of its Application. Any Applications delivered directly to DEED should be presented to DEED's reception desk on the skyway level of the First National Bank Building. Submit **two** copies of the completed Application and supporting documentation to:

Minnesota Department of Employment and Economic Development
ATTN: Emily Johnson
First National Bank Building
332 Minnesota Street, Suite E200
Saint Paul, MN 55101

APPLICATION REQUIREMENTS

Applications must include:

- A resolution from the local government unit certifying that project funds are available and committed to complete the project
- Detailed estimates and supporting evidence (e.g., sources and uses statement) of total project costs
- An assessment of the potential or likely use of the site for innovative business activities after project completion
- A project timeline, including major milestones and anticipated completion dates
- Estimated operating costs for ten years following project completion (i.e., pro forma)
- Evidence that the project is ready to start and will be completed on a timely basis (e.g., status of permits, bids specifications, etc.)

SELECTION CRITERIA

Business Development Capital Projects Grant Program applications will be evaluated on the following criteria:

- Creation of new full-time equivalent (FTE) jobs, retention of existing jobs, or improvements in the quality of existing jobs as measured by wages, skills or education associated with those jobs
- 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
- Increase in local tax base, based on demonstrated measurable outcomes
- Demonstration that investment of public dollars will induce private investment
- Whether the project provides necessary repair or replacement of existing capital assets
- Whether the project reduces operating expenses of or increases revenue from existing capital assets, thereby offsetting some or all project costs
- Whether the project provides health or safety benefits
- Number of residents served by or who will benefit from the project
- Demonstration of local support
- Capacity of the project to attract out of state revenue
- Strong impact in return on investment and cost benefit ratio

The criteria above are not listed in rank order of priority. DEED may weigh each factor, depending upon the facts and circumstances, as it considers appropriate and will rank all applications received. In prioritizing projects, an appropriate balance will be made between the metropolitan area and greater Minnesota.

DEED DISBURSEMENT REQUIREMENTS

Eligible Applicants can request funds for up to 50% of incurred eligible capital costs. *A non-state match at least equal to the state funding is required.* Documentation (including invoices and canceled checks) for all incurred costs will be required with each pay request.

TIME TABLE FOR COMPLETION OF PROJECTS

Projects should be completed within three (3) years of execution of the funding agreement, unless an extension is requested by the awarded local governmental unit in writing and approved by DEED. If the project has not proceeded in a timely manner (i.e. within six (6) months of scheduled construction start date), DEED has the authority to cancel the award.

CONTACT INFORMATION

For application assistance contact:
Emily Johnson, Senior Loan Officer
651-259-7450
Emily.A.Johnson@state.mn.us

For all other inquiries contact:
Kim Isenberg, Director
Communications, Research and Analysis
651-259-7161
Kim.Isenberg@state.mn.us

Minnesota Business Development Capital Project Grant Program

I. Applicant Information

Applicant (Public Entity): _____

Address: _____

City: _____

Project Contact: _____

Phone: _____

Email: _____

Address: _____

MN Tax ID: _____

Federal Tax ID: _____

II. Project Information

Project Name: _____

Name of site: _____

Site Address: _____

City or Township: _____

Zip Code: _____

Minnesota House District: _____

Minnesota Senate District _____

Current property owner(s): Land _____ Building: _____

When was/will property be purchased? _____ For what amount? _____

Who will develop the site? _____

Who will own the site after development? _____

III. Project Description

1. Provide a brief project description and attach a more detailed description including background of the site, nature of acquisition and/or improvement, future use information, etc. (500 character limit. "cweej "cffkkqpcn" rci gu'klpgeguact {}):

***Attach a legal description and maps showing the current condition and proposed development of the site**

IV. Project Timeline and Readiness

1. Provide a summary of the current status of the planned development. Attach information such as bid information, permits received to date, zoning approvals, governing body approval, building permits, etc. (500 character limit, attach additional pages if necessary):

2. Complete the project schedule outlining individual tasks of the overall project. Include major milestones for the eligible project, including anticipated completion dates:

Task	Start mm/yy	Finish mm/yy

V. Financial Information

1. What are total project costs? _____
2. What is applicant's funding request from DEED for this project? _____
3. How much of the total project costs are for construction activities? _____

4. Explain how the project will attract private investment that is directly related to the project (500 character limit, attach additional pages if necessary):

***If an economic impact, cost/benefit or return on investment analysis has been conducted, please attach.**

5. Complete the following table indicating sources, uses and amounts of all funds. If there are multiple funding sources for an activity, please identify all sources for that activity:

Sources and Uses of Funds

Source of Funds (federal, state, local, private, etc.)	Amount	Use of Funds (Project Activity)	Date funds committed	Public or Private Land?	Have costs been incurred?	If yes, indicate date incurred
					<input type="checkbox"/> Yes <input type="checkbox"/> No	
					<input type="checkbox"/> Yes <input type="checkbox"/> No	
					<input type="checkbox"/> Yes <input type="checkbox"/> No	
					<input type="checkbox"/> Yes <input type="checkbox"/> No	
					<input type="checkbox"/> Yes <input type="checkbox"/> No	
					<input type="checkbox"/> Yes <input type="checkbox"/> No	
					<input type="checkbox"/> Yes <input type="checkbox"/> No	

***Attach a commitment letter for each of the above funding sources and detailed cost estimates or other supporting documentation for each activity.**

***Attach a pro forma of estimated operating costs for the project ten years following completion**

6. Will the project reduce operating expenses of or increase revenue from existing capital assets, offsetting at least a portion of project costs? Yes No

If yes, please explain (500 character limit, attach additional pages if necessary):

7. Does the project provide necessary repair or replacement of existing capital assets? Yes No
If yes, please explain (500 character limit, attach additional pages if necessary):

VI. Job Creation and Retention

For purposes of this section, one full-time equivalent job equals 2080 hours per year.

1. How many FTE construction jobs will result from this project? _____

2. Project the number of new permanent full-time equivalent (FTE) jobs created and wages after development of the site.
Total New FTE Jobs: _____ Projected average wages _____

3. Project the number of retained jobs and wages after development of the site (jobs that existed on-site or elsewhere in Minnesota prior to development).
Total Retained Jobs: _____ Projected average wages _____

4. What is the classification/industry for the new FTE jobs (i.e., industry name and 4-digit NAICS code)?:

5. Explain any improvements to the quality of existing jobs as measured by wages, skills or education associated with those jobs (500 character limit, attach additional pages if necessary):

VII. Other Public Benefits

1. What is the current appraised value of the site? _____
***Attach appraisal or assessor's valuation**

2. What is the projected value of the site after the project is complete? _____
***Attach assessor's projected valuation**

3. How will the overall local tax base be affected by the project? Explain (500 character limit, attach additional pages if necessary):

4. How many residents will be served by or benefit from the project? _____
Explain (500 character limit, attach additional pages if necessary):

5. Describe the level of local support for the project (500 character limit, attach additional pages if necessary).
***Attach letters of support, if applicable.**

6. Will the project attract revenue from outside of Minnesota? Yes No
If yes, please explain indicating numbers of visitors to the state, total visitor spending, types of visitor spending, etc. (500 character limit, attach additional pages if necessary): ***Attach supporting documentation, if applicable.**

7. Will the site be used for innovative business activities? Yes No

If yes, please explain *(500 character limit, attach additional pages if necessary)*:

8. Does the project provide health or safety benefits (e.g., clean drinking water, contamination cleanup, building rehabilitation, traffic safety, etc.)? Yes No

If yes, please explain *(500 character limit, attach additional pages if necessary)*:

9. Other than the benefits derived from the project itself, does the applicant anticipate other community or regional impacts (i.e., new community investment, new businesses, new jobs, additional private investment or other factors to be considered in review of this application)? Describe *(500 character limit, attach additional pages if necessary)*:

SAMPLE LOCAL GOVERNMENT RESOLUTION BUSINESS DEVELOPMENT CAPITAL PROJECTS GRANT PROGRAM

Applicants must adopt and submit the following resolution. This resolution must be adopted prior to submission of the forms package.

BE IT RESOLVED that _____ (Applicant) act as the legal sponsor for project(s) contained in the Business Development Capital Projects Grant Program Application to be submitted on _____ and that _____ (Title of First Authorized Official) and _____ (Title of Second Authorized Official) are hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of _____ (Applicant).

BE IT FURTHER RESOLVED that _____ (Applicant) has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate construction, operation, maintenance and replacement of the proposed project for its useful life.

BE IT FURTHER RESOLVED that _____ (Applicant) has not violated any federal, state, or local laws pertaining to fraud, bribery, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, _____ (Applicant) may enter into an agreement with the State of Minnesota for the above-referenced project(s), and _____ (Applicant) certifies that it will comply with all applicable laws and regulations as stated in all contract agreements.

BE IT FURTHER RESOLVED that all nonstate funding is committed and available and meets or exceeds the requirement that the non-state match equal or exceed the state funding.

BE IT FURTHER RESOLVED that _____ (Applicant) certifies that it will comply with all applicable laws, regulations, and rules of General Obligation bond funds.

NOW, THEREFORE BE IT RESOLVED that _____ (Title of First Authorized Official) and _____ (Second Authorized Official), or their successors in office, are hereby authorized to execute such agreements, and amendments thereto, as are necessary to implement the project(s) on behalf of the applicant.

I CERTIFY THAT the above resolution was adopted by the _____ (City Council or County Board) of _____ (Applicant) on _____ (Date).

SIGNED:

(First Authorized Official)

(Title)

(Date)

WITNESSED:

(Signature)

(Title)

(Date)

SIGNED:

(Second Authorized Official)

(Title)

(Date)

WITNESSED:

(Signature)

(Title)

(Date)