



## 2020 CGMC Policy Positions: Economic Development

To help improve the economic climate, the CGMC supports the following economic positions in the 2020 legislative session:

### 1. **Workforce Housing**

The CGMC supports appropriations and tax credits that address the critical workforce housing shortage in Greater Minnesota. This includes funding for workforce housing grant programs focused on increasing the supply of units in communities that can grow. The CGMC supports workforce housing programs that have no income or population restrictions, and which are focused on economic development and middle-income workers in Greater Minnesota. The legislature should fund affordable or workforce housing programs at a level that accounts for the cost of prevailing wage regulations in housing construction, or should seek reforms in the program to reduce those costs.

### 2. **Senior/Workforce Housing**

In many rural Minnesota cities, over 30% of single-family housing is owned by persons over 70 years of age. Senior rural residents have far fewer senior housing options than do their urban counterparts. The CGMC encourages the legislature to support the development of additional senior housing options in rural Minnesota, recognizing that increased senior housing options will free up reasonably priced single-family homes, thus increasing the availability of workforce housing in rural communities.

### 3. **Effectiveness of MHFA Programs**

For affordable housing programs within the Minnesota Housing Finance Agency (MHFA), criteria should be evaluated to ensure housing challenges are addressed in an equitable fashion between the metropolitan area and Greater Minnesota. Such factors as a lack of private sector investments, as well as other public investments, should be a part of the comprehensive analysis that determines the overall need for a state partnership. The CGMC encourages the legislature to evaluate how low-income and workforce housing dollars are distributed, including a review of project scoring criteria, to ensure that program dollars are being used to maximum effect and achieving state policy goals.

### 4. **Greater Minnesota Child Care**

The CGMC supports legislative initiatives to increase child care options in all corners of Greater Minnesota. This may include funding to help offset the cost of new or upgraded child care facilities, regulatory changes that remove barriers to entry for providers, training for providers, and other policies and programs that will increase the supply of both center-based and home-based childcare options. The CGMC supports legislative efforts to ensure there is uniformity in inspections and enforcement of standards for child care providers of all sizes and types.

### 5. **Greater MN Business Development Public Infrastructure (BDPI) Grant Program**

The CGMC supports at least \$20 million in bonding in the 2020 legislative sessions for the BDPI grant program. The CGMC believes that the program should remain a competitive, stand-alone program administered by the Department of Employment and Economic Development (DEED) and targeted only to Greater Minnesota.



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### 6. **Greater Minnesota Workforce Development**

- A. The CGMC supports the Job Training Incentive Program and any necessary updates to make the program more responsive to the needs of Greater Minnesota employers. The program should have an ongoing base budget of at least \$10 million annually.
- B. Given the importance of a highly-skilled labor force to Greater Minnesota's economy, the CGMC encourages state policymakers to evaluate the current funding and structure of Minnesota's technical schools to determine if needs are being met. The CGMC further supports policy changes that enable technical schools to better address the workforce needs faced by Greater Minnesota communities.

### 7. **Broadband Expansion**

The CGMC supports a strong Border-to-Border Broadband Development grant program targeted at supporting economic development in Greater Minnesota. If the administration or legislature propose additional funding for the Border-to-Border Broadband Development Grant Program, at least half of any appropriation should be available for those areas that have service, but that does not meet the 2026 state speed goals. The CGMC opposes policies that limit how much grant dollars can be spent in these areas. The CGMC also opposes the challenge processes, which gives large providers power to determine that a community shouldn't receive a grant.

### 8. **Bonding and Infrastructure in Greater Minnesota**

Bonding bills should focus on local roads and bridges, wastewater, and other infrastructure that grows local economies in Greater Minnesota. In addition, of projects identified as being located in the metro area or Greater Minnesota, at least 50% of all capital investment funding should be directed at Greater Minnesota.

### 9. **Multi-use Trails**

The CGMC supports continued development of multi-use trails in Greater Minnesota. These trails assist in the recruitment of workers for rural manufacturers and other businesses as well as generating economic development for Greater Minnesota.

### 10. **Minnesota Investment Fund, Job Creation Fund, Brownfields Program, Redevelopment Grant Program, and Demolition Loan Program**

The CGMC supports increased funding for the Minnesota Investment Fund (MIF), the Job Creation Fund, the Brownfields Program, the Redevelopment Grant Program, and the Demolition Loan Program. The CGMC supports any additional changes that provides a more balanced distribution of funding between the metro area and Greater Minnesota. The CGMC further supports changes to these programs that recognize the distinctions between how the programs are most effectively deployed in Greater Minnesota and the Metro area. The CGMC supports modifying the Redevelopment Grant Program to raise the cap on the share of state dollars that can be used for Greater Minnesota projects. Moreover, the CGMC supports any effort by the legislature to evaluate these programs to ensure they are meeting the goals set by the legislature.



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### **11. Modify Tax Increment Finance Rules to Support Greater Minnesota Communities**

The CGMC supports legislative initiatives to modify Tax Increment Financing (TIF) options in ways that recognize the unique challenges faced by Minnesota communities seeking to redevelop blighted areas, including by allowing additional time for communities to secure a project following blight removal. TIF should also be permitted to support the creation of new market rate housing in communities with an identifiable housing shortage and a market where the cost of production is greater than the market rate.