

1.1 A bill for an act

1.2 relating to economic development; expanding a grant program for public
1.3 infrastructure for bioscience businesses to include clean energy businesses;
1.4 amending Minnesota Statutes 2008, section 116J.435, as amended.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2008, section 116J.435, as amended by Laws 2009,
1.7 chapter 35, sections 1, 2; and Laws 2009, chapter 78, article 2, section 12, is amended to
1.8 read:

1.9 **116J.435 BIOSCIENCE AND CLEAN ENERGY BUSINESS DEVELOPMENT**
1.10 **PUBLIC INFRASTRUCTURE GRANT PROGRAM.**

1.11 Subdivision 1. **Creation of account.** A bioscience and clean energy business
1.12 development public infrastructure account is created in the bond proceeds fund. Money
1.13 in the account may only be used for capital costs of public infrastructure for eligible
1.14 bioscience and clean energy business development projects.

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

1.16 (1) "local governmental unit" means a county, city, town, special district, public
1.17 higher education institution, or other political subdivision or public corporation;

1.18 (2) "governing body" means the council, board of commissioners, board of trustees,
1.19 board of regents, or other body charged with governing a local governmental unit;

1.20 (3) "public infrastructure" means publicly owned physical infrastructure in this state,
1.21 including, but not limited to, wastewater collection and treatment systems, drinking water
1.22 systems, storm sewers, utility extensions, telecommunications infrastructure, streets,
1.23 roads, bridges, parking ramps, facilities that support basic science and clinical research,
1.24 and research infrastructure; ~~and~~

2.1 (4) "eligible project" means:

2.2 (i) a bioscience business development capital improvement project in this state,
2.3 including: manufacturing; technology; warehousing and distribution; research and
2.4 development; bioscience business incubator; agricultural bioprocessing; or industrial,
2.5 office, or research park development that would be used by a bioscience-based business, or

2.6 (ii) a clean energy business development capital improvement project in this state;

2.7 (5) "clean energy business" means a business that furthers the development of
2.8 Minnesota's green economy; and

2.9 (6) "green economy" has the meaning given in section 116J.437.

2.10 Subd. 3. **Grant program established.** (a) The commissioner shall make
2.11 competitive grants to local governmental units to acquire and prepare land on which
2.12 public infrastructure required to support an eligible project will be located, including
2.13 demolition of structures and remediation of any hazardous conditions on the land, or to
2.14 predesign, design, acquire, construct, furnish, and equip public infrastructure required to
2.15 support an eligible project. The local governmental unit receiving a grant must provide for
2.16 the remainder of the public infrastructure costs from other sources. The commissioner
2.17 may waive the requirements related to an eligible project under subdivision 2 if a project
2.18 would be eligible under this section but for the fact that its location requires infrastructure
2.19 improvements to residential development.

2.20 (b) The amount of a grant may not exceed the lesser of the cost of the public
2.21 infrastructure or 50 percent of the sum of the cost of the public infrastructure plus the cost
2.22 of the completed eligible project.

2.23 (c) The purpose of the program is to keep or enhance jobs in the area, increase the
2.24 tax base, or to expand or create new economic development through the growth of new
2.25 bioscience businesses and organizations.

2.26 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures
2.27 for soliciting and reviewing applications for grants under this section. At a minimum, a
2.28 local governmental unit must include the following information in its application:

2.29 (1) a resolution of its governing body certifying that the money required to be
2.30 supplied by the local governmental unit to complete the public infrastructure is available
2.31 and committed;

2.32 (2) a detailed estimate, along with necessary supporting evidence, of the total
2.33 development costs for the public infrastructure and eligible project;

2.34 (3) an assessment of the potential or likely use of the site for bioscience or clean
2.35 energy activities after completion of the public infrastructure and eligible project;

3.1 (4) a timeline indicating the major milestones of the public infrastructure and eligible
3.2 project and their anticipated completion dates;

3.3 (5) a commitment from the governing body to repay the grant if the milestones are
3.4 not realized by the completion date identified in clause (4); and

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

3.6 (b) The determination of whether to make a grant under subdivision 3 is within the
3.7 discretion of the commissioner, subject to this section. The commissioner's decisions and
3.8 application of the priorities are not subject to judicial review, except for abuse of discretion.

3.9 Subd. 5. **Priorities.** (a) If applications for grants exceed the available appropriations,
3.10 grants must be made for public infrastructure that, in the commissioner's judgment,
3.11 provides the highest return in public benefits for the public costs incurred. "Public benefits"
3.12 include job creation, environmental benefits to the state and region, efficient use of public
3.13 transportation, efficient use of existing infrastructure, provision of affordable housing,
3.14 multiuse development that constitutes community rebuilding rather than single-use
3.15 development, crime reduction, blight reduction, community stabilization, and property tax
3.16 base maintenance or improvement. In making this judgment, the commissioner shall give
3.17 priority to eligible projects with one or more of the following characteristics:

3.18 (1) the potential of the local governmental unit to attract viable bioscience or clean
3.19 energy businesses;

3.20 (2) proximity to public transit if located in a metropolitan county, as defined in
3.21 section 473.121, subdivision 4;

3.22 (3) multijurisdictional eligible projects that take into account the need for affordable
3.23 housing, transportation, and environmental impact;

3.24 (4) the eligible project is not relocating substantially the same operation from another
3.25 location in the state, unless the commissioner determines the eligible project cannot be
3.26 reasonably accommodated within the local governmental unit in which the business is
3.27 currently located, or the business would otherwise relocate to another state or country; and

3.28 (5) the number of jobs that will be created.

3.29 (b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the
3.30 commissioner may weigh each factor, depending upon the facts and circumstances, as
3.31 the commissioner considers appropriate.

3.32 Subd. 6. **Cancellation of grant.** If a grant is awarded to a local governmental unit
3.33 and funds are not encumbered for the grant within four years after the award date, the
3.34 grant must be canceled.

3.35 Subd. 7. **Repayment of grant.** If an eligible project supported by public
3.36 infrastructure funded with a grant awarded under this section is not occupied by a

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4.1 bioscience or clean energy business in accordance with the grant application under
4.2 subdivision 4 within five years after the date of the last grant payment, the grant recipient
4.3 must repay the amount of the grant received. The commissioner must deposit all money
4.4 received under this subdivision into the state treasury and credit it to the debt service
4.5 account in the state bond fund.