



2010 CGMC Policy Position: Economic Development

CGMC supports legislative initiatives that will enhance and expand existing economic development and redevelopment tools, and/or will establish effective new economic development tools for greater Minnesota cities. Accordingly, CGMC supports the following economic development positions in the 2010 legislative session:

1. Grants

- **Greater MN Business Development Public Infrastructure Grant (BDPI)**
The BDPI grant provides financial assistance to local units of government to assist in funding public infrastructure vital for business expansion. According to DEED, this program “has an outstanding return on investment.”

CGMC supports a \$20 million or greater appropriation for the BDPI grant through the bonding process, with a heavy emphasis of grant awards targeted to greater Minnesota cities. CGMC opposes any effort to merge the grant with the BioBusiness Development Public Infrastructure Grant Program, and/or to make the BDPI grant program a statewide program open to the metro area.

- **Redevelopment Grant Program**

The Redevelopment Grant program helps local authorities renew obsolete or abandoned properties for industrial, commercial, and residential uses.

CGMC supports a \$20 million or greater appropriation for the Redevelopment Grant Program. CGMC supports the 50-50 percentage grant award split between greater Minnesota and the metro area.

- **BioBusiness Development Public Infrastructure Grant Program (BBPI)**
CGMC supports a \$10 million appropriation for the BBPI program, and believes the program should remain a stand-alone grant program under state law.
- **Competitive Grant Award Process**
CGMC supports a competitive grant-making process. CGMC believes all entities of government must have a fair and equal opportunity to compete for critically-needed economic development state-based grants.

2. Venture Capital, Angel Investments and Private Sector Investments

CGMC supports legislation that would encourage private investment in greater Minnesota, such as a venture capital investment tax credit and/or an “angel” investment tax incentive program, in order to keep Minnesota competitive with its neighboring states.

3. Green Jobs

CGMC supports state and national job creation, job training, and entrepreneurial opportunities in the emerging green economy, including renewable energy, sustainable agriculture, and green building. Specifically, CGMC supports efforts to put more

Minnesotans on green-collar career pathways—providing them training and retraining through the Minnesota State Colleges and Universities System, credentials, work experience, job placement, and other essential elements for good and secure jobs in the clean energy economy.

4. JOBZ

The JOBZ program has been an effective economic stimulus tool for greater Minnesota, attracting out-of-state businesses to the region, retaining jobs, and creating new capital investment opportunities. CGMC supports the preservation and extension of the JOBZ program, especially for economically-distressed areas.

5. Broadband Growth

Expansion of broadband internet service to greater Minnesota will help spur economic growth and speed productivity, expand educational opportunities, and attract and retain jobs. CGMC supports a statewide policy to increase broadband speed and capacity throughout Minnesota, along with creating incentives for speeding broadband capacity and infrastructure development.

6. Tax Increment Financing (TIF)

Over 75 percent of all TIF districts are located in greater Minnesota. TIF continues to be an important tool in providing general economic development incentives and financing public infrastructure costs. CGMC supports the application of TIF to a broad range of redevelopment projects.

7. Tax Abatement

Abatement can be a positive, flexible tool for economic development, although it lacks parity with Tax Increment Financing (TIF) because TIF requires each local taxing jurisdiction to capture its taxes. CGMC supports efforts to provide cities with the advantages that come with abatement, while also encouraging the equal participation of all taxing jurisdictions in the abatement process.

8. Investment in High Speed Passenger Rail

Mobility improvements associated with high speed rail is expected to produce thousands of jobs and billions of dollars in economic benefits. This may include extra annual household income, higher property values, and new development near rail stations. CGMC supports a renewed investment in high speed passenger rail service throughout greater Minnesota and the metro area.

9. Main Street Development and Relocation Incentives

Protecting and promoting the business districts and Main Street thoroughfares of greater Minnesota cities is key to economic development and growth. It is critical that local entrepreneurs and retail operators on these main streets succeed. As a result, CGMC supports efforts to provide a tax credit, deduction, grants or low-interest, long-term loan programs for storefront owners who offer incentives to small retail or service type businesses existing or relocating on Main Street.

10. Affordable Housing

Quality affordable housing opportunities are directly linked to the economic development

and vitality of a region, providing for safe and healthy living environments for workers and their families. The CGMC supports efforts to increase access to affordable housing, first-time homebuyer assistance programs, the rehabilitation of aging housing stock in greater Minnesota and programs that would provide seniors with housing options that would free up their housing stock for workers and young families.

11. Keeping Greater Minnesota Competitive

In order to thrive, greater Minnesota cities must remain competitive with neighboring border cities, who often benefit from economic development programs unavailable in Minnesota. CGMC, therefore, supports ongoing efforts by the state of Minnesota to provide a variety of new and innovative economic development proposals to help level the playing field for greater Minnesota cities.

12. Highway Transportation Funding

Quality transportation access is important to greater Minnesota cities for economic growth and sustainability. CGMC supports expanded four-lane highway access and improved regional & inter-regional corridor transportation systems throughout greater Minnesota, linking cities to interstate thoroughfares and the metro area.

13. Expansion of Motorized and Non-Motorized Trails

Access to bike trails, snowmobile trails and other motorized/non-motorized trails draws thousands of visitors each year to greater Minnesota cities, boosting tourism and economic growth. Accordingly, CGMC supports expanded motorized and non-motorized trail access throughout the state, particularly in greater Minnesota.