

## **Green Economy Report**

Report to the Minnesota Legislature on  
State loan and grant programs that advance the green economy



Minnesota Department of Commerce, Office of Energy Security

in consultation with

Minnesota Department of Employment and Economic Development

**January 27, 2009**

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## INTRODUCTION

The Minnesota Department of Commerce, Office of Energy Security (OES) with assistance from the Minnesota Department of Employment and Economic Development (DEED) established guidelines used by state agencies to identify grant and loan programs that have potential to significantly advance the growth of the green economy pursuant to Chapter 356, Section 14. Ten state agencies provided information to OES on seventy-four grant and loan programs that matched the guidelines established, as listed in Table 1. Four state agencies, Department of Health, Human Services, Management and Public Safety reported that they did not have any loan or grant programs that would qualify.

**Table 1. Grant and Loan Programs Reported By Minnesota State Agencies**

ADMIN Public Bldg Energy Efficiency	DOC Renewable Hydrogen project grants
DEED Contamination Cleanup Program	ED Fresh Fruits & Veggies grants
DEED Framework for Regional Strategies	ED Library Accessibility & Construction
DEED Greater MN Business Develop Infrastructure	ED MN Charter & Public School Planning
DEED Indian Business Loan Program	MDA Next Gen Energy Grants
DEED Job Opportunity Bldg Zones (JOBZ)	MDA Sustainable Ag Demonstration
DEED Job Skill Partnership Grants	MDA Sustainable Ag Loan
DEED Military Reservist Economic Injury	MDA Various Loan Programs- Local Lenders
DEED Minnesota Investment Fund	MHF Affordable Rental Investment Fund
DEED Redevelopment Grant Program	MHF Economic Develop & Housing Challenge
DEED Renewable Energy Marketplace- Board	MHF Ending Long-term Homelessness
DEED Small Business Development Loan	MHF Fix-Up Fund
DEED Small Cities Develop Program	MHF Housing Trust Fund
DEED The SEED Capital Investment Credit	MHF Rehabilitation Loan Program
DEED Urban Initiative Loan Program	MnDOT Airport Construction
DNR Aquatic Invasive Species Prevention	MnDOT Airport Maintenance & Operations
DNR Clean Vessel Act Grants	MnDOT Greater MN Public Transit
DNR Forestry's Cost Share Program	MnDOT Hangar Loan Program
DNR Environmental Partnership	MnDOT Local Bridge Replacement program
DNR Flood Hazard Mitigation Grant	MnDOT Local Road Improvement Program
DNR Mngt of Eurasian Watermilfoil	MnDOT Port Development Assistance
DNR Heritage Enhancement Grants	MnDOT Rail Service Improvement Program
DNR Metro Greenways Program	MnDOT Safe Routes to School
DNR Minnesota ReLeaf Program	PCA Clean Water Act Non-Point Source
DNR Minnesota's Lake Superior Coastal	PCA Clean Water Legacy Act Funding
DNR Minnesota's Landowner Incentive	PCA Clean Water Partnership
DNR Natural and Scenic Area Grant Program	PCA Environmental Assistance (EA) Grants
DNR Pheasant Habitat Improvement Program	PCA Environmental Assistance Loan Program
DNR Watermilfoil/Curly-Leaf Pondweed	PCA Metro Landfill Abatement & Recycling
DNR Regional Park Grant Program	PCA Pollution Prevention
DNR Shoreland Habitat Restoration Grant	PCA Committee on Recycling & Environ
DNR Stream Bank Maintenance Grants	PCA Small Business Envir Improvement Loan
DOC CIP Research Grants	PCA Solid Waste Processing Capital Asst
DOC Digester for On-Farm Grants	PCA Tech Asst and Research Grant
DOC E85 & Biodiesel Infrastructure	Tourism - Innovative Grants
DOC PHEV Grants	
DOC Public Bldg Energy Effic Loan Program	
DOC Renewable Energy Grants	

Further review of these programs suggests that not all have a “significant” potential to advance the green economy. For example, programs such as the Department of Transportation’s road and bridge construction programs provide financial assistance for large infrastructure construction and improvement projects that provide a substantial boost to local economies but do not create “green” jobs or use materials that fit the definition of “green”. It is a slow and difficult process to get new materials certified for infrastructure projects because of stringent safety and durability expectations and requirements. Mn/DOT and the Center for Transportation Studies at the University of Minnesota conduct and participate in longer term research that may lead to “greener” bridge and road construction materials.

Many State grant and loan programs directly impact the number of “green” jobs in the state. Increased funding in these programs would create and expand jobs in these sectors. Agencies such as OES, the Department of Natural Resources and Pollution Control Agency have programs that provide financial assistance in sectors that are a direct subset of the green economy. Others agencies, like DEED, Minnesota Housing Finance, Department of Agriculture and the Office of Tourism include “green” evaluation criteria in some of their programs to encourage “green” business development and practices. Not all programs lend themselves to such criteria. A number of state programs are guided by federal rules that may not have the flexibility to be tailored to creation or expansion of “green” jobs. The following is a short synopsis by department of some of their programs that could help grow the “green” economy.

#### **Administration, Minnesota Department of**

Department of Administration is developing guidelines for the State’s new Public Building Enhanced Energy Efficiency Program; a loan program that will combine expert technical services and private financing to fund cost-effective energy efficiency improvements for state-owned buildings. This program will have a direct impact on creation and expansion of “green” jobs. The program does not have a “buy local” requirement but is expected to produce many local construction and skilled labor jobs.

#### **Agriculture, Minnesota Department of (MDA)**

MDA has a number of programs that provide financial assistance to farmers for projects involving farm construction projects, reduction of waste, sustainable agricultural practices and sustainable biomass feedstock and biomass energy projects. Some of these programs are directly related to green jobs, while others are assisting farmers with other aspects of farming and livestock production and only aspects of the projects are related to the “green” economy. MDA also actively encourages grant and loan recipients to “buy local”.

#### **Commerce, Minnesota Department of**

The Minnesota Department of Commerce, Office of Energy Security (OES) has a number of energy technology grant programs that can have a significant impact on the green economy. One example is OES’s new Conservation and Applied Research program, which relies on utility Conservation Improvement Program funds to assist utilities in identifying new technologies or strategies to maximize utility energy savings. This year OES also developed a new loan program, the Public Buildings Energy Efficiency Enhancement Program, which offers low interest loans for energy enhancements in public buildings. Part of this program is being administered by Department of Administration. A number of OES’s energy technology grant programs, such as the Renewable Energy Grants, advanced automotive grants or On-farm Anaerobic Digester grants are one time only programs. These programs were directed at assisting in the commercialization, and in many cases, construction of performance demonstrations for emerging energy technologies, many of which were developed in Minnesota. DOC has already incorporated a criterion for “green” jobs in the evaluation of competitive grant programs and would support a state initiative for a broader requirement that its grant and loan programs give consideration to

projects and procurement processes that advance or promote the green economy as defined in section [116J.437](#).

### **Education, Minnesota Department of**

The Minnesota Department of Education identified three programs that could impact green jobs. Two of these programs already have a green focus. The department's library construction program requires projects to meet State standards, which for public buildings includes a menu of green building practices that are part of Minnesota's sustainable building guidelines. In addition, the program review committee promotes LEED certification to applicants. Its charter school planning program is guided by federal rules that require procurement of products and services that conserve natural resources and protect the environment and are energy efficient to the extent practicable and economically feasible.

### **Employment and Economic Development, Minnesota Department of (DEED)**

DEED is positioned to impact the growth of the green economy. Much of DEED's work focuses on expanding economic development and enhancing the skills of Minnesota's workforce. DEED offers a variety of grants and loans that aim to create and expand jobs, and that help Minnesota businesses grow.

Currently, eligibility for most DEED programs extends to all businesses, and some have a specific green economy focus. Eligibility rules should not be narrowed, but many DEED programs could be pro-actively marketed to green companies. Because many DEED grants and loans are used for construction, equipment procurement, energy services, or remediation work, they already provide an economic boost to local economies. DEED suggests that additional language could be appended to program enabling legislation for a number of its programs, specifying the department to give consideration to projects that advance or promote the green economy as defined in section [116J.437](#).

### **Housing Finance, Minnesota (MHF)**

One of the most important agencies in the State that can influence growth of green jobs is MHF. MHF programs provide financial assistance for new affordable residential construction or rehabilitation of older affordable housing. The majority of jobs created by these programs are in the construction industry, an industry that has great potential to foster growth in the green economy. MHF has been grappling with issues involving green construction for years. Green construction techniques reduce pollution, provide health benefits and reduce on-going energy costs so residents can more easily afford their energy bills. But the up front costs of some green technologies and techniques are higher than comparable non-green products. MHF has to carefully assess and balance the long term benefits of green construction with the upfront capital costs of a project to assure the project will be attractive to private developers.

MFH has already integrated Green Communities criteria, with a Minnesota overlay into new construction projects financed through the Economic Development and Challenge Program. These criteria will also be required in the new \$38 million dollar Neighborhood Stabilization Program that will provide federal funding for foreclosure remediation. MFH is considering incorporation of Green Communities criteria in other programs where the benefits will outweigh the up-front costs. MHF has a number of innovative ideas that could impact green job growth in smaller ways, such as having home energy auditors provide homeowners with information on which energy efficiency measures needed in their homes are most cost-effective and then linking the homeowners to financing and contractor referrals that they would be more likely to implement the measures. See details in the MFH section of this report.

### **Natural Resources, Minnesota Department of (DNR)**

DNR grant programs already create green jobs. These jobs are primary related to projects involving land use, management and restoration. While jobs creation is not the driver behind DNR grant funding, these programs have a direct impact on the number of green jobs in the state and DNR grant programs can be ramped up to grow more jobs. Many DNR programs also have the co-benefit of sequestering carbon and

thus reducing Minnesota's net carbon emissions. If certain land use and management practices become eligible for carbon credit under regional GHG cap and trade protocols, a number of DNR grant programs could help expand terrestrial carbon sequestration projects that qualify, earning carbon credits for the State.

#### **Pollution Control Agency, Minnesota (MPCA)**

MPCA is another critical agency for influencing growth of the green economy. Many MPCA's grant and loan programs influence job creation and expansion, primarily in the environmental, waste and remediation sectors. MPCA has a broad range of programs for different participant groups and some with open eligibility. PCA has programs that focus on pollution prevention, clean water and air, waste and recycling; program that virtually touch all aspects of the environmental sector. The type of work that MPCA funds is also broad, including jobs that involved land and water quality restoration, construction projects, technical services, water quality testing and even some funding for emerging technology demonstrations. Currently most of their programs do not have any special "buy local" requirements but much of the funds are probably spent locally. The funding for many of their programs goes directly to the business, organization or local government recipients to conduct the projects who make the purchase decisions. Some PCA competitive programs may be candidates for including a "green jobs" criteria their selection process as long as the criterion did not discourage applicants.

#### **Transportation, Minnesota Department of (Mn/DOT)**

Mn/DOT runs a number of construction- related loan and grant programs, most directed at providing assistance to cities for highway, bridge and airport infrastructure projects. Mn/DOT grant and loans programs have not had a "green focus" in the past, but Mn/DOT is exploring ways to reduce energy and lower GHG emissions. For example, Mn/DOT, FAA and the paving industry are currently evaluating various materials and construction technologies to reduce pollution and conserve energy in the concrete and bituminous paving projects. Some Mn/DOT programs are governed by federal rules that might prevent new regulations. Many Mn/DOT programs are pass-through grants to local governments for infrastructure projects where the local government entities have authority over the project. The jobs created by Mn/DOT programs are typically in the field of construction, many of which do not fit the definition of a green job. Although Mn/DOT programs do not have an explicit "buy local" requirement, it is still expected that the labor force and most materials are locally derived. One interesting point is that Mn/DOT has a requirement to buy USA-made steel in its federal Safe Routes to School program, indicating the federal government's focus on using procurement as a way to impact jobs.

#### **Tourism, Minnesota Office of**

The Office of Tourism does not administer any grant programs that will have significant impact growth of the green economy. Yet the Office of Tourism has built "green" criterion into their competitive Innovative marketing grant program. Evaluators give up to five additional points during the scoring process to projects that include elements that will reduce the environmental impacts due to tourism.

# AGENCY GREEN ECONOMY ASSESSMENTS

## ADMINISTRATION, MINNESOTA DEPARTMENT OF

1. Agency Name: Department of Administration/Real Estate and Construction Services
2. Grant/Loan Name: **PUBLIC BUILDING ENHANCED ENERGY EFFICIENCY PROGRAM (PBEEEP)** – See MS Stat. 216C.42 and 43.
3. Program Name (under which the grants/loans are awarded): Building Enhanced Energy Efficiency Program (PBEEEP)
4. Contact person: Wayne Waslaski, 651-201-2548; wayne.waslaski@state.mn.us
5. Brief grant/loan program description, including funding source: Loan program combines expert technical services and private financing to fund cost-effective energy efficiency improvements for state-owned buildings. The program is currently under development. The written guidance document is anticipated to be completed in June, 2009.
6. Grant/loan cycle and frequency: To be determined.
7. Web site for grant: Not available.
8. Total annual grant/loan award: TBD – see #5.
9. Total annual awards made: TBD                      Total annual \$ awarded TBD
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity. Construction projects and procurement of energy-related services or equipment.
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: The program is intended to reduce energy costs and consumption and green house gas emissions.
12. Does this program have a “buy local” focus? If so, please describe: Not specifically, but will impact local construction market and Minnesota state-owned buildings
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: The authorizing statute requires the project result in a positive cash flow in each year of the financing agreement, which may limit the number of energy efficiency projects.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? Engineering professionals will be needed to complete studies and design work. Construction trades will get engaged to complete projects.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: None at this time.
16. Would such a change pose significant problems? Explain: NA

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## AGRICULTURE, MINNESOTA DEPARTMENT OF

1. Agency Name: Minnesota Department of Agriculture
  2. GRANT/LOAN NAME: **NEXTGEN ENERGY GRANT**
  3. Program Name (under which the grants/loans are awarded): NextGen Energy Grant Program
  4. Contact person: Quinn Cheney, 651-201-6180; quinn.cheney@state.mn.us
  5. Brief grant/loan program description, including funding source: NextGen grants funding was made available to owners of Minnesota facilities producing bioenergy, organizations that provide for on-station, on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy systems, or certain nongovernmental entities.
  6. Grant/loan cycle and frequency: No longer funded at this time
  7. Web site for grant: <http://www.mda.state.mn.us/renewable/nextgen/default.htm>
  8. Total annual grant/loan award: Approximately \$2.68 million was divided among eight grantees (not annually; at this point, a one-time appropriation)
  9. Total annual awards made: 8 (not annual) Total annual \$ awarded: \$2.68M (not annual; at this point, a one-time appropriation)
  10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.
  11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: Yes, NextGen grants were provided to entities engaging in advanced bioenergy projects. Such projects include ethanol plants that are demonstrating the use of advanced biomass sources to replace natural gas, anaerobic methane digesters using swine manure, and research projects about the sustainability and availability of forestry biomass for bioenergy production.
  12. Does this program have a “buy local” focus? If so, please describe: No.
  13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No.
  14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?
  15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:
  16. Would such a change pose significant problems? Explain: N/A
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1. Agency Name: Minnesota Department of Agriculture
2. GRANT/LOAN NAME: **SUSTAINABLE AGRICULTURE DEMONSTRATION GRANT**
3. Program Name (under which the grants/loans are awarded): Same
4. Contact Person: Jeanne Ciborowski, 651-201-6217 ; [jeanne.ciborowski@state.mn.us](mailto:jeanne.ciborowski@state.mn.us)
5. Brief grant/loan program description, including funding source: The MN Department of Agriculture (MDA) will award up to \$150,000 for the 2009 Sustainable Agriculture Demonstration Grant Program. Competitive grants for up to \$25,000 are awarded to individuals or groups for on-farm sustainable agriculture research or demonstration projects in Minnesota. The purpose of the Grant Program is to fund practices that promote environmental stewardship and conservation of resources as well as improve profitability and quality of life on farms and in rural areas. (MN Statute 17.116)
6. Grant/loan cycle and frequency: Annual – One grant round that opens in early September and closes in mid-January
7. Web site for grant: [www.mda.state.mn.us/grants/grants/demogrant.htm](http://www.mda.state.mn.us/grants/grants/demogrant.htm)
8. Total annual grant/loan award: \$150,000 (Awards of up to \$25,00 for up to three years)
9. Total annual awards made: Avg. 10/year  
Total annual \$ awarded: Avg. ~\$148,000
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.
  - Activities intended to reduce or eliminate pollution or waste; (75%)
  - Promote or market activities including business or industry; (25%)
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: Yes – See above description
12. Does this program have a “buy local” focus? If so, please describe: Yes, Minnesota farmers including fruit, vegetable and livestock farmers who sell locally are a majority of those who receive awards.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? It already does. Farmers and researches are doing research and/or demonstration projects that are green and creating enhanced opportunities for farmers to produce their products in an environmentally green manner.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: No.
16. Would such a change pose significant problems? Explain: N/A

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1. Agency Name: Minnesota Department of Agriculture
  2. Grant/Loan Name: **SUSTAINABLE AGRICULTURE LOAN PROGRAM**
  3. PROGRAM NAME: Sustainable Agriculture Loan Program
  4. Contact person: Mary Hanks, 651-201-6277; [mary.hanks@state.mn.us](mailto:mary.hanks@state.mn.us)
  5. Brief grant/loan program description, including funding source: The Sustainable Agriculture Loan Program was created to accelerate the adoption of sustainable farming information and technology in Minnesota. Loans of up to \$25,000 per farmer or up to \$100,000 for joint projects are made at a fixed 3% interest rate for a term of up to seven years. These low-interest loans are made to farmers for purchasing new or used equipment or building improvements that help make the farming system more sustainable environmentally and economically (MN Statutes 17.115).
  6. Grant/loan cycle and frequency: On-going – loans are reviewed as received.
  7. Web site for grant: [www.mda.state.mn.us/grants/loans/esaploan.htm](http://www.mda.state.mn.us/grants/loans/esaploan.htm)
  8. Total annual grant/loan award: The initial \$1 million appropriation from the state legislature was set up as a revolving fund. As loans are repaid, the funds are pooled and redistributed to other farmers in the form of new loans.
  9. Total annual awards made: Variable  
Total annual \$ awarded : Variable
  10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.
    - Construction projects – primarily remodeling and improvements to existing structure, not new construction (10%);
    - Procurement of energy-related equipment (10%);
    - Procurement of equipment over \$10,000 in value (50%);
    - Activities intended to reduce or eliminate pollution or waste (30%);
  11. Does this program currently have a “sustainable” or “green” focus? If so, please describe:  
The loans have given Minnesota farmers added incentive to make changes toward more efficient use of inputs while enhancing profitability and protecting the environment. More than 330 farmers have borrowed over \$3.5 million from the Sustainable Agriculture Loan Program.
  12. Does this program have a “buy local” focus? If so, please describe: Yes. We encourage the use of local businesses. Many of the producers that receive the loans utilize local business and contractors to source their building materials and complete their projects. Also, many of the Minnesota farmers receiving loans through this program sell their produce locally, including fruits, vegetables, meat, and poultry products.
  13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No

14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? It already does. When this program began in 1988, the concepts of sustainable agriculture were less understood and less accepted by farmers and lenders than they are today. The state chose to assist these farmers through direct lending to provide incentive to innovate and adopt new green technology.
  15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: No. The statutory language already allows for this focus.
  16. Would such a change pose significant problems? Explain: N/A
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1. Agency Name: Minnesota Department of Agriculture, Rural Finance Authority
2. GRANT/LOAN NAME: **VARIOUS LOAN PARTICIPATION PROGRAMS WITH LOCAL LENDERS**
3. Program Name (under which the grants/loans are awarded): Rural Finance Authority
4. Contact person: Peter Scheffert, 651-201-6486; [peter.scheffert@state.mn.us](mailto:peter.scheffert@state.mn.us)
5. Brief grant/loan program description, including funding source: The Rural Finance Authority (RFA) currently administers eight loan programs to provide affordable credit to eligible farmers, and one program to provide financial assistance to proposed methane digester projects. The programs are funded from the sale of general obligation bonds. The programs are participation programs whereby the RFA joins in partnership with local lending institutions to provide credit based upon certain pre-established rules. Over 430 financial facilities are included in master participation agreements.
6. Grant/loan cycle and frequency: The program is ongoing and always open to lenders to participate loans with us
7. Web site for grant: <http://www.mda.state.mn.us/about/divisions/agfinance.htm>
8. Total annual grant/loan award: \$11 – 15 million in participation loans
9. Total annual awards made: 100 – 125 Total annual \$ awarded: \$11 – 15,000,000
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.
  - construction projects (including, but not limited to, infrastructure, building construction or remodeling); 20%
  - Procurement of energy-related services or equipment ; 5%
  - Procurement of equipment over \$10,000 in value; 10%
  - Activities intended to reduce or eliminate pollution or waste; 15%
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: Producers that receive the loans follow Minnesota Pollution Control guidelines and local feedlot rules for livestock building projects and production. These rules help protect and enhance the

environment. Real Estate purchases must work with the local Soil and Water Conservation District to assure sound production and management practices are followed.

12. Does this program have a “buy local” focus? If so, please describe: Producers are encouraged to utilize local options for their projects. Most producers utilize local businesses and contractors to obtain their materials and supplies and to build their buildings.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? The producers already have incentive to be as environmentally friendly as possible. They also want to design projects to save as much energy as possible.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: No
16. Would such a change pose significant problems? Explain: N/A

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## COMMERCE, MINNESOTA DEPARTMENT OF

1. Agency Name: Department of Commerce, Office of Energy Security
2. GRANT/LOAN NAME: **CONSERVATION APPLIED RESEARCH & DEVELOPMENT GRANTS**
3. Program Name (under which the grants/loans are awarded): Demand Efficiency Program
4. Contact person: Jeffrey Haase, 651.297.5648; [jeffrey.haase@state.mn.us](mailto:jeffrey.haase@state.mn.us)
5. Brief grant/loan program description, including funding source: This grant is for applied research and development projects of general applicability that identify new technologies or strategies to maximize energy savings, improve the effectiveness of energy conservation programs, or document the carbon dioxide reductions from energy conservation programs.
6. Grant/loan cycle and frequency: Annually
7. Web site for grant: [www.energy.mn.gov](http://www.energy.mn.gov)
8. Total annual grant/loan award: Up to \$3.6 million dollars
9. Total annual awards made 10      Total annual \$ awarded \$1.65 million
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Activities intended to reduce or eliminate pollution or waste;  
Other activities that you determine may have significant potential to promote or advance the green economy.

11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: Yes, the program is focused on identifying new technologies and opportunities to increase energy savings from utility conservation programs.
12. Does this program have a “buy local” focus? If so, please describe: No, however, the goal of the program is to assist the state utilities in identifying new strategies and technologies for meeting the state conservation goal.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No, projects funded through this program will assist in the development of new programs that will ultimately deliver energy savings to utility customers.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?  
Already creates green jobs
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:
16. Would such a change pose significant problems? Explain: No

1. Agency Name: Department of Commerce, Office of Energy Security
2. GRANT/LOAN NAME: **ON-FARM ANAEROBIC DIGESTER ENERGY GRANTS**
3. Program Name (under which the grants/loans are awarded): Office of Energy Security
4. Contact person: Ken Brown, 651-297-2326; Kenneth.brown@state.mn.us
5. Brief grant/loan program description, including funding source :  
Competitive cost-share grants to provide financial support for installation or expansion of commercially available anaerobic digester systems at eligible Minnesota farm to produce electricity, thermal energy or biogas. (MN Laws 2007, Chap 57, article 2, section 3, subd 6.
6. Grant/loan cycle and frequency: One time appropriation.
7. Web site for grant: none
8. Total annual grant/loan award: \$1,000,000
9. Total annual awards made: 5      Total annual \$ awarded \$1,000,000
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Procurement of energy-related equipment  
Construction/installation of the energy project
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: Yes, it is specifically targeted at producing renewable energy.

12. Does this program have a “buy local” focus? If so, please describe: Projects typically result in products marketed to the local community/Minnesota/national market.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? No, although to include more Minnesota facilities, the State might want to consider anaerobic digester for non-farm application such as for food processing industry and publicly owned water treatment works.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? Grants awarded under this program show strong potential for measurable progress toward meeting state’s renewable energy, environmental and the economic goals. Due to its focus, all jobs created under this program are green jobs. This was a 1 time only program, funded by the 2007 legislature using Xcel RDF funds.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:  
Provide funding for additional grant cycles. Additional language could be adapted to the appropriation language Minnesota Laws 2007, Ch 57, article 2, section 3, subd. 6 specifying that the grant program gives preference to projects that include focus on the creation or expansion of green jobs in Minnesota.
16. Would such a change pose significant problems? Explain: No.

1. Agency Name: Department of Commerce, Office of Energy Security
2. GRANT/LOAN NAME: **E85 AND BIODIESEL COST SHARE GRANTS**
3. Program Name (under which the grants/loans are awarded): E85 Everywhere
4. Contact person: Stacy Miller, 651-282-5091; [stacy.miller@state.mn.us](mailto:stacy.miller@state.mn.us)
5. Brief grant/loan program description, including funding source: Funding from General Fund to assist MN fueling stations with installing equipment or converting existing equipment for dispensing E85 fuel or diesel blends of 10% to 20% biodiesel.
6. Grant/loan cycle and frequency: FY08-09; one time appropriation
7. Web site for grant: [http://www.cleanairchoice.org/fuels/e85\\_retailers.cfm](http://www.cleanairchoice.org/fuels/e85_retailers.cfm),  
[http://www.cleanairchoice.org/fuels/e85\\_MN.cfm?FromPage=e85](http://www.cleanairchoice.org/fuels/e85_MN.cfm?FromPage=e85)
8. Total annual grant/loan award: See 9. below
9. Total annual awards made: To date: 65 since Sept 2007 Total annual \$ awarded: \$789,437
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.

Construction projects (including, but not limited to, infrastructure, building construction or remodeling, trails, parks, major landscaping)

11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: Yes. E85 and biodiesel are recognized as renewable fuels. They also burn cleaner than petroleum fuels.
12. Does this program have a “buy local” focus? If so, please describe: It supports Minnesota’s ethanol and biodiesel production plants.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No. There are approximately 200,000 flexible-fuel vehicles are registered in Minnesota, and 350 E85 fueling stations. (More than 10% of Minnesota’s fueling stations offer E85.)
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? The E85 and biodiesel station grant program does not directly create green jobs. However, the program allows existing companies to switch to green practices. By increasing the number of E85 stations throughout Minnesota and increasing access to E85, this program increases the demand for E85 (ethanol), which creates green jobs for those working at ethanol plants, those developing the equipment necessary for the plants, and those working on improving the efficiency and environmental impacts of the equipment and production process.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:
16. Would such a change pose significant problems? Explain: No.

1. Agency Name: Department of Commerce
2. GRANT/LOAN NAME: **RENEWABLE HYDROGEN GRANTS**
3. Program Name (under which the grants/loans are awarded): Office of Energy Security
4. Contact person: Linda Limback, 651-296-1883; [Linda.limback@state.mn.us](mailto:Linda.limback@state.mn.us)
5. Brief grant/loan program description, including funding source: Competitive grant program for projects to assist the state in attaining its renewable hydrogen goals.
6. Grant/loan cycle and frequency: one time only (funds are from Xcel RFD)
7. Web site for grant:
8. Total annual grant/loan award: \$600,000 plus any unspent fund from the Renewable Hydrogen Roadmap process.
9. Total annual awards made: 0, RFP not yet issued Total annual \$ awarded \$0
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Energy service equipment/component  
Construction

11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: Yes, it is directed at producing renewable hydrogen or the end use technologies to use hydrogen.
12. Does this program have a “buy local” focus? If so, please describe: No.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? We plan to build into the proposal scoring system an evaluation criterion related to the project’s potential impact on the MN economy.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: We do not anticipate more funding for hydrogen related projects. If funding were appropriated, we would encourage additional language specifying that the program give priority to projects that would create or expand green jobs in Minnesota.
16. Would such a change pose significant problems? Explain: No

1. Agency Name: Department of Commerce/Office of Energy Security/State Energy Office
2. GRANT/LOAN NAME: **PUBLIC BUILDING ENHANCED ENERGY EFFICIENCY PROGRAM (PBEEEP)** See MS Stat. 216C.42 and 43.
3. Program Name (under which the grants/loans are awarded): Public Building Enhanced Energy Efficiency Program
4. Contact person: Chris Gilchrist, 651 297 4634; [chris.gilchrist@state.mn.us](mailto:chris.gilchrist@state.mn.us)
5. Brief grant/loan program description, including funding source: Loan program combines expert technical services and private financing to fund cost-effective energy efficiency improvements for public buildings. State will offer “supplemental cash flow agreements” to balance local governments’ actual energy savings and payments due, so that investments are at least budget-neutral. The program is currently under development and will be delivered by a contractor to be selected through a request for proposal anticipated to be issued in spring 2009.
6. Grant/loan cycle and frequency: To be determined (TBD).
7. Web site for grant: None at present can contact [energy.info@state.mn.us](mailto:energy.info@state.mn.us) to be put on list to receive information as it becomes available.
8. Total annual grant/loan award: TBD – see #5.
9. Total annual awards made TBD Total annual \$ awarded TBD
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity. Majority of activities will be used for making building improvements and installation of energy systems.



11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: Not directly stated in law, but since the focus is on energy saving for buildings, there is a direct GHG emission reduction correlation.
12. Does this program have a “buy local” focus? If so, please describe: Not specifically, but it does impact local economy because of the focus on Minnesota public buildings.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: None directly, although all improvements must be cost-effective.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? None at this time.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: None at this time.
16. Would such a change pose significant problems? Explain:

1. Agency Name: Minnesota Department of Commerce
2. GRANT/LOAN NAME: **AUTOMOTIVE TECHNOLOGY PROJECTS WITH FOCUS ON PLUG-IN ELECTRIC VEHICLES (PHEV)**
3. Program Name (under which the grants/loans are awarded): Office of Energy Security
4. Contact person: Linda Limback, 651-296-1883; [Linda.limback@state.mn.us](mailto:Linda.limback@state.mn.us)
5. Brief grant/loan program description, including funding source : Environmentally Friendly Automotive Technology Projects with a Focus on PHEVs; Green Manufacturing Study Phase II; Evaluation of Ford Plant for workforce development and for other manufacturing purposes. \$2 million appropriation from General Fund.
6. Grant/loan cycle and frequency: one time only – funds are available until expended.
7. Web site for grant:
8. Total annual grant/loan award: \$2 total million appropriation
9. Total awards made: 8 projects funded to date. Total \$ awarded: \$1,320,000
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Equipment for converting hybrid vehicles to PHEV
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: Yes
12. Does this program have a “buy local” focus? If so, please describe: No

13. Are there statutory or regulatory barriers that might impede this program's capacity to promote or advance the green economy? If so, please describe: No
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? This program will be ending soon. No additional appropriation expected.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:
16. Would such a change pose significant problems? Explain: No

1. Agency Name: Department of Commerce, Office of Energy Security
2. GRANT/LOAN NAME: **RENEWABLE ENERGY GRANTS**
3. Program Name (under which the grants/loans are awarded): Office of Energy Security
4. Contact person: Ken Brown, 651-297-2326; Kenneth.brown@state.mn.us
5. Brief grant/loan program description, including funding source :  
Competitive cost-share grants to fund renewable energy research in MN (MN Laws 2007, Chap 57, article 2, section, subd 6. Grants issued under the program are to result in measurable outcomes to demonstrate progress toward meeting state policy goals in regard to energy, the environment and the economy. Emphasis is on projects with strong technical merit and near-term commercial viability to specifically enhance performance of Minnesota renewable energy industry.
6. Grant/loan cycle and frequency: One time appropriation.
7. Web site for grant: none
8. Total annual grant/loan award: \$2.1 million
9. Total annual awards made 10      Total annual \$ awarded \$2.1 million
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Procurement of energy-related equipment  
Construction/installation of the energy project
11. Does this program currently have a "sustainable" or "green" focus? If so, please describe: Yes, it is specifically targeted to develop and commercialize emerging renewable energy technologies.
12. Does this program have a "buy local" focus? If so, please describe: Projects typically result in products marketed to the local community/Minnesota/national market.
13. Are there statutory or regulatory barriers that might impede this program's capacity to promote or advance the green economy? Review statutory definitions of renewable energy fuels to assure that a variety of biomass-to-energy conversion technologies, renewable feedstocks, and Minnesotan's can participate.

14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? Grants awarded under this program show strong potential for measurable progress toward meeting state's renewable energy, environmental and the economic goals. Due to its focus, all jobs created under this program are green jobs. If renewable energy processes or technologies that are being developed prove to perform as expected, green manufacturing and new renewable energy industry hubs will be initiated. This was a 1 time only program, funded by the 2007 legislature using Xcel RDF funds.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:  
Provide funding for additional grant cycles. Additional language could be adapted to the appropriation language Minnesota Laws 2007, Ch 57, article 2, section 3, subd. 6 specifying that the grant program gives preference to projects that include focus on the creation or expansion of green jobs in Minnesota.
16. Would such a change pose significant problems? Explain: No.

## EDUCATION, MINNESOTA DEPARTMENT OF

1. Agency Name: Education, Division of Food and Nutrition Service
2. GRANT/LOAN NAME: **FRESH FRUIT & VEGETABLE GRANTS TO SCHOOLS**
3. Program Name (under which the grants/loans are awarded): USDA Child Nutrition
4. Contact person: Becky Leschner, 651-582-8508; [becky.leschner@state.mn.us](mailto:becky.leschner@state.mn.us)
5. Brief grant/loan program description, including funding source : providing funding to schools to increase the consumption of fresh fruits and vegetables in schools
6. Grant/loan cycle and frequency: annual
7. Web site for grant: [education.state.mn.us](http://education.state.mn.us)
8. Total annual grant/loan award: \$708,738
9. Total annual awards made: 122,375 Total annual \$ awarded \_\_\_\_\_
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity. Purchase of and preparation of fresh fruits and vegetables
11. Does this program currently have a "sustainable" or "green" focus? If so, please describe: no
12. Does this program have a "buy local" focus? If so, please describe: no
13. Are there statutory or regulatory barriers that might impede this program's capacity to promote or advance the green economy? If so, please describe: purchasing of product is at the discretion of local schools participating

14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?  
Produce must be fresh and must in quantities and qualities sufficient to meet local school needs
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:
16. Would such a change pose significant problems? Explain: this is a federal program and must meet federal standards

1. Agency Name: Minnesota Department of Education, Division of State Library Services
2. GRANT/LOAN NAME: **ACCESSIBILITY AND CONSTRUCTION GRANTS**
3. Program Name (under which the grants/loans are awarded): Division of State Library Services
4. Contact person: Bruce Pomerantz, 651-582-8890; [bruce.pomerantz@state.mn.us](mailto:bruce.pomerantz@state.mn.us)
5. Brief grant/loan program description, including funding source: State bonding funds under Minn.Stat. 134.41,45 which are matched 1:1 by local dollars from either taxes or gift funds
6. Grant/loan cycle and frequency: Grant cycles are opened on July 1 with awards in December provided bonding money has been appropriated.
7. Web site for grant:  
[http://education.state.mn.us/MDE/Learning\\_Support/Library\\_Services/Grants\\_and\\_Aid/Public\\_Library\\_Accessibility\\_Construction\\_Grant\\_Program/index.html](http://education.state.mn.us/MDE/Learning_Support/Library_Services/Grants_and_Aid/Public_Library_Accessibility_Construction_Grant_Program/index.html)
8. Total annual grant/loan award: Amount varies based on legislative appropriation.  
For fy 09-10, \$1.5M; Grants have been available only every other year since 2004
9. Total annual awards made: FY 09 6 awards                      Total annual \$ awarded \$1.5M
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
This program is a library construction program. Funds may be used to remodeled existing facilities to meet ADA requirements, remodel to meet changed or expanded needs or to build a new building.  
All
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: All grants must meet state requirements including environmental and public art. The Review Committee emphasizes to each applicant their desire to promote LEED certification.
12. Does this program have a “buy local” focus? If so, please describe: Expenditure of funds is the responsibility of the grantee. We, as grantors oversee the appropriateness of the expenditure before reimbursement. There are no “buy local” requirements
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: As a state program, we will enforce any standards established for building as they become law.

14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? no
  15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:
  16. Would such a change pose significant problems? Explain: Some training in exactly what a “green job” is would be helpful.
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1. Agency Name: Minnesota Department of Education
2. GRANT/LOAN NAME: **MINNESOTA CHARTER PUBLIC SCHOOL & FEDERAL CHARTER SCHOOLS PROGRAM PLANNING GRANT**
3. Program Name (under which the grants/loans are awarded): Minnesota Charter Public School & Federal Charter Schools Program Planning Grant
4. Contact person: Cindy Murphy, 651-582-8217; [cindy.murphy@state.mn.us](mailto:cindy.murphy@state.mn.us)
5. Brief grant/loan program description, including funding source: The purpose of the Minnesota Charter Public School & Federal Charter Schools Program Planning Grant, authorized under Minn. Stat. § 124D.10 (2008) and Title V, Part B, Subpart 1, Elementary and Secondary Education Act, Charter Schools Program, CFDA 84.282A, is to receive state approval to start a new Minnesota charter public school and receive a Federal Charter Schools Program (CSP) Planning Grant. Successful applicants will be approved to open a new charter school in the fall of the next year and will receive federal financial assistance for planning, program design and the initial implementation of a new charter school.
6. Grant/loan cycle and frequency: Annual grant cycle contingent upon federal discretionary grant award amount and continued federal funding.
7. Web site for grant: <http://education.state.mn.us/PAIEGMS/searchGrants.do?command=allactive>
8. Total annual grant/loan award: Grant Amount Up to \$180,000 (Federal CSP Planning Grants up to \$180,000 each for the first year are available. Grantees may be eligible for an additional two years of funding after the new charter school opens)
9. Total annual awards made: See# 6 & 8 above. Total annual \$ awarded See#6 & 8 above
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.
  - Procurement of supplies greater than \$10,000 annually per item type, such as building supplies, home or office supplies, food, eating utensils);
  - Procurement of equipment over \$10,000 in value;
  - Worker training;
  - Promote or market activities including business or industryIn each instance above, amount is variable and dependent upon an MDE approved subgrant budget for reasonable, allowable and allocable costs to complete school specific grant activities in support of grant objectives aimed at developing high quality charter schools.

11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: The grant program is subject to Education Department General Administrative Regulations (EDGAR) Procurement Standards at 34 CFR 74.40 for use of funds to ensure open and free competition in all purchases with federal funds.  
  
§74.44 requires written procurement procedures for solicitations for goods and services, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.
12. Does this program have a “buy local” focus? If so, please describe: No.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe:  
§74.44(a)(3)(vi) cites requirements for written procurement procedures that provide preference for products and services that conserve natural resources and protect the environment and are energy efficient; but adds the following limiting phrase “to the extent practicable and economically feasible”.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? None
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: No
16. Would such a change pose significant problems? Explain: N/A

## **EMPLOYMENT AND ECONOMIC DEVELOPMENT, DEPARTMENT OF**

1. Agency Name: Department of Employment & Economic Development
2. GRANT/LOAN NAME: **CONTAMINATION CLEANUP GRANT PROGRAM**
3. Program Name: Contamination Cleanup Grant Program
4. Contact: Kristin Lukes, 651-259-7451; Kristin.lukes@state.mn.us
5. Brief grant/loan program description, including funding source:  
Competitive grants are available to local units of government to investigate previously utilized property for potential contamination, prepare a cleanup plan to be approved by the Minnesota Pollution Control Agency and implement cleanup and remediation of contaminated soil and groundwater. This provides cities with investigated and/or clean land to entice private development, creating jobs, housing units and local tax base increases. The program is currently funded by the Petrofund, general fund and remediation dollars. This funding is in the agency’s base budget.
6. Grant/loan cycle and frequency: Applications cycles are semiannual. May 1 and November 1 of each year.
7. Web site for grant: [www.PositivelyMinnesota.com/Community/contam/index.htm](http://www.PositivelyMinnesota.com/Community/contam/index.htm)

8. Total annual grant/loan award: Base budget includes \$8,051,000 annually for grants.
9. Total annual awards made: Varies                      Total annual \$ awarded Varies
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Eligible activities under this program include investigation and cleanup costs, acquisition, demolition or other costs necessary to implement a cleanup plan. Under statute, DEED can award a maximum of \$250,000 per year for investigation grants. Since DEED prefers to pay for cleanup-related costs, the remainder of the allocation is generally spent of soil and groundwater remediation.
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe:  
This is a land-recycling program, which focuses on environmental cleanup for future development.
12. Does this program have a “buy local” focus? If so, please describe:  
The program does not have a “buy local” focus.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe:  
No. Currently, the Contamination Investigation and Cleanup program provides points in its project application ranking system for promoting the green economy as described in Minn. Stat. § 116J.437.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?  
Job creation is a major component of our current scoring system.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: See above.
16. Would such a change pose significant problems? Explain: The Contamination Cleanup program is successful in part because the local governments make development decisions at the local level, based on community and development needs.

1. Agency Name: DEED
2. GRANT/LOAN NAME: **FRAMEWORK FOR INTEGRATED REGIONAL STRATEGIES (FIRST)**
3. Program Name (under which the grants/loans are awarded): FIRST
4. Contact: Bonnie Elsey, 651-259-7563; bonnie.elsey@state.mn.us
5. Brief grant/loan program description, including funding source :  
FIRST grants are “planning” grants that were awarded to regional leadership organizations to:
  1. Organize and convene a regional network consisting of economic development, workforce development, education, private business and other regional leaders.
  2. Facilitate meetings to define a region’s competitive advantage and strategies to ensure future prosperity of the region. Examples of the network’s activities could include assessing and addressing workforce shortages, talent development needs of key industries, impacts of demographic shifts, etc.

3. Lead the network to develop an action plan that will best achieve regional prosperity. Five of the 13 FIRST collaboratives in Minnesota are targeting their efforts towards green jobs. The five grants that are working on green jobs each received \$50,000 for a total of \$250,000. The funding source is the federal Workforce Investment Act (WIA) grant, governor's discretionary set-aside.
6. Grant/loan cycle and frequency: One-time grants were awarded in December 2007 and October 2008. There are no plans to offer additional FIRST grants in the future.
7. Web site for grant: [www.PositivelyMinnesota.com/workforce/first/index.htm](http://www.PositivelyMinnesota.com/workforce/first/index.htm)
8. Total annual grant/loan award: \$625,000 (\$250,000 of this is directed to FIRST collaboratives that are targeting green jobs)
9. Total annual awards made\_\_\_ Total annual \$ awarded \_\_\_\_\_
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity. Funds can only be used for planning activities related to convening regional leaders and devising strategies for regional growth.
11. Does this program currently have a "sustainable" or "green" focus? If so, please describe: No
12. Does this program have a "buy local" focus? If so, please describe: Not applicable
13. Are there statutory or regulatory barriers that might impede this program's capacity to promote or advance the green economy? If so, please describe: No.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? The five FIRST grants that are focusing on green jobs have the potential to devise strategies that will lead to more green jobs within their regions.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: Not applicable since there are no plans to offer more FIRST grants in the future.
16. Would such a change pose significant problems? Explain: Not applicable

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1. MN Dept. of Employment and Economic Development.
  2. **GREATER MN BUSINESS DEVELOPMENT PUBLIC INFRASTRUCTURE GRANT PROGRAM (BDPI).**
  3. Greater MN Business Development Public Infrastructure Grant Program (BDPI)
  4. Contact: Reed Erickson, 651-259-7456; [reed.erickson@state.mn.us](mailto:reed.erickson@state.mn.us)
  5. Brief description: To provide up to 50% of capital costs of public infrastructure necessary for economic development projects, that keep or enhance jobs, increase the tax base and expand or create new economic development opportunities in Greater Minnesota by providing incentives for



public and private capital investment in public infrastructure.

6. Grant cycle and frequency: Once every 2 years - funded with General Obligation Bond funds.
7. <http://www.deed.state.mn.us/community/assistance/financial.htm>
8. Total annual grant/loan award: \$250,000
9. 10 to 15 awards made annually. \$2.5 million approximately.
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Funds can only be used for capital costs associated with public infrastructure for economic development.
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: There is no ‘green focus’ due to the type of improvements allowed by the funding.
12. Does this program have a “buy local” focus? If so, please describe: There is no “buy local” focus but due to the fact the work is done in MN, it is accurate to assume most of the material is local.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No, but again, ‘green’ shouldn’t be an issue for this program.
14. Suggestion: No, the legislative purpose of the program is to invest in infrastructure that could support job creation, whether ‘green’ or otherwise.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: No
16. Would such a change pose significant problems? See answer to #14.

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1. Agency Name: Department of Employment & Economic Development

2. **INDIAN BUSINESS LOAN PROGRAM**

3. Program Name (under which the grants/loans are awarded): Indian Business Loan Program

4. Contact: Bart Bevins, 651-259-7424; bart.bevins@state.mn.us

5. Brief grant/loan program description, including funding source:

This program supports the development of Indian-owned and operated businesses and promotes economic opportunities for Native American people throughout Minnesota. Eligible applicants must be enrolled members of a federally recognized Minnesota-based band or tribe. Businesses may be located anywhere in the state, although most of the loans are made to businesses on a reservation. Eligible projects include start-up and expansion costs, including normal expenses such as machinery and equipment, inventory and receivables, working capital, new construction, renovation, and site acquisition. Financing of existing debt is not permitted.

Each band or tribe is allocated funds from the Indian Business Loan fund based on the number of enrolled members. The DEED administers the program and services the loans, while the appropriate tribal council approves loan applications. Loans may not exceed the funds available to any one tribe and are limited to 75% of the costs of the project that is being financed. Non-real-estate loans are limited to no more than 10 years. Owners must provide a portion of the financing needed to undertake the project; the amount varies between 5% and 10% depending on the requirements of each band or tribe. Applications are accepted on an on-going basis. Approximately \$2,000,000 is currently available. The program is funded through loan repayments.

6. Grant/loan cycle and frequency: Applications are accepted on an ongoing basis
7. Web site for grant: [www.PositivelyMinnesota.com/bizdev/IBL/](http://www.PositivelyMinnesota.com/bizdev/IBL/)
8. Total annual grant/loan awards: Varies
9. Total annual awards made: Varies                      Total annual \$ awarded Varies
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Construction projects (including, but not limited to, infrastructure, building construction or remodeling); procurement of energy-related equipment;  
Procurement of supplies greater than \$10,000 annually per item type, such as building supplies, home or office supplies, food, eating utensils); procurement of equipment over \$10,000 in value; procurement of vehicles.
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe:  
While the program does not have a specific “sustainable” or “green” focus, any company with such focus may be eligible for the Indian Business Loan Program.
12. Does this program have a “buy local” focus? If so, please describe:  
The program does not have a “buy local” focus.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?  
The program could be specifically marketed to green businesses.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:  
No, changes to this program would be necessary for green industry eligibility. However, to allocate funding specifically to green businesses, statutory changes are required.
16. Would such a change pose significant problems? Explain: No.

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1. Agency Name: Department of Employment & Economic Development
  2. GRANT/LOAN NAME: **JOB OPPORTUNITY BUILDING ZONES (JOBZ) PROGRAM**

3. Program Name (under which the grants/loans are awarded): Job Opportunity Building Zones (JOBZ) Program
4. Contact: Neal Young, Acting Director, 651-259-7458; Neal.Young@state.mn.us
5. Brief grant/loan program description, including funding source:  
Enacted on January 1, 2004, the JOBZ initiative is Minnesota's primary rural economic development stimulus program. The program provides substantial tax relief to companies that start up or expand in targeted areas of Greater Minnesota from the date they sign a business subsidy agreement until the program expires on December 31, 2015. The program identifies 10 zones encompassing more than 300 communities in every region of the state (except the 7 Twin Cities metro area counties). Business and local government jointly apply to DEED for approval of application, based on several criteria such as jobs created, wages, return on investment, and local distress. Because this is a tax credit program, there is no appropriation, and no limit to remaining usage.
6. Grant/loan cycle and frequency: Applications are accepted on an ongoing basis
7. Web site for grant: <http://www.positivelyminnesota.com/bizdev/jobz/htm>.
8. Total annual grant/loan award: N/A
9. Total annual awards made: N/A Total annual \$ awarded: N/A
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity. The JOBZ program does not allocate funds; rather, it provides the following tax incentives: corporate franchise tax, income tax for operators or investors (including capital gains tax), sales tax on goods and services used in the zone if the goods and services were purchased during the duration of the zone, property tax on commercial and industrial improvements but not on land, wind energy production tax, and employment tax credit for high paying jobs
11. Does this program currently have a "sustainable" or "green" focus? If so, please describe:  
While the current JOBZ program does not have a specific "sustainable" or "green" focus, any business that is not retail or a public utility may be eligible for this program. Additionally, a number of green companies have taken advantage of the JOBZ program to date.
12. Does this program have a "buy local" focus? If so, please describe:  
The program does not have a "buy local" focus.
13. Are there statutory or regulatory barriers that might impede this program's capacity to promote or advance the green economy? If so, please describe: No.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?  
The current JOBZ program is open to those who qualify (non-retail, non public utility), which may include many green industries. In addition, the Governor is proposing a "Green JOBZ" program that would offer 12-year tax exemptions for businesses that are "green", i.e., reduce emissions or greenhouse gases, produce alternative renewable fuels, involve green construction materials, production, or engage in manufacturing or services that support renewable energy goals.

15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:  
The JOBZ program is open to a variety of business types, which could include green jobs.
  16. Would such a change pose significant problems? Explain: N/A
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1. Agency Name: DEED, Minnesota Job Skills Partnership
2. GRANT/LOAN NAME: **JOB SKILLS PARTNERSHIP GRANTS**
3. Program Name: Minnesota Job Skills Partnership Program awarded
4. Contact: Paul D. Moe, Director, MJSP, 651-259-7522; paul.moe@state.mn.us
5. Brief grant/loan program description, including funding source:  
The Minnesota Job Skills Partnership program promotes economic development and develops capacity within educational institutions through training grants of up to \$400,000. Businesses partner with educational institutions to develop new or customized training targeted for new or incumbent workers. Businesses must match the grants through cash or in-kind contributions on a 1:1 basis. MJSP receives a state general fund appropriation of \$6.8 million per year. In addition, the MJSP Board transferred an additional \$8 million in Workforce Development Funds from the State Dislocated Worker program to the MJSP programs in both FY07 and FY08. We do not expect additional Workforce Development Funds to be transferred during the next biennium.
6. Grant/loan cycle and frequency: Determined by Board. Typically, grants are awarded three times a year in February, June and October.
7. Web site for grant: [www.PositivelyMinnesota.com/mjsp](http://www.PositivelyMinnesota.com/mjsp)
8. Total annual grant/loan award: \$7.5 million
9. Total annual awards made:
  - a. Total annual awards made: 38 Partnership grants were awarded in FY08
  - b. Total annual \$ awarded: \$7.5 million in Partnership grants were awarded in FY08
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Worker Training – All program funds are used for direct or indirect worker training costs. These costs include training personnel, grant administration, training materials and supplies, training space, training equipment, instructor travel, etc.
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: The MJSP Board and staff have historically supported projects with a green focus. In addition, new legislation (M.S. 116J.437, Subd. 2) requires that MJSP promote job training that complements green economy business development and a member of the MJSP Board also serves on the Green Jobs Task Force.
12. Does this program have a “buy local” focus? If so, please describe: No.

13. Are there statutory or regulatory barriers that might impede this program's capacity to promote or advance the green economy? If so, please describe: No.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? The Partnership program helps create green jobs in Minnesota by providing workforce training that helps businesses that are implementing green processes, businesses that are seeking LEED certification and alternative energy businesses remain competitive and grow. Workforce training will help businesses prepare as we continue to move towards a green economy and position them to be competitive. For example, in the construction industry, LEED certification will be an important factor in remaining competitive. Our program is helping build the capacity in Minnesota educational institutions to provide training to help businesses obtain LEED certification.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: While the new legislation mentioned above essentially requires a focus on the creation or expansion of green jobs in Minnesota, additional language could be added to M.S. 116L.04 specifying that the Partnership program give preference to projects that include a focus on the creation or expansion of green jobs in Minnesota.
16. Would such a change pose significant problems? No. Explain: As state above, the MJSP Board and staff have historically been supportive of projects with a green focus and additional language would simply reinforce our continued support such projects.

1. Agency Name: Department of Employment & Economic Development
2. GRANT/LOAN NAME: **MILITARY RESERVIST ECONOMIC INJURY LOAN PROGRAM**
3. Program Name (under which the grants/loans are awarded): Military Reservist Economic Injury Loan Program
4. Contact: Jeff Nelson, 651-259-7523; Jeff.Nelson@state.mn.us
5. Brief grant/loan program description, including funding source: A new business assistance program has been created for the purpose of preventing, remedying, or ameliorating the substantial economic injury that may result to businesses when employees are called to active duty. This is a onetime offer, interest-free loans of up to \$20,000 per borrower to eligible businesses that have sustained or are likely to sustain substantial economic injury as a result of the call to active service for 180 days or more of an essential employee. Four hundred thousand dollars has been appropriated and is currently available for this program.
6. Grant/loan cycle and frequency: Applications are accepted on an ongoing basis
7. Web site for grant: Pending
8. Total annual grant/loan award: N/A
9. Total annual awards made: N/A                      Total annual \$ awarded: N/A

10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
These program funds can be used for aiding the loss of an essential employee who has been called to service only.
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: No.
12. Does this program have a “buy local” focus? If so, please describe: No.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: N/A
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? No.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: N/A
16. Would such a change pose significant problems? Explain: N/A

1. Agency Name: Department of Employment & Economic Development
2. GRANT/LOAN NAME: **MINNESOTA INVESTMENT FUND**
3. Program Name (under which the grants/loans are awarded): Minnesota Investment Fund
4. Contact: Neal Young, Acting Director, 651-259-7458; Neal.Young@state.mn.us
5. Brief grant/loan program description, including funding source: The Minnesota Investment Fund provides grants to help add new workers and retain high-quality jobs on a statewide basis. The focus is on industrial, manufacturing, and technology-related industries to increase the local and state tax base and improve the economic vitality for all Minnesota citizens. The program is funded through Federal HUD CDBG funds and state general appropriation and revolving loan funds.

Grants are awarded to local units of government who provide loans to assist expanding businesses. Cities, counties, townships and recognized Indian tribal governments are eligible for this fund. All projects must meet minimum criteria for private investment, number of jobs created or retained, and wages paid. There is a maximum of \$500,000 per grant. Only one grant per state fiscal year can be awarded to a government unit. At least 50 percent of total project costs must be privately financed through owner equity and other lending sources (most applications selected for funding have at least 70 percent private financing). Grant terms are for a maximum of 20 years for real estate and 10 years for machinery and equipment. Interest rates are negotiated.

6. Grant/loan cycle and frequency: Applications are accepted on an ongoing basis
7. Web site for grant: <http://www.positivelyminnesota.com/bizdev/InvFd>
8. Total annual grant/loan award: Varies
9. Total annual awards made: Varies                      Total annual \$ awarded Varies

10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Step #1 funds include the following activities: construction projects (infrastructure, building construction or remodeling); Procurement of energy-related services or equipment; Procurement of equipment over \$10,000 in value. Allocation amounts for these activities vary by project.
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe:  
While the program does not have a specific “sustainable” or “green” focus, any company with such focus may be eligible for Minnesota Investment Funds. In addition, a portion of MIF funding has been allocated to the Minnesota Investment Fund Biomass Heating Program. Also, DEED will be proposing this session increased flexibility in the MIF program, with authority to make strategic investments in renewable energy market development, such as low interest loans for renewable energy equipment manufacturing, training grants to support renewable energy workforce, development of a renewable energy supply chain that represents and strengthens the industry throughout the state, and external marketing to garner more national and international investment into Minnesota’s renewable sector.
12. Does this program have a “buy local” focus? If so, please describe:  
The program does not have a “buy local” focus.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?  
The MIF program is open to those who qualify (see question 5) and this may include various green industries.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:  
The MIF program is open to a variety of business types, which could include green jobs.
16. Would such a change pose significant problems? Explain: N/A

1. Agency Name: DEED (Co-lead)
2. GRANT/LOAN NAME: **MN RENEWABLE ENERGY MARKETPLACE-AN ALLIANCE FOR TALENT DEVELOPMENT—BOARD OF DIRECTORS**
3. Program Name: MN REM
4. Contact: Teresa Kittridge, Ex. Dir, 952-454-7211; [tkittridge@mac.com](mailto:tkittridge@mac.com)  
Connie Ireland, Regional Admin-DEED, 507-327-5027; [Connie.ireland@state.mn.us](mailto:Connie.ireland@state.mn.us)
5. Brief grant/loan program description: Federal Dept of Labor, \$5 million awarded to Governor, DEED, SW Workforce Council are co-leads. MN REM Board of Directors and Ex Directors.
6. Loan cycle and frequency: to be determined by board
7. Web site for grant: [www.mnrem.org](http://www.mnrem.org)

8. Total annual grant/loan award: Board determined
9. Total annual awards made: (on 1/20/09) Total annual \$ awarded N/A
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Talent and skill development, youth 16+, adults, incumbent workers, entrepreneurs, older workers, workforce retention/attraction, regional workforce strategies, equipment for training
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe:  
The initiative is focused on renewable/alternative energy cluster in 36 counties.
12. Does this program have a “buy local” focus? If so, please describe:  
The intent of the initiative is to build a thriving, sustainable regional economy through talent development— including retention and recruitment - resulting in a high skilled labor force to support the Renewable/Alternative Energy industry.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: Not aware of any at this time.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?  
This initiative is a good model of a private sector-led Board of Presidents and CEO’s of Renewable Energy businesses that are taking the lead to identify skill gaps and workforce needs. This information will drive our public sector partners in responding to training and identifying public policy needs to support this growing part of our economy.  
  
Other keys include: building collaboration and partnerships with regions; public/private, education, workforce and economic development efforts to develop joint strategies that build strong economies; systemic and transformation changes by aligning and leveraging resources regionally; and developing the skills and talents of our existing and future workforce so that our renewable and supporting industry businesses can be globally competitive.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:  
The WIRED model is collaborative and has achieved much success across the 39-WIRED programs across the nation. In Minnesota the MNREM- WIRED initiative’s key to success is being private sector-led to identify needs and opportunities. As the initiative continues, barriers and opportunities for success will be identified. Currently one issue being addressed is modifying legislation to address business and unemployment in the shared work program at DEED.
16. Would such a change pose significant problems? Explain: The legislative change would improve the program for businesses and employees by allowing for businesses to better retain talent in times of an unstable economy

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1. Agency Name: Department of Employment & Economic Development
  2. GRANT/LOAN NAME: **REDEVELOPMENT GRANT PROGRAM**
  3. Program Name: Redevelopment Grant Program



4. Contact: Kristin Lukes, 651-259-7451; Kristin.lukes@state.mn.us
5. Brief grant/loan program description, including funding source:  
Competitive grants are available to local units of government for site preparation costs at previously utilized property. This provides cities with clear land to entice private development, creating jobs, housing units and local tax base increases. The program is currently funded by state G.O. Bond proceeds.
6. Grant/loan cycle and frequency: Applications cycles are semiannual. February 1 and August 1 of each year.
7. Web site for grant: [www.PositivelyMinnesota.com/community/redevgrt/](http://www.PositivelyMinnesota.com/community/redevgrt/)
8. Total annual grant/loan award: Currently DEED has approximately \$2.9 million for the February grant round.
9. Total annual awards made: Varies                      Total annual \$ awarded Varies
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.

Eligible activities under this program include acquisition, demolition, stabilizing unstable soils when infill is required, infrastructure improvement and ponding or other environmental infrastructure and costs necessary for adaptive reuse of buildings, including remedial activities. Since each project and budget is unique, it is impossible to estimate the amount awarded by eligible activity.

11. Does this program currently have a “sustainable” or “green” focus? If so, please describe:  
This is a land recycling program which focuses on site prep work for future development.
12. Does this program have a “buy local” focus? If so, please describe:  
The program does not have a “buy local” focus.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe:  
No. Currently, the Redevelopment grant program provides points in its project application ranking system for promoting the green economy as described in Minn. Stat. § 116J.437.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?  
Job creation is a major component of our current scoring system.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:  
See above.
16. Would such a change pose significant problems? Explain: The Redevelopment grant program is successful in part because the local governments make development decisions at the local level, based on community and development needs.

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1. Agency Name: Department of Employment & Economic Development
  2. GRANT/LOAN NAME: **THE SEED CAPITAL INVESTMENT CREDIT PROGRAM**
  3. Program Name: The SEED Capital Investment Credit Program
  4. Contact: Jeff Nelson, 651-259-7523; Jeff.Nelson@state.mn.us
  5. Brief grant/loan program description, including funding source:  
Provides a tax credit incentive for investors to invest in innovative businesses in designated Minnesota border cities of Breckenridge, Dilworth, East Grand Forks, Moorhead, and Ortonville. The tax credit is 45 percent of the amount invested in a qualified business, up to \$112,500 per year. The credit is nonrefundable and may be carried forward up to four years. The maximum aggregate credit allowed is determined by each border city for all qualified businesses in that city. A business must apply for certification as qualified business. A qualified business must be a business that adds value to a product, process or service, increase revenue to a Minnesota business through sales to customers outside Minnesota or through sales to new customers who previously could not purchase the product or service from a Minnesota business, have its principal office and a majority of its business activity or operation in the border city, has Minnesota residents as a majority of its employees at its principal office, rely on innovation, research, or the development of new products and processes for its growth and profitability, and uses the investment for plan, equipment, research and development, marketing and sales activity, or working capital. Funding is available through the awarded Enterprise Zone credits. Border cities have the option of using some of their Enterprise Zone funding to fund this program. Businesses work with the city to determine if Enterprise Zone funds can be allocated.
  6. Grant/loan cycle and frequency: Applications are accepted on an ongoing basis
  7. Web site for grant: [www.PositivelyMinnesota.com/bizdev/SEEDCapitalInvestProg.htm](http://www.PositivelyMinnesota.com/bizdev/SEEDCapitalInvestProg.htm)
  8. Total annual grant/loan award: N/A (tax credit)
  9. Total annual awards made: N/A                      Total annual \$ awarded: N/A
  10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
This program is a tax credit so Step #1 activities are not applicable.
  11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: No.
  12. Does this program have a “buy local” focus? If so, please describe:  
The program does not have a “buy local” focus although participants must be MN border cities.
  13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No.
  14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? No.

15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:  
This program could stipulate that business receiving the tax credit be green focused.
  16. Would such a change pose significant problems? Explain: No.
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1. Agency Name: Department of Employment & Economic Development
2. GRANT/LOAN NAME: **SMALL BUSINESS DEVELOPMENT LOAN PROGRAM**
3. Program Name (under which the grants/loans are awarded): Small Business Development Loan Program
4. Contact: Neal Young, Acting Director, 651-259-7458; Neal.Young@state.mn.us
5. Brief grant/loan program description, including funding source:  
The purpose of the Small Business Development Loan Program is to create jobs and provide loans for business expansions. Small business loans are made by the Minnesota Agricultural and Economic Development Board through the issuance of industrial development bonds backed by a state-funded reserve. Those eligible for loans through this program include manufacturing and industrial businesses located or intending to locate in Minnesota, as defined by the Small Business Administration size and eligibility standards (generally, those with 500 employees or fewer). Loans up to a maximum of \$5 million may be made for any one business. Generally 20 percent of the project costs must be privately financed through equity or other sources. Interest rate is the market rate of interest for similar securities at the time bonds are sold; rates are fixed for the term of the loan. Real estate loans are for a maximum of 20 years; equipment is 10 years. Collateral requirements include the first mortgage on real property or equipment and personal guarantees of owners; in some cases additional security in the form of other liens or guarantees may be required. Bond insurance fees of 4% are capitalized with the loan principal; 10 percent of bond issue must be escrowed. Applications are accepted on a year round basis. The program is backed by \$22 million in bonds. Current loans total \$12.2 million. Available funds for all businesses, including green technology, are approximately \$9.8 million.
6. Grant/loan cycle and frequency: Applications are accepted on an ongoing basis
7. Web site for grant: [www.PositivelyMinnesota.com/bizdev/SBDLn/](http://www.PositivelyMinnesota.com/bizdev/SBDLn/)
8. Total annual grant/loan award: Varies
9. Total annual awards made: Varies                      Total annual \$ awarded Varies
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Funds for this program can be used to purchase land, new equipment or buildings.
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: No.
12. Does this program have a “buy local” focus? If so, please describe:  
The program does not have a “buy local” focus.

13. Are there statutory or regulatory barriers that might impede this program's capacity to promote or advance the green economy? If so, please describe:  
Yes, recipients of these funds must meet federal industrial revenue bond requirements.
  14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? No.
  15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: No.
  16. Would such a change pose significant problems? Explain: N/A
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1. Agency Name: MN Dept. of Employment and Economic Development (DEED).
2. **SMALL CITIES DEVELOPMENT PROGRAM (SCDP).**
3. Program Name: **Small Cities Development Program (SCDP).**
4. Contact: Reed Erickson, 651-259-7456; [reed.erickson@state.mn.us](mailto:reed.erickson@state.mn.us)
5. Brief Description: To develop viable, eligible communities by providing financial assistance to address the need for decent, safe, affordable housing, economic development and public facility needs, principally benefiting low and moderate income households in Greater Minnesota.
6. Grant cycle and frequency: Annually. HUD Community Development Block Grant Funding (CDBG).
7. [www.PositivelyMinnesota.com/community/assistance/financial.htm](http://www.PositivelyMinnesota.com/community/assistance/financial.htm)
8. Total annual: \$600,000 to \$1.4 million.
9. Total annual awards made: 35 to 40 awards annually. \$17 million approximately.
10. List the Step #1 activities that this program may be used for and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Funds can be used for a number of activities, housing/rental/commercial rehabilitation; new construction; homeownership assistance; public facility improvements; acquisition/demolition; conversion, etc. 55% goes for owner occupied rehabilitation, 13% for commercial rehabilitation; 17% for public facilities; 8% for rental rehabilitation; 4% for rental, new development; 3% for community centers.
11. Does this program currently have a "sustainable" or "green" focus? No 'green focus' but all improvements must meet the MN state energy code, thus energy efficient improvements are incorporated. This is sufficient for the type of work completed with SCDP funds. This program is a deferred maintenance program that addresses health and safety items that allow low to moderate income applicants to remain in their homes.
12. Does this program have a "buy local" focus? No buy local, but due to the fact the work is done in Minnesota, it is accurate to assume most of the material for the activities listed is local.

13. There is the risk that by adding additional criteria, there could be increased cost by the grantee in submission of an application, plus there could also be additional costs trying to incorporate 'green' in the units SCDP funds finance and our funds are extremely limited. Our clients are households who are just trying to address health and safety items to remain in their homes.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? No
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? See answer to #13.
16. Would such a change pose significant problems? No

1. Agency Name: Department of Employment & Economic Development
2. GRANT/LOAN NAME: **URBAN INITIATIVE LOAN PROGRAM**
3. Program Name (under which the grants/loans are awarded): Urban Initiative Loan Program
4. Contact: Bart Bevins, 651-259-7424; bart.bevins@state.mn.us
5. Brief grant/loan program description, including funding source:  
Primarily assists minority-owned and operated businesses and others that will create jobs in low-income areas of the Twin Cities. Eligible applicants are minority owned and other businesses creating jobs for low income people in Minneapolis, St. Paul, Anoka, Blaine, Bloomington, Brooklyn Park, Brooklyn Center, Columbia Heights, Crystal, Fridley, Hopkins, Lauderdale, Lexington, New Hope, Osseo, Richfield, South St. Paul, Spring Lake Park, St. Anthony, St. Francis, St. Louis Park and West St. Paul. The Urban Initiative Board has entered into partnerships with several local nonprofit organizations, which then provide loan and technical assistance to start-up and expanding businesses. Each dollar of state funds must be match by at least an equal amount of private funds. Generally, this match is provided in loan through the participating nonprofit partner. The maximum total loan available through the program is \$300,000. The state can contribute up to 50 percent of the loan up to \$150,000. The interest rate is between 2 – 10 percent. Approximately \$2.6 million remains available. The program is funded through loan repayments.
6. Grant/loan cycle and frequency: Applications are accepted on an ongoing basis
7. Web site for grant: [www.PositivelyMinnesota.com/bizdev/Urb/index.htm](http://www.PositivelyMinnesota.com/bizdev/Urb/index.htm)
8. Total annual grant/loan award: Varies
9. Total annual awards made: Varies                      Total annual \$ awarded Varies
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Construction projects (including, but not limited to, infrastructure, building construction or remodeling); Procurement of energy-related equipment;  
Procurement of supplies greater than \$10,000 annually per item type, such as building supplies, home or office supplies, food, eating utensils); Procurement of equipment over \$10,000 in value;  
Procurement of vehicles.

11. Does this program currently have a “sustainable” or “green” focus? If so, please describe:  
While the program does not have a specific “sustainable” or “green” focus, any company with such focus may be eligible for the Urban Initiative Loan Program.
12. Does this program have a “buy local” focus? If so, please describe:  
The program does not have a “buy local” focus. However, virtually all of the businesses assisted under the program are local neighborhood businesses who depend on local purchases to serve local markets.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?  
The program could be specifically marketed to green businesses.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:  
No changes to this program would be necessary for green industry eligibility. However, to allocate funding specifically to green businesses, statutory changes are required.
16. Would such a change pose significant problems? Explain: No

## **HOUSING FINANCE, MINNESOTA**

### **Summary**

Minnesota Housing invests in creating and sustaining affordable housing throughout Minnesota. Because the construction industry has great potential to promote the growth of the green economy, both in building and siting techniques and the use of renewable energy sources, the majority of Minnesota Housing’s state-funded programs have significant potential to promote the growth of the green economy.

Indeed, many of these programs already are promoting the green economy. All new construction funded under the Economic Development and Challenge Program requires the use of the Green Communities criteria, with a Minnesota Overlay. The Neighborhood Stabilization Program (NSP) plan, which was recently submitted to the Department of Housing and Urban Development (HUD) in preparation for \$38.8 million in federal funding for foreclosure remediation, also includes the use of Green Communities criteria for any rehab work done on foreclosed properties.

Minnesota Housing is committed to investing in affordable housing that provides a healthy living environment and reduces energy use through siting and construction techniques. Not only do these ambitions impact public health and the environment, but they also make the home more affordable for the long-term. The growth of the green economy is a co-benefit as more workers are trained in “green” building techniques and demand increases for “green” products.

The Minnesota Housing programs with significant potential to promote the growth of the green economy are those that finance rehabilitation or new construction of a significant number of units:

1. Fix-Up Fund
2. Rehabilitation Loan Program
3. Affordable Rental Investment Fund - Preservation
4. Ending Long-term Homelessness Initiative Fund

5. Housing Trust Fund  
6. Economic Development & Housing Challenge Program

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1. Agency Name: Minnesota Housing Finance Agency
2. Grant/Loan Name: **FIX-UP FUND (FUF)**
3. Program Name (under which the grants/loans are awarded): Fix-Up Fund (FUF)
4. Contact person: Jeanette Blankenship, 296-3706; jeanette.blankenship@state.mn.us
5. Brief grant/loan program description, including funding source:
  - The Fix-Up Fund (FUF) provides below-market interest rate, fully-amortizing home improvement loans to assist low to moderate-income homeowners in improving the livability and energy efficiency of their homes. Loan interest rates are determined based upon interest rates that are offered on similar products by lenders. Loans are delivered by a network of participating lenders throughout the state.
  - The Community Fix-up Fund (CFUF) is a sub-program of the Fix-up Fund. The Community Fix-up Fund offers more flexible program requirements than the Fix-up Fund to support local initiatives, including lower program interest rates and more aggressive loan underwriting criteria. Lenders participating in FUF may apply to access CFUF for targeted activities that meet locally defined home improvement needs and objectives. Lenders often partner with community organizations for the use of these funds. Eligible targeted activities may include discount loan programs, nonprime lending initiatives, initiatives that focus funds towards specific improvement types or older homes, or other home improvement needs determined within a community or neighborhood.
  - Current income limit: 115 percent of Minneapolis/Saint Paul metropolitan area median income. Maximum loan amount: \$35,000
6. Loan cycle and frequency: Pipelines basis, through lenders
7. Web site for loan:  
[http://www.mnhousing.gov/idc/groups/homes/documents/webcontent/mhfa\\_002288.pdf](http://www.mnhousing.gov/idc/groups/homes/documents/webcontent/mhfa_002288.pdf)
8. Total annual loan award: \$19,432,452
9. Total annual awards made: 1,286      Total annual \$ awarded: \$19,432,452
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
  
Construction projects – all funds
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe:  
The program encourages energy efficiency. The recent micro-energy and conservation loan program, an initiative of the governor, is run through the Fix-Up Fund. Its goal is to encourage homeowners to get home energy audits and then fund renewable installations or energy efficient upgrades through a Fix-Up Fund loan. From October to December 2008, 52% of the Fix-Up Fund loans had a clear energy efficiency component.

12. Does this program have a “buy local” focus? If so, please describe:  
No, there is no explicit focus to buy local. It is up to the individual homeowner or the contractor that they engage to determine where products will be purchased.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?
  - The Fix-Up Fund and its partner lenders could further encourage homeowners to consider energy efficient changes to their home, starting with an energy audit. More construction tied to energy efficiency and “green” techniques would increase demand for workers skilled in these building techniques, thus potentially creating green jobs.
  - All energy auditors could provide information to homeowners that rank the most cost effective upgrades for the home and potential sources of financing, including the Fix-Up Fund. (Minnesota Housing and the Office of Energy Security are currently working on implementing both of the above.)
  - All rehab work done with Fix-Up Fund loans could be required to comply with Green Communities criteria.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:  
Statutory changes are not necessary.  
The Minnesota Housing board would need to adopt the Green Communities criteria for the Fix-Up Fund.
16. Would such a change pose significant problems? Explain:  
Additional cost to homeowners may be incurred in rehab when using Green Communities criteria. The up-front cost and long-term savings need to be studied and are different for each homeowner. Before implementing Green Communities criteria for rehab, this needs further analysis.

1. Agency Name: Minnesota Housing Finance Agency
2. Grant/Loan Name: **REHABILITATION LOAN PROGRAM**
3. Program Name (under which the grants/loans are awarded): Rehabilitation Loan Program
4. Contact person: Jeanette Blankenship, 296-3706; jeanette.blankenship@state.mn.us
5. Brief grant/loan program description, including funding source:  
The Rehabilitation Loan Program provides interest-free, deferred loans to low-income homeowners to finance home improvements directly affecting the safety, habitability, energy efficiency and accessibility of their homes. The program is administered by local agencies that contract to deliver the program in accordance with statute and program requirements.
  - Current income limit: \$23,550 for 1-4 person households; 30 percent of Minneapolis/Saint Paul area median
  - Maximum loan amount: \$15,000 (or \$20,000 when accessibility improvements are needed)
6. Grant/loan cycle and frequency: Pipeline basis, through local agencies



7. Web site for grant: <http://www.mnhousing.gov/resources/apply/homerhlnew/index.aspx>
8. Total annual grant/loan award: \$4,149,993
9. Total annual awards made: 293                      Total annual \$ awarded: \$4,419,993
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Construction projects – all funds
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe:  
If energy efficiency would reduce the cost of operating the home, it is considered in the loan. This program is often used to repair or replace vital home systems.
12. Does this program have a “buy local” focus? If so, please describe:  
No, there is no explicit focus to buy local. It is up to the individual homeowner or the contractor that they engage to determine where products will be purchased.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe:  
No, aside from the maximum loan limit, which may inhibit choosing a more energy efficient appliance due to higher purchase costs.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?
  - The Rehabilitation Loan Program and its partner agencies could further encourage homeowners to consider energy efficient changes to their home, starting with an energy audit. More construction tied to energy efficiency and “green” techniques would increase demand for workers skilled in these building techniques, thus potentially creating green jobs.
  - All energy auditors could provide information to homeowners that rank the most cost effective upgrades for the home and potential sources of financing, including the Rehabilitation Loan Program for very low income homeowners.
 (Minnesota Housing and the Office of Energy Security are currently working on implementing both of the above.)
  - CAP agencies’ Weatherization Programs, coordinated by the Office of Energy Security, could recommend the Rehabilitation Loan Program to homeowners who have additional needs not covered by the Weatherization Program.
  - All rehab work done with Rehabilitation Loan Program loans could be required to comply with Green Communities criteria.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:  
Statutory changes are not necessary, though are needed if the loan limit is to be increased from the current \$20,000. Minnesota Housing recommends increasing the limit to \$27,000. The Minnesota Housing board would need to adopt the Green Communities criteria for the Rehabilitation Loan Program.
16. Would such a change pose significant problems? Explain:  
An increase in the loan limit without increasing the total amount appropriated to the Rehabilitation Loan Program will reduce the number of low-income homeowners who have access to rehab loans. However, it may allow more of the loan recipients to include energy efficient installations, which may increase the demand for green jobs.

Additional cost to homeowners may be incurred in rehab when using Green Communities criteria. The up-front cost and long-term savings need to be studied and are different for each homeowner. Before implementing Green Communities criteria for rehab, this needs further analysis.

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1. Agency Name: Minnesota Housing Finance Agency
2. Grant/Loan Name: **AFFORDABLE RENTAL INVESTMENT FUND - PRESERVATION (PARIF)**
3. Program Name (under which the grants/loans are awarded): Affordable Rental Investment Fund - Preservation (PARIF)
4. Contact person: Jeanette Blankenship, 296-3706; jeanette.blankenship@state.mn.us
5. Brief grant/loan program description, including funding source:  
The Affordable Rental Investment Fund – Preservation (PARIF) is a statewide program that provides below-market interest-deferred loans to help cover the costs of preserving permanent affordable rental housing with long-term, project-based federal subsidies that are in jeopardy of being lost. Program funds may also be used to preserve existing supportive housing developments. The program provides funds to help with the costs of acquisition, rehabilitation and debt restructuring, as well as equity take-out, deferred loans.  
Current tenant income limit: subject to federal guidelines of assistance being preserved  
Maximum assistance amount: None
6. Grant/loan cycle and frequency: Pipeline basis, apply directly to Minnesota Housing
7. Web site for grant:  
[http://www.mnhousing.gov/idc/groups/public/documents/document/mhfa\\_006876.pdf](http://www.mnhousing.gov/idc/groups/public/documents/document/mhfa_006876.pdf)
8. Total annual grant/loan award: \$10,483,882
9. Total annual awards made: 600                      Total annual \$ awarded: \$10,483,882
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Construction projects – all funds
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe:  
No, unless the applicant is interested in using green rehabilitation techniques to preserve the housing.
12. Does this program have a “buy local” focus? If so, please describe:  
No, unless the applicant or the contractor is interested in purchasing products from local vendors.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No.

14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?  
All construction funded through the PARIF could be required to comply with Green Communities criteria, which currently covers only new construction through the Challenge Fund. Minnesota Housing anticipates implementing green standards for rehabilitation in the upcoming year.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:  
Minnesota Housing could require rehabilitation under PARIF to comply with the Green Communities criteria.
16. Would such a change pose significant problems? Explain:
  - The Minnesota Housing Board would need to require rehabilitation under PARIF to comply with Green Communities criteria.
  - Additional cost may be added to PARIF preservation projects, which may deter property owners from applying for funds, which could unnecessarily defer important maintenance for low-income rental housing.

1. Agency Name: Minnesota Housing Finance Agency
2. Grant/Loan Name: **ENDING LONG-TERM HOMELESSNESS INITIATIVE FUND (ELHIF)**
3. Program Name (under which the grants/loans are awarded): Ending Long-Term Homelessness Initiative Fund (ELHIF)
4. Contact person: Jeanette Blankenship, 296-3706; jeanette.blankenship@state.mn.us
5. Brief grant/loan program description, including funding source:  
The Ending Long-Term Homelessness Initiative Fund (ELHIF) is used for permanent supportive housing for persons experiencing long-term homelessness, and can be utilized for the following:
  - Capital financing for acquisition, construction, rehabilitation of affordable and/or permanent supportive housing.
  - Operating Subsidies for unique costs associated with operating a low-income or supportive housing development or for revenue shortfall to help reduce the difference between the costs of operating a low-income housing development and the rents that the tenants can afford to pay.
  - Rental Assistance in the form of a tenant-based, sponsor-based, or project-based contract. Rental Assistance is intended to be temporary in nature and provide assistance to individual households.
  - Non-bondable development costs in general-obligation-bond-funded (GO) supportive housing projects.
  - Homeless Management Information System (HMIS) to collect data for coordination of efforts under this initiative.

At least 75 percent of funds in ELHIF must be used for the benefit of persons and families whose income, at the time of initial occupancy, does not exceed 30 percent of the median family income for the metropolitan area.

Current tenant income limit: 60 percent of Minneapolis /Saint Paul area median income with priority for proposals affordable at 30 percent  
Maximum loan amount: none beyond funding availability

6. Grant/loan cycle and frequency: Super RFP and pipeline basis
7. Web site for grant: <http://www.mnhousing.gov/initiatives/housing-assistance/homelessness/index.aspx>
8. Total annual grant/loan award: \$1,983,237
9. Total annual awards made: 139                      Total annual \$ awarded: \$1,983,237
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Construction projects – all funds used for construction (a portion of total ELHIF funds)
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe:  
No, except for the annual Super RFP-funded new construction, which must comply with Green Communities criteria.
12. Does this program have a “buy local” focus? If so, please describe:  
No, unless the applicant or the contractor is interested in purchasing products from local vendors.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?  
All construction, including rehabilitation, funded through ELHIF could be required to comply with Green Communities criteria. New construction ELHIF-funded projects are already subject to the Green Communities criteria, Minnesota Overlay.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:  
Minnesota Housing could require rehabilitation under ELHIF to comply with the Green Communities criteria, Minnesota Overlay.
16. Would such a change pose significant problems? Explain:
  - The Minnesota Housing Board would need to require rehabilitation under ELHIF to comply with Green Communities criteria.
  - Additional cost may be added to ELHIF rehabilitation projects, which may deter property owners from applying for funds, which could unnecessarily defer important maintenance for, or conversion to, supportive housing.

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1. Agency Name: Minnesota Housing Finance Agency
  2. Grant/Loan Name: **HOUSING TRUST FUND PROGRAM (HTF)**
  3. Program Name (under which the grants/loans are awarded): Housing Trust Fund Program (HTF)

4. Contact person: Jeanette Blankenship, 296-3706; jeanette.blankenship@state.mn.us
5. Brief grant/loan program description, including funding source:  
The Housing Trust Fund (HTF) can be used for three general types of activities: capital financing, operating subsidies and rental assistance. Capital financing is provided for acquisition, construction, and rehabilitation of affordable and/or permanent supportive housing. Operating subsidies are provided for unique costs associated with operating a low-income or supportive housing development or for revenue shortfall to help reduce the difference between the costs of operating a low-income housing development and the rents that the tenants can afford to pay. Rental assistance is provided in the form of a tenant-based, sponsor-based, or project-based rental contract with an administrator. HTF rental assistance is intended to be temporary in nature and provide assistance to individual households.

At least 75 percent of funds in HTF must be used for the benefit of persons and families whose income, at the time of initial occupancy, does not exceed 30 percent of the median family income for the Minneapolis/Saint Paul metropolitan area.

Current tenant income limit: 60 percent of Minneapolis/Saint Paul area median with priority for proposals affordable at 30 percent

Maximum loan amount: none beyond funding availability

6. Grant/loan cycle and frequency: Super RFP and pipeline basis
7. Web site for grant:  
[http://www.mnhousing.gov/idc/groups/public/documents/document/mhfa\\_002388.rtf](http://www.mnhousing.gov/idc/groups/public/documents/document/mhfa_002388.rtf)
8. Total annual grant/loan award (capital financing only): \$983,230
9. Total annual awards made (capital financing): 88 Total annual \$ awarded: \$983,230
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Construction projects – all funds for Capital Financing.
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe:  
No, except for new construction supportive housing, which must be built with Green Communities criteria, Minnesota Overlay.
12. Does this program have a “buy local” focus? If so, please describe:  
No, unless the applicant or the contractor is interested in purchasing products from local vendors.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?  
The Capital Financing area of the Housing Trust Fund is the most likely area to help create green jobs in Minnesota. All financing for construction, including rehabilitation, funded through the HTF could be required to comply with Green Communities criteria. All new construction HTF-funded projects are already subject to the Green Communities criteria, Minnesota Overlay.

15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:  
Minnesota Housing could require rehabilitation under HTF to comply with the Green Communities criteria, Minnesota Overlay.
  16. Would such a change pose significant problems? Explain:
    - The Minnesota Housing Board would need to require rehabilitation under HTF to comply with Green Communities criteria.
    - Additional cost may be added to HTF rehabilitation projects, which may deter property owners from applying for funds, which could unnecessarily defer important maintenance for, or conversion to, supportive housing.
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1. Agency Name: Minnesota Housing Finance Agency
2. Grant/Loan Name: **ECONOMIC DEVELOPMENT & HOUSING CHALLENGE PROGRAM**
3. Program Name (under which the grants/loans are awarded): Economic Development & Housing Challenge Program
4. Contact person: Jeanette Blankenship, 296-370; jeanette.blankenship@state.mn.us
5. Brief grant/loan program description, including funding source:  
The Economic Development and Housing Challenge Program (Challenge Fund) provides grants or loans for the purpose of construction, acquisition, rehabilitation, construction or permanent financing, interest rate reduction, refinancing and gap financing of housing to support economic development or job creation activities within a community or region by meeting locally identified housing needs. Funds are used for both rental and owner-occupied housing.

The thrust of the program is to provide housing that is affordable to the local workforce based upon the wages of the jobs being created or retained in the area, fastest growing jobs in the local area, and jobs with the most openings in the local area, or wages of the workforce employed by organizations making contributions under the program.

Loans are typically provided without interest and are typically deferred or revolving. Minnesota Housing requires that most affordability gap financing awards be provided in the form of loans repayable to the agency. Challenge Fund grants or loans may be made to cities, private developers, nonprofit organizations or owners of housing, including individuals, for both multifamily and single family projects.

The Challenge Fund requires that 50 percent of the funds be used for projects that have leveraged funds from non-state resources. Preference is given to proposals with the greatest portion of costs covered by non-state resources. Preference is also given to proposals with contributions from local units of government or private philanthropic organizations.

Current income limit: 115 percent of the greater of area or state median income (\$68,200 in 2006) for owner-occupied housing and 80 percent of the greater of statewide or area median income for rental housing.

Maximum loan amount: None beyond funding availability

6. Grant/loan cycle and frequency: Single family/Homeownership – twice a year; Multifamily/Rental – once a year
7. Web site for grant:  
[http://www.mnhousing.gov/idc/groups/public/documents/document/mhfa\\_003718.pdf](http://www.mnhousing.gov/idc/groups/public/documents/document/mhfa_003718.pdf)
8. Total annual grant/loan award: \$4,229,597
9. Total annual awards made: 269      Total annual \$ awarded: \$4,229,597
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Construction projects – all funds for construction.
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe:  
Yes, all new construction funded through the Challenge Fund is required to comply with Green Communities criteria with the Minnesota Overlay. Multifamily instituted this requirement in 2007 and the Single Family Homes division instituted this requirement in 2008.
12. Does this program have a “buy local” focus? If so, please describe:  
No, unless the applicant or the contractor is interested in purchasing products from local vendors.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?
  - All construction funded through the Challenge Fund could be required to comply with Green Communities criteria, which would include both new construction and rehabilitation. Minnesota Housing anticipates implementing green standards for rehabilitation in the upcoming year.
  - The current Green Communities criteria could be strengthened to require even more green techniques, increasing demand for green jobs.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe:  
Minnesota Housing should require rehabilitation to comply with the Green Communities criteria.
16. Would such a change pose significant problems? Explain:  
The Minnesota Housing Board would need to require rehabilitation to comply with Green Communities criteria.

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## **NATURAL RESOURCE, DEPARTMENT OF**

September 2008

Assessment of Department of Natural Resources Grant Programs to Determine Their Potential to Advance or Promote the Growth of the Green Economy

Submitted to the Commissioner of Commerce in Accordance with the Provisions of Section 11, Article 6 of the 2008 Supplemental Budget

## **Preface**

This report is submitted in conformance with Section 11, Article 6 of the 2008 Supplemental Budget which requires state agencies that administer loan or grant programs to assess those programs to determine their potential to advance or promote the growth of the green economy, as defined in Minnesota Statutes, Section 116J.437. Agencies are required to report on their determinations to the Commissioner of Commerce by September 15, 2008.

The Department of Natural Resources (DNR) administers a large number of grant programs. A number of these programs were determined to address one or more of the green economy related activities outlined in Section 116J.437. Individual assessments of these programs are included in the report.

In addition to these grant programs, the DNR also administers several other programs that appear to advance or promote the growth of the green economy. While not specifically required as part of the report, a brief summary of these related programs is included in the appendix as supplemental information.

The DNR does not administer any loan programs.

## **DNR and the Green Economy**

While the specific purpose of this report is to assess the potential of DNR administered grant programs to advance or promote the growth of the green economy, it is worth noting the department's broader impact. In fact, much of what the department does is related in some way to growing a green economy in Minnesota.

The tourism industry of Minnesota, much of which is dependent on high quality natural resources, is a major part of the green economy. The DNR manages a large public land base that includes state forests, state parks, wildlife and aquatic management areas, state trails, scientific and natural areas, water accesses, canoe and boating routes, and wild and scenic rivers.

Charged with protecting and managing millions of acres of public land, the DNR is the caretaker of an enormous amount of carbon that is stored in trees, peat bogs, prairies and other vegetation. Careful management, such as reforestation, fire management, and permanent protection of large natural areas helps prevent the release of huge amounts of carbon to the atmosphere.

The DNR manages one of the largest non-motorized state trail systems in the country, which encourages participation in "green" outdoor recreation activities such as biking, ski touring and walking.

The DNR is also very interested in the possibilities for production of cellulosic ethanol that could be produced from prairie plants, sawdust or other wood products residues as part of an integrated land use approach that could also benefit wildlife and provide outdoor recreation opportunities.

The state shoreland management regulations, which help protect lakes and rivers from over-development and harmful land use practices, are critical for protecting water quality.

New state park buildings are designed to be more energy efficient.

In addition to the grant programs administered by the DNR, several other programs that help promote the green economy are also summarized in this report.

In these and many other ways the DNR contributes to the growth of the green economy in Minnesota.



## Assessment of Grant Programs

Several grant programs administered by the DNR were determined to have potential to advance or promote the growth of the green economy as defined in Minnesota Statutes, Section 116J.437 Coordinating Economic Development and Environmental Policy. Subdivision 1. Definitions states:

“For the purpose of this section, “green economy” means products, processes, methods, technologies, or services intended to do one or more of the following:

- 1) increase the use of energy from renewable sources, including through achieving the renewable energy standard established in section 216B.1691;
- 2) achieve the statewide energy savings goal established in section 216B.2401, including energy saving achieved by the conservation investment program under section 216B.241;
- 3) achieve the greenhouse gas emission reduction goals of section 216H.02, subdivision 1, including through reduction of greenhouse gas emissions, as defined in section 216H.01, subdivision 2, or mitigation of the greenhouse gas emissions through, but not limited to, carbon capture, storage, or sequestration;
- 4) monitor, protect, restore, and preserve the quality of surface waters, including actions to further the purposes of the Clean Water legacy Act as provided in section 114D.10, subdivision 1, or;
- 5) expand the use of biofuels, including by expanding the feasibility or reducing the cost of producing biofuels or the types of equipment, machinery, and vehicles that can use biofuels, including activities to achieve the biofuels 25 by 2025 initiative in sections 41A.10, subdivision 2, and 41A.11.

For the purpose of clause (3), “green economy” includes strategies that reduce carbon emissions, such as utilizing existing buildings and other infrastructure, and utilizing mass transit or otherwise reducing commuting for employees.”

In particular, DNR grant programs appear to address primarily all or part of two of the five categories outlined in the section:

(3) ...or mitigation of the greenhouse gas emissions through, but not limited to, carbon capture, storage, or sequestration;

(4) monitor, protect, restore, and preserve the quality of surface waters...

In addition, the DNR is very interested in issues related to category five

(5) expand the use of biofuels, including by expanding the feasibility or reducing the cost of producing biofuels ...

### Mitigation of Greenhouse Gas Emissions Through Carbon Capture, Storage, or Sequestration

One of the important “greenhouse gases” is carbon dioxide. Management of carbon can help reduce the release of carbon dioxide into the atmosphere.

One of the ways to manage carbon is reflected in category (3) above: carbon capture, storage or sequestration. According to a paper published in the April 2008 issue of “The Forestry Chronicle”<sup>1</sup>:

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<sup>1</sup> St. John Conti, Donna. Carbon Sequestration as Part of the Global Warming Solution – Using Software to Combine Environmental Stewardship with Economic Benefit. The Forestry Chronicle, March/April 2008.

“Carbon sequestration describes processes that remove carbon dioxide from the atmosphere and sequester it to long-term storage in the terrestrial biosphere, underground or in the oceans to help mitigate the effects of CO<sub>2</sub> on global warming. A variety of natural and synthetic means of capturing and storing carbon is now under exploration. These include enhancing the natural terrestrial cycle – planting and managing forests and other large-scale vegetation growth for maximum carbon absorption (National Energy Technology Laboratory [undated]).”

“What this and other methods have in common is that they involve storing CO<sub>2</sub> in what is called a carbon sink. A carbon dioxide sink is a carbon reservoir that increases in size and is the opposite of a carbon dioxide source. Recognized natural sinks are (1) the oceans and (2) plants and other organisms that use photosynthesis to remove carbon from the atmosphere (United States Department of Energy Fossil Energy Office of Communications [undated]).”

The Department of Natural Resources administers several grant programs that either help to store carbon in existing vegetation or remove and capture carbon from the atmosphere and sequester it within new vegetation growth.

### **Preventing Stored Carbon from Being Released:**

Grant programs that preserve existing forests and prairies through fee title or easement acquisition, thereby storing existing carbon and preventing it from being released into the atmosphere through removal, include the following (also see Table 1):

- Regional Park Grant Program: Provides matching grants to public regional park organizations outside the seven county metropolitan area for up to 60% of the cost of acquisition of regional park land. Land acquired with these grants must remain as public parkland in perpetuity.
- Natural and Scenic Area Grant Program: Provides matching grants to local units of government and school districts for up to 50% of the cost of acquisition of natural and scenic areas. The maximum grant amount is \$500,000. Land acquired with these grants must remain as public natural areas in perpetuity.
- Metro Greenways Program: Among other strategies, this program provides grants to local governments, watershed districts, watershed management organizations, soil and water conservation districts, special park and conservation districts and non-profit organizations for conservation easements or fee title acquisition for a regional network of natural areas, parks and other open spaces interconnected by ecological corridors in the seven county metropolitan region.

### **Enhancing the Natural Terrestrial Cycle through Planting and Managing Forests and Other Large Scale Vegetation Growth:**

Grant programs that enhance the storage of carbon in vegetation or remove and capture carbon from the atmosphere and sequester it in new vegetative growth include the following (also see Table 1):

- Minnesota’s Landowner Incentive program: This grant program is administered by the United States Fish and Wildlife Service and implemented through state natural resource agencies. It assists eligible, private landowners who wish to voluntarily manage their land to benefit listed species, with the development of habitat management plans and financial assistance for habitat enhancement and restoration.

- Heritage Enhancement Grants: These grants are available to local outdoors clubs to complete wildlife habitat projects on State Wildlife Management Areas or other lands under control of the DNR Section of Wildlife. The grants cover up to 100% of the eligible costs.
- Pheasant Habitat Improvement Program: Provides cost share grants for up to 75% of eligible costs to landowners for management practices that improve pheasant habitat.
- Environmental Partnerships and Conservation Partners Grant Program: Encourages the enhancement of fish, wildlife and native plant habitats (including restoration and reforestation) through matching grants of up to 50% of total project costs to private organizations, local governments and school districts.
- Metro Greenways Program: In addition to grants for fee title and conservation easement acquisition (see above), this program provides grants for habitat restoration projects.
- Minnesota ReLeaf Program: This grant program assists Minnesota communities with planting and caring for their trees to increase energy conservation, reduce atmospheric carbon dioxide and achieve other environmental benefits. Matching grants are for up to 50% of the projects costs up to a maximum grant of \$15,000.
- Division of Forestry's Cost Share Program: Landowners who have a registered stewardship plan are eligible to apply for cost share dollars to help them implement the forest management activities that are outlined in their management plan. The cost share programs provide landowners a 50% match for tree planting, timber stand improvement, wildlife habitat projects, and many other forest management activities. In state fiscal year 2008 \$270,000 of cost share dollars were made available to Minnesota's private forest landowners.

### **Monitoring, Protecting, Restoring and Preserving the Quality of Surface Waters**

Surface water quality is tremendously important to Minnesotans. Our lakes, wetlands, rivers and streams supply drinking water; protect native plant and animal species and communities; provide high value residential and seasonal shore land property; support the economically important resort and tourism industry; and provide the setting for a wide range of outdoor recreation activities.

The Department of Natural Resources administers several grant programs that directly or indirectly affect the quality of surface waters (also see Table 2):

- Shoreland Habitat Restoration Grant Program: The purpose of this program is to expand the diversity and abundance of native aquatic and shoreland plants; improve and protect the quality of shoreline habitat; enhance and protect water quality; and raise awareness of the value of native shoreland and aquatic vegetation. Shoreland block grants are to provide cost share funding to counties, cities, watershed districts, other local units of government, conservation groups and lake associations to conduct shoreline restoration projects with native plants to improve fish and wildlife habitat.
- Grants for Management of Eurasian Watermilfoil: These grants are available to counties, cities, townships, and incorporated lake associations that own riparian property on lakes with Eurasian watermilfoil and DNR designation to reduce the adverse affects of Eurasian watermilfoil on recreational opportunities and slow the spread of the exotic species to other lakes.
- Pilot Projects to Control Eurasian Watermilfoil or Curly-Leaf Pondweed on a Lake-Wide (or Bay-Wide) Basis: The purpose of this grant program is to allow a limited number of well-planned and well-monitored lake-wide (or bay-wide) projects to control curly-leaf pondweed and/or milfoil to go forward in order to learn from them and potentially achieve some ecological benefit from them. The purpose of these control projects is to reduce curly-leaf pondweed or Eurasian watermilfoil lake wide in the year of treatment, to provide long-term reduction in curly-leaf pondweed or Eurasian watermilfoil in the lake, and to provide the

ecological benefits to the treated lake. Ecological benefits should include increases in the frequency or abundance of native submersed plants and, in the case of curly-leaf pondweed, may include reductions in levels of phosphorus and algae, which should increase water clarity.

- Heritage Enhancement Grants: This program encourages local outdoors clubs to complete wildlife habitat projects on State Wildlife Management Areas or other lands under control of the DNR Section of Wildlife. Among the eligible project categories are wetland enhancement, wetland habitat maintenance, wetland impoundment/development, wetland restoration, and wetland water controls. Grants cover up to 100% of total eligible costs on a reimbursement basis.
- Minnesota's Land Owner Incentive Program: This grant program, administered by the United States Fish and Wildlife Service and implemented through state natural resources agencies, assists eligible private landowners who wish to voluntarily manage their land to benefit listed species, with the development of management plans and financial assistance for habitat enhancement and restoration. Projects can include wetlands and shorelands.
- Aquatic Invasive Species Prevention Grants and Partnerships: These grants of up to \$10,000 are intended to help prevent the spread of aquatic invasive species, especially zebra mussels and spiny waterfleas, into Minnesota waters. This is a new opportunity for local entities, such as lake associations, coalitions of lake associations, and counties to receive state funding and/or partner with the DNR on prevention efforts, including public awareness initiatives and watercraft inspections.
- Clean Vessel Act Grants: This grant program provides grants of up to 75% of total eligible costs with a maximum amount of \$10,000 to public and private marina operators to encourage the development or improvement of marina sanitation facilities for boaters in order to maintain and improve water quality in public waters.
- Stream Bank Maintenance Grants: This program provides grants for up to 75% of eligible program costs for removal of brush, dead or downed trees and other debris such as concrete asphalt or scrap metal from stream channels and flood plains.
- Flood Hazard Mitigation Grant Assistance: This program provides a maximum of 50% of total eligible project costs to provide technical and financial assistance to local government units for conducting flood damage reduction studies and for planning and implementing flood damage reduction measures, including flood plain restorations.
- Minnesota's Lake Superior Coastal Program: The purpose of this program is to preserve, protect, develop and, where possible, restore or enhance coastal resources along Minnesota's North Shore of Lake Superior through grants to cities, counties, townships, joint powers boards, sanitary sewer districts, non-profit organizations, school districts, and area-wide and regional agencies within the program's coastal boundary. Eligible projects include ecological restoration and land or easement purchases. Grants are for up to \$100,000 and require a 50% match.
- Environmental Partnerships and Conservation Partners Grants: These grants encourage the enhancement of fish, wildlife and native plant habitats, including wetlands and shorelands; research and surveys of fish and wildlife directly related to specific habitat improvement projects; and environmental projects and related education activities through cooperation by private organizations and local governments. Eligible projects include water quality monitoring, restoration and protection of wetlands and shorelands, and clean up of streams, lakes and wetlands. Grants are awarded for up to 50% of total project costs. The maximum award is \$20,000. Over 500 projects have been funded statewide since 1996.

- Regional Park Grants: This grant program provides grants for up to 60% of total project costs to public regional park organizations outside the seven county metropolitan area for regional park projects, including acquisition of lake, stream and river shorelands and wetlands. Several miles of shoreland have been protected from development in perpetuity.
- Natural and Scenic Area Grant Program: This program provides 50% matching grants to cities, counties, townships and school districts for acquisition of natural and scenic areas, including lake, stream and river shorelands and wetlands. Several miles of shoreland have been protected in perpetuity.

**Table 1. Assessment of DNR Grant Programs with Potential to Mitigate Greenhouse Gas Emissions**

<b>Acquiring forests, prairies, etc., thereby storing carbon and preventing it from being released into the atmosphere through removal:</b>	<b>High</b>	<b>Med.</b>	<b>Low</b>	<b>DNR Unit*</b>
Regional Park Grant Program: Contributes to carbon storage in forest and prairie land protected in perpetuity in regional parks. About 2,400 acres acquired since 2002.	X			OMBS
Natural and Scenic Area Grant Program: Contributes to carbon storage in forest and prairie land protected in perpetuity. About 740 acres acquired since 1996.		X		OMBS
Metro Greenways Program: Contributes to carbon storage in forest and prairie land protected through fee title or easement acquisition. Over 3,000 acres protected since 1998.	X			Central Region
<b>Enhancing the natural terrestrial cycle through planting and managing forests and other large scale vegetation growth:</b>	<b>High</b>	<b>Med</b>	<b>Low</b>	<b>DNR Unit</b>
Minnesota’s Landowner Incentive Program: Enhances prairie habitat on private land. , Approximately 7,000 ac. habitat enhance/restoration through FY08.	X			Eco Resources
Heritage Enhancement Grants: For wildlife habitat enhancement on State Wildlife Management Areas. Improves habitat on land already owned and managed by the state for conservation purposes.			X	Fish/Wildlife
Pheasant Habitat Improvement Program: Provides cost-sharing to landowners for management practices that improve pheasant habitat. Enhances habitat primarily on undeveloped land.			X	Fish/Wildlife
Environmental Partnerships/Conservation Partners Grants: Encourages enhancement of fish, wildlife and native plant habitats on public and private lands. Over 500 projects funded since 1996.		X		OMBS
Metro Greenways Program: Helps fund restoration projects for a regional network of natural areas, parks, etc., interconnected by ecological corridors in the seven county metro area through collaborative public/private partnerships.		X		Central Region
Minnesota ReLeaf Program: Assists communities with planting and caring for their trees to increase energy conservation, reduce atmospheric carbon dioxide, etc. The focus is on community forestry projects that achieve energy conservation.	X			Forestry
Division of Forestry’s Cost Share Program: Landowners who have a registered stewardship plan can apply for cost share dollars for tree planting and other forest management activities.		X		Forestry

\*OMBS – Office of Management and Budget Services  
 Central Region – DNR Central Region  
 Eco Resources – Division of Ecological Resources  
 Fish/Wildlife – Division of Fish and Wildlife

Forestry – Division of Forestry  
 Trails/Waterways – Trails and Waterways Division  
 Waters – Division of Waters

Table 2. Assessment of DNR Programs with Potential to Monitor, Protect Restore and Preserve the Quality of Surface Waters

<b>Enhancing the natural terrestrial cycle through planting and managing forests and other large scale vegetation growth:</b>	<b>High</b>	<b>Med</b>	<b>Low</b>	<b>DNR Unit*</b>
Pilot Projects to Control Eurasian Watermilfoil or Curly Leaf Pondweed on a Lake-Wide (or Bay-Wide) Basis: Funds a limited number of control projects to reduce these invasive species and provide ecological benefits to the treated lake and to learn which methods work best.		X		Eco Resources
Shoreland Habitat Restoration Grant Program: Helps enhance and protect water quality, improve and protect shoreline habitat, expand the diversity and abundance of native species, etc. Partners with local governments, lake associations, watershed districts, etc.	X			Fish/Wildlife
Grants for Management of Eurasian Watermilfoil: Helps reduce the adverse affects of this invasive species on recreational opportunities and slows the spread of the exotic to other lakes.		X		Eco Resources
Heritage Enhancement Grants: Encourages local outdoors clubs to complete wildlife habitat projects on State Wildlife Management Areas or other lands under the control of the Section of Wildlife. Can include wetland restoration or enhancement.			X	Fish/Wildlife
Aquatic Invasive Species Prevention Grants and Partnerships: Helps prevent the spread of aquatic invasive species, especially zebra mussels and spiny water fleas, into Minnesota waters through cooperation with local governments, lake associations, citizen groups, etc. A new program initiated in 2008.	X			Fish/Wildlife
Clean Vessel Act Grants: Encourages the development or improvement of marina sanitation facilities to maintain or improve water quality. Limited in scope; available only to public and private marinas.			X	Trails/Waterways
Stream Bank Maintenance Grants: Helps remove brush, dead or downed trees, and debris such as concrete, asphalt and scrap metal from stream channels and flood plains. No funding currently available.		X		Waters
Flood Hazard Mitigation Grant Assistance: Helps local governments conduct flood damage reduction studies and plan and implement flood damage reduction measures. Includes funding for flood plain restorations.		X		Waters
Environmental Partnerships/Conservation Partners Grants: Encourages enhancement of fish and native plant habitats, including shoreline and wetland restoration, water quality monitoring, stream or lake shore clean-up projects, etc.	X			OMBS
Regional Park Grants: Helps local governments acquire and permanently protect lake, river and stream shore lands. About seven miles of high quality shoreline has been protected since 2002.		X		OMBS
Natural and Scenic Area Grants: Helps local governments acquire and permanently protect lake, river and stream shore lands. About six miles of high quality shoreline has been protected since 1996.		X		OMBS
Metro Greenways Program: Helps local governments acquire and permanently protect fee title or easements on lake, river and stream shore lands.		X		Central Region

\*OMBS – Office of Management and Budget Services  
 Central Region – DNR Central Region  
 Eco Resources – Division of Ecological Resources  
 Fish/Wildlife – Division of Fish and Wildlife

Forestry – Division of Forestry  
 Trails/Waterways – Trails and Waterways Division  
 Waters – Division of water

## Expand the Use of Biofuels, Including by Expanding the Feasibility or Reducing the Cost of Producing Biofuels

There are no DNR administered grant programs addressing this category at this time.

### **DNR Report Appendix**

Other DNR programs and efforts related to the “green economy”: In addition to grant programs described above, the DNR administers several other programs that address the activities listed in the statutory definition of “green economy”:

Native Prairie Bank Program: The purpose of this program is to protect native prairie through the purchase of conservation easements that allow the land to remain in private ownership. The easements are purchased by the DNR.

Native Prairie Tax Exemption: The purpose of this program is to conserve native prairie by providing property tax exemptions to private landowners on eligible native prairie lands. There are approximately 500 landowners and 12,000 acres enrolled in this program statewide.

Wetland Tax Exemption: This program provides a financial incentive to private landowners to maintain wetlands in their natural state and promotes an awareness of wetland values by exempting qualifying areas from property taxes.

Forest Legacy Program: This program protects environmentally important forests throughout the state threatened by conversion to non-forest uses. Federal funds and local matching funds are used to purchase development rights and conservation easements on these forests in targeted areas of Minnesota to keep them intact and continuing to provide forest benefits. All easements are perpetual and any new landowner is bound by the terms of the easement.

Forest Stewardship Program: This program provides technical advice and long range planning to interested private forest landowners. Plans are designed to meet landowner goals while maintaining the sustainability of the land.

Minnesota Future Forests Fund: This program encourages and enables public and private groups, corporations, and individuals to contribute to tree planting efforts by soliciting tax deductible donations to plant and care for trees on state land throughout Minnesota. Since its beginning, the program has received nearly \$22,000 in donations and has planted nearly 79,000 seedlings.

Reinvest in Minnesota (RIM) Critical Habitat Match Program: The purpose of this program is to encourage private citizens and organizations to help fund the acquisition and development of critical fish and wildlife habitat by having their donations of land or cash matched from a special state fund. Eligible projects include, but are not limited to, restoring wetlands, improving forest habitat, planting critical winter cover, protecting undisturbed plant communities, preserving habitat for rare plant and animal species, protecting native prairie and grasslands, and preserving spawning and reproduction areas for fish. Since 1986 the Minnesota Legislature has appropriated \$23 million for this program and the Critical Habitat Conservation License Plate has generated over \$3 million for acquisition and enhancement of critical habitat. Private donors have contributed land and cash totaling over \$26 million.

Trail Grant Programs: State and federal trail acquisition and development grant programs provide grants to local governments for regional trails and trail connection projects. These grants encourage development of trails not only for recreation but also for non-motorized transportation.

Fishing Pier Program: This program provides grants of up to \$25,000 to local governments for development and installation of fishing piers. Many of these fishing piers are located in areas that are within walking or biking distance, thereby reducing reliance on motorized transportation. They also offer a non-motorized fishing alternative.

Land Gifts: The purpose of this program is to conserve and enhance Minnesota resources by encouraging private landowners, nonprofit organizations, clubs and other groups to donate full or partial (easement) interest in property to the DNR or other tax-exempt organizations. The acquisition of land that adjoins existing designated management units, such as a wildlife management area or state forest, is a priority for the program.

Roadsides for Wildlife: This program encourages public road authorities and landowners to use Integrated Roadside Resource Management Techniques so that ecological values (water, soil, wildlife, native plants) are considered. Eligible projects include revegetation of roadsides with native grass and forb seed, demonstration plots on biological weed control, and native seed planting and harvesting equipment. Recipients are reimbursed up to 75% of eligible local ecotype native prairie seed costs, with a maximum cost-share rate of \$300 per acre.

Mineland Reclamation: The DNR and the Iron Range Resources board have worked together to produce 300,000 tree seedlings per year to reforest lands affected by mining. From 1978 through 2006 over 4.4 million tree seedlings, transplants and tree spade trees have been planted

Woodland Stewardship Program: This voluntary program provides private landowners professional forest management assistance. Assistance is provided through an on-the-ground visit by a forester, the preparation of an individualized forest management plan, and the ability to take advantage of cost share and tax incentive programs. Foresters write Woodland Stewardship Program plans for roughly 70,000 acres of land per year. A goal of program managers is to complete plans for an additional one million acres by 2015. Consulting, industry and Soil and Water Conservation District foresters contract with the Division of Forestry to write stewardship plans. DNR foresters also write stewardship plans. In state fiscal year 2008 \$480,000 worth of contracts were made available to non-DNR foresters around the state.

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## **POLLUTION CONTROL AGENCY, MINNESOTA**

1. Agency Name: MPCA
2. GRANT/LOAN NAME: **CLEAN WATER ACT SECTION 319 NON-POINT SOURCE**
3. Program Name (under which the grants/loans are awarded): Clean Water Act Section 319 Non-Point Source
4. Contact person: Sara Johnson, 651-757-2473; [sara.johnson@pca.state.mn.us](mailto:sara.johnson@pca.state.mn.us)
5. Brief grant/loan program description, including funding source: State and federal financial assistance for Nonpoint Source Water Pollution Projects (since the late 1980's), including the study of water bodies experiencing pollution problems, development of action plans to address the problems, and implementation of the plans to fix the problems.

Funding Source: 300 Federal 319



6. Grant/loan cycle and frequency: Annual
7. Web site for grant: <http://www.pca.state.mn.us/grants/index.html>
8. Total annual grant/loan award: \$~\$3,000,000
9. Total annual awards made: \_\_\_\_\_ Total annual \$ awarded: \_\_\_\_\_  
Varies: ~ 20 projects/year @\$3,000,000
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
(7) Activities intended to reduce or eliminate pollution or waste; (\$3,000,000)
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: Yes. This program is all about reducing non-point source water pollution.
12. Does this program have a “buy local” focus? No. If so, please describe:
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: Yes. This is federal funding limited only to nonpoint sources. Funding cannot go toward other projects such as stormwater projects.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? This funding already often supports local LGU staff performing the pollution prevention activities.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? No. Please describe: Federal funding conditions are outside of our control.
16. Would such a change pose significant problems? Explain: N/A

1. Agency Name: MPCA
2. GRANT/LOAN NAME: **CLEAN WATER LEGACY ACT FUNDING**
3. Program Name (under which the grants/loans are awarded): Clean Water Legacy Act Funding
4. Contact person: Kim Nuckles, 651-757-2618; [kimberly.nuckles@pca.state.mn.us](mailto:kimberly.nuckles@pca.state.mn.us)
5. Brief grant/loan program description, including funding source: Through this program, the MPCA provides financial assistance to local governments and other qualified public agencies and private consultants to assist the MPCA in the development of TMDLs. Started in FY07, the MPCA was given 3 years of one-time funding. Funding Source: 100 Fund - State general fund
6. Grant/loan cycle and frequency: Continuous
7. Web site for grant: <http://www.pca.state.mn.us/grants/index.html>
8. Total annual grant/loan award: \$4,500,000

9. Total annual awards made: \_\_\_\_\_ Total annual \$ awarded: \_\_\_\_\_  
30 awards @ \$4.5 million
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
(7) activities intended to reduce or eliminate pollution or waste - all program funds are designed to do this
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: Yes. This program is all about reducing water pollution at point and nonpoint sources.
12. Does this program have a “buy local” focus? No. If so, please describe:
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? No. If so, please describe:
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? This funding already often supports local LGU staff to perform the pollution prevention activities.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? No. Please describe:
16. Would such a change pose significant problems? Explain: N/A

1. Agency Name: MPCA
2. GRANT/LOAN NAME: **ENVIRONMENTAL ASSISTANCE LOAN PROGRAM**
3. Program Name (under which the grants/loans are awarded): Environmental Assistance Loan Program
4. Contact person: Mary Baker, 651-757-2208; [mary.baker@pca.state.mn.us](mailto:mary.baker@pca.state.mn.us)
5. Brief grant/loan program description, including funding source: The Environmental Assistance Loan Program awards up to a maximum loan of \$100,000 at zero percent interest. Program guidelines call for loan funds to be matched by a minimum dollar-for-dollar match (1:1) by loans from a participating financial institution. The remaining loan funds are supplied by a participating financial institution at competitive market rates.
- Funding Source: 330 Environmental Fund
6. Grant/loan cycle and frequency: Continuous, Round re-opens every two years
7. Web site for grant: <http://www.pca.state.mn.us/grants/ealoans.html>
8. Total annual grant/loan award: Various – revolving fund
9. Total annual awards made: \_\_\_\_\_ Total annual \$ awarded: \_\_\_\_\_  
Typically 1 project @ \$100,000 per year

10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.
  - (2) procurement of energy-related services or equipment
  - (4) Procurement of equipment over \$10,000 in value;
  - (7) Activities intended to reduce or eliminate pollution or waste.
11. Does this program currently have a “sustainable” or “green” focus? Yes. If so, please describe: This program funds projects related to waste reduction, pollution prevention, and other prevention-based or preventative technologies and practices in Minnesota.
12. Does this program have a “buy local” focus? If so, please describe: No, other than eligible businesses for this loan program are from Minnesota.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? No. If so, please describe:
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? Not directly. This program helps businesses purchase equipment that results in waste reduction and other pollution prevention opportunities in Minnesota.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? No change is needed. Please describe:
16. Would such a change pose significant problems? Explain: N/A

1. Agency Name: MPCA
2. GRANT/LOAN NAME: **METRO LANDFILL ABATEMENT ACCOUNT AND LOCAL RECYCLING DEVELOPMENT GRANT**
3. Program Name (under which the grants/loans are awarded): Metro Landfill Abatement Account and Local Recycling Development Grant
4. Contact person: Mary Baker, 651-757-2208; mary.baker@pca.state.mn.us
5. Brief grant/loan program description, including funding source: Money is distributed to metropolitan counties to recover costs of disposal of mixed municipal solid waste in the metro area (landfill abatement). Based on long-term agreement (9/25/03 - 6/20/10 with Solid Waste Management Coordinating Board (county joint powers). Funds awarded, base + number of households.  
  
Funding Source: 330 Environmental Fund, obtained through Metro county solid waste tax.
6. Grant/loan cycle and frequency: Annual
7. Web site for grant: <http://www.pca.state.mn.us/grants/index.html>
8. Total annual grant/loan award:  
\$1,847,758 (FY 2007)  
\$1,852,568 (FY 2008)

9. Total annual awards made: \_\_\_\_\_ Total annual \$ awarded: \_\_\_\_\_  
Pass through to Metro counties
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
(2) procurement of energy-related services or equipment;  
(6) worker training;  
(7) Activities intended to reduce or eliminate pollution or waste;  
(8) promote or market activities including business or industry;  
(9) other activities determined to have significant potential to promote or advance the green economy. (dollar amounts for categories determined by counties)
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: Yes.  
The main focus is toward recycling and waste reduction.
12. Does this program have a “buy local” focus? If so, please describe: Projects are determined by metro counties.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? No. If so, please describe:
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? This program supports green jobs at the Local Government Unit (LGU) level.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? No. Please describe:
16. Would such a change pose significant problems? Explain: N/A

1. Agency Name: MPCA
2. GRANT/LOAN NAME: **CLEAN WATER PARTNERSHIP**
3. Program Name: Clean Water Partnership
4. Contact person: Peter Fastner, 651-757-2349; [peter.fastner@pca.state.mn.us](mailto:peter.fastner@pca.state.mn.us)
5. Brief grant/loan program description, including funding source: State and federal financial assistance to local government for Nonpoint Source Water Pollution Projects (since the late 1980’s), including the study of water bodies experiencing pollution problems, development of action plans to address the problems, and implementation of the plans to fix the problems.  
  
Funding Source: 100 Fund - State general fund
6. Grant/loan cycle and frequency: Annual
7. Web site for grant: <http://www.pca.state.mn.us/grants/index.html>
8. Total annual grant/loan award: \$2,348,000 grants; \$3,900,000 Loans

9. Total annual awards made: \_\_\_\_\_ Total annual \$ awarded: \_\_\_\_\_  
13 awards @ \$2.348 million & \$3.9 million
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
(7) activities intended to reduce or eliminate pollution or waste - all program funds are designed to do this
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: The Clean Water Partnership Program is designed to protect and improve the waters of the State of Minnesota. Local monitoring efforts and best management practices are planned to be sustainable and protect/improve the local watershed.
12. Does this program have a “buy local” focus? No. If so, please describe:
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? Yes. If so, please describe: Funding is only for nonpoint source efforts, which limits the use of funds.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? This funding already often supports local LGU staff to perform the pollution prevention activities.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? No. Please describe:
16. Would such a change pose significant problems? Explain: N/A

1. Agency Name: MPCA
2. GRANT/LOAN NAME: **ENVIRONMENTAL ASSISTANCE (EA) GRANTS**
3. Program Name: Environmental Assistance (EA) Grants
4. Contact person: Mary Baker, 651-757-2208; mary.baker@pca.state.mn.us
5. Brief grant/loan program description, including funding source: Grant program to assist in the development of environmentally sustainable practices in Minnesota through voluntary partnerships and goal-oriented, economically driven approaches to pollution prevention and resource conservation. Intent is to support and showcase local efforts, to transfer technology and results to others in Minnesota, and to foster and support innovation. Funding Source: 330 Environmental Fund
6. Grant/loan cycle and frequency: Annual
7. Web site for grant: <http://www.pca.state.mn.us/grants/eagrants.html>
8. Total annual grant/loan award: \$500,000 (FY 2007)                      \$350,000 (FY 2008)
9. Total annual awards made: \_\_\_\_\_ Total annual \$ awarded: \_\_\_\_\_  
17 projects for \$538,282 (FY 2007) 12 projects for \$438,146 (FY 2008)

10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.
  - (2) procurement of energy-related services or equipment;
  - (6) worker training;
  - (7) Activities intended to reduce or eliminate pollution or waste; (combined FY07 and 08 - \$883,069)
  - (8) promote or market activities including business or industry; (combined FY07 and 08 - \$259,456)
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: Yes, this grant program is designed to assist in the development of environmentally sustainable practices in Minnesota.
12. Does this program have a “buy local” focus? If so, please describe: Every project has to be implemented in Minnesota. Intent is to support and showcase local efforts, to transfer technology and results to others in Minnesota, and to foster and support innovation.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? The intent of this program is not necessarily to create jobs, but projects are intended to develop green technologies or support education efforts which could potentially foster job creation.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: Specifications are established by agency priorities
16. Would such a change pose significant problems? No. Explain:

1. Agency Name: MPCA
2. GRANT/LOAN NAME: **POLLUTION PREVENTION**
3. Program Name (under which the grants/loans are awarded): Pollution Prevention
4. Contact person: Phyllis Strong, 651-757-2763; [phyllis.strong@pca.state.mn.us](mailto:phyllis.strong@pca.state.mn.us)
5. Brief grant/loan program description, including funding source: The Pollution Prevention Grant Program focuses on using prevention and other alternative environmental protection tools to complement more traditional regulatory, conservation and restoration tools used in point and non-point source pollution programs. The Grant Program works with MPCA staff in the regulatory programs to identify project areas that would benefit from supplemental funding through the P2 Grant Program to existing partners.  
  
Funding Source: 300 Federal Fund (EPA P2 Grant)
6. Grant/loan cycle and frequency: Annual
7. Web site for grant: <http://www.pca.state.mn.us/grants/index.html>

8. Total annual grant/loan award: \$80,000
9. Total annual awards made: \_\_\_\_\_ Total annual \$ awarded: \_\_\_\_\_  
1 @ \$80,000 with state match
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.
  - (1) construction projects; (funding varies)
  - (2) procurement of energy related services; (funding varies)
  - (6) worker training; (funding varies)
  - (7) activities intended to reduce or eliminate pollution or waste - (all program funds are designed to do this)
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: It is a pollution prevention grant so the entire focus is "green."
12. Does this program have a “buy local” focus? If so, please describe: Not directly. When hiring any contractor we do keep in mind that we don't want to spend money on travel and using local consultants helps us devote our money to content needs.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? Not directly. If so, please describe: We do have to meet statutory and regulatory criteria for the grant which limits project choices.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? Not directly. Hiring consultants to do pollution prevention projects might be considered "green" jobs.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: Could include this focus as part of our grant application to the extent practicable.
16. Would such a change pose significant problems? Explain: The structure of EPA's P2 (Pollution Prevention) grant program can be quite prescriptive.

1. Agency Name: MPCA
2. GRANT/LOAN NAME: **SOLID WASTE PROCESSING FACILITIES CAPITAL ASSISTANCE PROGRAM (CAP)**
3. Program Name (under which the grants/loans are awarded): Solid Waste Processing Facilities Capital Assistance Program (CAP)
4. Contact person: Mary Baker, 651-757-2208; mary.baker@pca.state.mn.us
5. Brief grant/loan program description, including funding source: The Solid Waste Processing Facilities Capital Assistance Program (CAP) was established in 1980, to help local governments finance the capital costs of building solid waste processing facilities. Catalyst for regional cooperation; the focus is landfill abatement.

Funding Source: Bond funded, amount set by Legislature in even years. The MPCA did not receive bond appropriations during the 2008 Legislative session for the 2007-08 CAP grant funding round.

6. Grant/loan cycle and frequency: \$4 million was appropriated in 2006. The MPCA did not receive bond appropriations during the 2008 Legislative session for the 2007-08 CAP grant funding round.
7. Web site for grant: <http://www.pca.state.mn.us/grants/index.html>
8. Total annual grant/loan award: \$4 Mil (FY2007) Allocated to Purim & Olmsted
9. Total annual awards made: \_\_\_\_\_ Total annual \$ awarded: \_\_\_\_\_ 1 project @ \$1.2M  
1 project @ \$2.8M (pending)
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
(1) construction projects; and  
(2) procurement of energy-related services or equipment; (approx. \$2 million)  
(7) activities intended to reduce or eliminate pollution or waste; (approx \$2 million)
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: Yes, the focus of this program is landfill abatement.
12. Does this program have a “buy local” focus? If so, please describe: No. Although if energy is created, it is sold and used locally.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No. This program funds waste management projects.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? Funding this program to support landfill abatement projects will result in employment at these facilities.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: Criteria for this program does not include green jobs directly, but it does look to ensure continued operation of the facility.
16. Would such a change pose significant problems? No. Explain:

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1. Agency Name: MPCA
  2. GRANT/LOAN NAME: **THE SMALL BUSINESS ENVIRONMENTAL IMPROVEMENT LOAN PROGRAM**
  3. Program Name (under which the grants/loans are awarded): The Small Business Environmental Improvement Loan Program
  4. Contact person: Mike Nelson, 651-757-2121; [michael.nelson@pca.state.mn.us](mailto:michael.nelson@pca.state.mn.us)



5. Brief grant/loan program description, including funding source: The program provides low-interest loans from \$1,000 to \$50,000 to small businesses to finance capital equipment upgrades that meet or exceed environmental regulations, and costs associated with the investigation and cleanup of contaminated sites.

Funding source: 330 Environmental Fund

6. Grant/loan cycle and frequency: Applications reviewed quarterly
7. Web site for grant: [http://www.pca.state.mn.us/programs/sbomb\\_loan.html](http://www.pca.state.mn.us/programs/sbomb_loan.html)
8. Total annual grant/loan award: Various – revolving fund
9. Total annual awards made: \_\_\_\_\_ Total annual \$ awarded: \_\_\_\_\_  
FY08: 24 loans totaling \$338,205  
FY07: 33 loans totaling \$500,519
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
(2) procurement of energy-related services or equipment (combined FY07 and 08 - \$603,559)  
(4) Procurement of equipment over \$10,000 in value; (\$235,166)  
(7) Activities intended to reduce or eliminate pollution or waste. (all projects)
11. Does this program currently have a “sustainable” or “green” focus? Yes. If so, please describe: This program is designed to help small businesses purchase equipment that meets or exceeds environmental regulations, or pay for the investigation and cleanup of contamination. This can mean purchasing equipment that uses alternative, more environmentally friendly materials, or for equipment that is required in order to comply with an environmental regulation (typically more efficient and does a better job of preventing waste or emissions than existing equipment).
12. Does this program have a “buy local” focus? If so, please describe: No, other than eligible businesses for this loan program are from Minnesota.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No, other than statute language limits eligible small businesses to having less than 50 full-time employees with additional income limits.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? Not directly. This program can help small businesses purchase equipment that meets regulatory requirements and may likely result in waste reduction in Minnesota.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: Could include this focus as part of our loan application, to the extent practicable.
16. Would such a change pose significant problems? Explain: Yes, if eligibility requirements change, funds may not be available to small companies most in need.

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1. Agency Name: MPCA
  2. GRANT/LOAN NAME: **TECHNICAL ASSISTANCE AND RESEARCH PROMOTIONS GRANT**
  3. Program Name (under which the grants/loans are awarded): Technical Assistance and Research Promotions Grant
  4. Contact person: Lynette Podritz, 651-757-2653; lynette.podritz@pca.state.mn.us
  5. Brief grant/loan program description, including funding source : Grants are made for the purpose of developing partnerships to provide technical assistance, research, and promotion in the areas of solid waste, hazardous waste, storm water pollution prevention, resource conservation, and energy and climate change. Funding Source: 330 Environmental Fund
  6. Grant/loan cycle and frequency: Continuous, Annual
  7. Web site for grant: <http://www.pca.state.mn.us/grants/index.html>
  8. Total annual grant/loan award: \$1,000,000
  9. Total annual awards made \_\_\_\_\_ Total annual \$ awarded \_\_\_\_\_ 1 @ \$950,000 (FY08)  
1 @ \$35,000 1 @ \$15,000
  10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
(7) activities intended to reduce or eliminate pollution or waste - (all program funds are designed to do this)
  11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: Yes, It is a pollution prevention grant so the entire focus is "green"
  12. Does this program have a “buy local” focus? If so, please describe: No
  13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? No If so, please describe:
  14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? This program provides funding to support jobs that provide "green services". Additional funding could result in additional green jobs.
  15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: No
  16. Would such a change pose significant problems? Explain: N/A

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## TRANSPORTATION, MINNESOTA DEPARTMENT OF

1. Agency Name: Mn/DOT Office of Aeronautics
2. GRANT/LOAN NAME: **AIRPORT CONSTRUCTION GRANT**
3. Program Name: Airport Development and Assistance Program
4. Contact person: Gary Workman, 651-234-7210 ; [gary.workman@dot.state.mn.us](mailto:gary.workman@dot.state.mn.us)
5. Brief grant/loan program description, including funding source :  
These grants help communities construct and maintain safe and viable airports.  
Funding Source: Appropriations by the Legislature from the State Airports Fund
6. Grant/loan cycle and frequency: Based on local capital improvement program submitted to Mn/DOT by 136 municipalities who own public airports. Priority is given to projects that improve safety or maintain infrastructure. Appropriations are made every two years designating a yearly amount.
7. Web site for grant:  
<http://www.dot.state.mn.us/aero/avoffice/airportdevelopment/fundingprograms.html>
8. Total annual grant/loan award: Approximately \$8 million to be distributed to a potential pool of 136 public airports.
9. Total annual awards made 80 to 100. Total annual \$ awarded- \$8 million
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.
  - construction projects (including, but not limited to, infrastructure, building construction or remodeling, trails, parks, major landscaping);
  - Procurement of equipment over \$10,000 in value;
  - Procurement of vehicles;
  - Worker training;
  - Activities intended to reduce or eliminate pollution or waste;

The total grant amounts vary depending on specific projects being funded. State and local participation rates vary based on the category of project.
11. Does this program currently have a “sustainable” or “green” focus? No. If so, please describe:
12. Does this program have a “buy local” focus? No. If so, please describe:
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? Grant document require communities applying for a grant to meet all state and federal laws. It does not appear that airport grants meet the definition of “green economy” as defined in the current legislation. However, there are specific areas, for example: surface water management at airports that must comply with the MS4 state laws; and construction projects

incorporate erosion control measures to control sediment and meet permit requirements of regulatory agencies. In addition, FAA, Mn/DOT, and the paving industry are currently evaluating various construction technologies to reduce pollution and conservation of energy in the concrete and bituminous paving projects.

14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? Yes. Need to develop definition of green jobs relative to infrastructure construction practices.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: Not aware of any within the grant programs we are administering.
16. Would such a change pose significant problems? Possibly Explain:  
If green jobs were identified within public infrastructure construction projects caution would be needed to ensure that green incentives do not prioritize higher than safety or maintenance preservation projects.

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1. Agency Name: Mn/DOT
  2. GRANT/LOAN NAME: **AIRPORT MAINTENANCE AND OPERATION GRANTS**
  3. Program Name: Airport Maintenance
  4. Contact person: Gary Workman; 651.234.7210; [gary.workman@dot.state.mn.us](mailto:gary.workman@dot.state.mn.us)
  5. Brief grant/loan program description, including funding source :  
These grants help communities maintain and operate airports.  
Funding Source: Appropriations by the MN Legislature from the State Airports Fund
  6. Grant/loan cycle and frequency: Annually0
  7. Web site for grant:  
<http://www.dot.state.mn.us/aero/avoffice/airportdevelopment/fundingprograms.html>
  8. Total annual grant/loan award: Approximately \$3.8 million to be distributed to 135 airports via formula based on the infrastructure they maintain.
  9. Total annual awards made: 135                      Total annual \$ awarded: \$3.8 million
  10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.
    - Worker training;
    - Procurement of supplies greater than \$10,000 annually per item type, such as building supplies, home or office supplies, food, eating utensils);
  11. Does this program currently have a “sustainable” or “green” focus? No. If so, please describe:
  12. Does this program have a “buy local” focus? If so, please describe: No

13. Are there statutory or regulatory barriers that might impede this program's capacity to promote or advance the green economy?  
Grants cover a wide range of eligible reimbursement expenditures airports experience annually to assist in the cost of maintaining and operating their individual airports. The grants do not specify materials, processes or services the airports individually select and to implement requirements would be very difficult to identify and administer due to local availability etc.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? This loan program does not appear to fall under the definition of green economy or the establishing legislation
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: This grant program would have no or very little impact on "green economy" legislative objective
16. Would such a change pose significant problems? NA

1. Agency Name: Mn/DOT
2. GRANT/LOAN NAME: **LOCAL BRIDGE REPLACEMENT PROGRAM**
3. Program Name: Local Bridge Replacement program
4. Contact person: Patti Loken, 651-366-3803; Patti.loken@dot.state.mn.us
5. Brief grant/loan program description, including funding source: Replace deficient bridge structures on local roads, general obligation bond funds, Fund 290 State Transportation Fund
6. Grant/loan cycle and frequency: Requires Legislature approval of bonding bill
7. Web site for grant: [www.dot.state.mn.us/stateaid](http://www.dot.state.mn.us/stateaid)
8. Total annual grant/loan award: Various based on type of bridge project.
9. Total annual awards made vary based on funding allocated to program.
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.
11. Does this program currently have a "sustainable" or "green" focus? If so, please describe: Focus is replacing deficient structures following all state environmental requirements.
12. Does this program have a "buy local" focus? If so, please describe: competitive bid process following state statutes.
13. Are there statutory or regulatory barriers that might impede this program's capacity to promote or advance the green economy? If so, please describe: No
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? No

15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: No
  16. Would such a change pose significant problems? Explain: N/A
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1. Agency Name: Mn/DOT
2. GRANT/LOAN NAME: **LOCAL ROAD IMPROVEMENT PROGRAM**
3. Program Name: Local Road Improvement Program
4. Contact person: Patti Loken, 651-366-3803; Patti.loken@dot.state.mn.us
5. Brief grant/loan program description, including funding source : The funds are used to assist counties in paying the costs of constructing or reconstructing local road safety projects with statewide or regional significance.
6. Grant/loan cycle and frequency: Requires Legislature approval of bonding bill
7. Web site for grant: [www.dot.state.mn.us/stateaid](http://www.dot.state.mn.us/stateaid)
8. Total annual grant/loan award: Various based on type of road project.
9. Total annual awards made vary based on funding allocated to program.
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity. Agency applies for funding based on criteria established in the statutes.
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: Focus is improving safety on local roads by correcting transportation deficiencies.
12. Does this program have a “buy local” focus? If so, please describe: competitive bid process following state statutes.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? No
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: No
16. Would such a change pose significant problems? Explain: N/A

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1. Agency Name: Minnesota Department of Transportation
  2. GRANT/LOAN NAME: **MINNESOTA RAIL SERVICE IMPROVEMENT PROGRAM**
  3. Program Name: Minnesota Rail Service Improvement Program (MRSI)
  4. Contact person: Janelle Collier, 651-366-3653; janelle.collier@dot.state.mn.us
  5. Brief grant/loan program description, including funding source: The MRSI Program loans funds to railroad shippers to use rail service instead of other modes of transportation like trucking. The MRSI Program also loans funds to railroads to increase the railroads efficiencies. The Program also loans funds to a public entity for the purchase of an abandoned rail line to keep the line in operation.
  6. Grant/loan cycle and frequency: Loans are accepted on a quarterly basis.
  7. Web site for grant: <http://www.dot.state.mn.us/ofrw/railroads.html>
  8. Total annual grant/loan award: FY07- 3 projects at \$600,000, FY08 – 8 projects at \$2,200,000
  9. Total annual awards made: See #8            Total annual \$ awarded See #8
  10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Railroad Construction projects
  11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: No, however, rail transportation has a more “green” focus than trucking
  12. Does this program have a “buy local” focus? If so, please describe: No.
  13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No.
  14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?
  15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: No stable funding
  16. Would such a change pose significant problems? Explain: Employee resource issues

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1. Agency Name: Mn/DOT Office of Aeronautics
  2. GRANT/LOAN NAME: **HANGAR LOAN PROGRAM**
  3. Program Name (under which the grants/loans are awarded): Hangar Loan Program

4. Contact person: Gary Workman, 651.234.7210; [gary.workman@dot.state.mn.us](mailto:gary.workman@dot.state.mn.us)
5. Brief grant/loan program description, including funding source: These loans help communities build aircraft storage hangars which they lease to aircraft owners. The rental revenue is used to support and operate the airport. .  
  
Funding Source: Revolving account established from the State Airports Fund
6. Grant/loan cycle and frequency: Annually; depending on local airport needs, loan are established.
7. Web site for grant:  
<http://www.dot.state.mn.us/aero/avoffice/airportdevelopment/fundingprograms.html>
8. Total annual grant/loan award: 1 to 3
9. Total annual \$ awarded- \$0.5 million to \$1 million
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
  
1 to 3 Total annual \$ awarded \$0.5 million to \$1 million
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: No; hangars are basic shell type construction built in compliance with state and local building codes.
12. Does this program have a “buy local” focus? If so, please describe: No
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: Hangar Load program provides an interest free load to the local community for 80% of the estimated cost of the hangars. The airports’ lease the hangars to their customers. The grant loans do not specify design, materials etc for the hangars. Hangar loan program does not meet the definition of “green economy” per the current legislation. If the intent of the “green economy” legislation is to require local buildings to comply with the purpose of the legislation, then state and local building codes should be changed.
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? See answer #13
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: See answer #13
16. Would such a change pose significant problems? Explain: NA

1. Agency Name: Mn/DOT
2. GRANT/LOAN NAME: **MINNESOTA PORT DEVELOPMENT ASSISTANCE PROGRAM**
3. Program Name (under which the grants/loans are awarded): Minnesota Port Development Assistance



4. Contact person: Dick Lambert, 651-366-3683; dick.lambert@dot.state.mn.us
5. Brief grant/loan program description, including funding source : Purpose is to expedite the movement of commodities and passengers on the commercial navigation(Minnesota, Mississippi & St Croix rivers) in Minnesota: to enhance the commercial vessel construction and repair industry in Minnesota; and promote economic development in and around ports and harbors in Minnesota. The program is funded by legislative appropriation.
6. Grant/loan cycle and frequency: The Program is usually considered by the Legislature each bonding year and may or may not receive funding. It is also based on priority needs of the commercial Port Authorities operating on the Mississippi River and Lake Superior in Minnesota.
7. Web site for grant: contact: dick.lambert@dot.state.mn.us
8. Total annual grant/loan award: Since 1996, average annual amount is \$1.5 million.
9. Total annual awards made: 2 Total annual \$ awarded \$ 1.5 million
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.  
Construction Projects
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: No
12. Does this program have a “buy local” focus? If so, please describe: No
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?  
Example #1) Some funds will be used to purchase a dredge for Red Wing Port Authority. Potential projects could include environmental dredging projects in backwater areas for other State agencies.  
#2. Winona- harbor dredging material used for railroad overpass approaches. #3. St. Paul- improvements to road access to Southport terminals included storm water runoff impoundments.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: No
16. Would such a change pose significant problems? Explain: It may take money away from the main focus of this program.

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1. Agency Name: Mn/DOT
  2. GRANT/LOAN NAME: **SAFE ROUTES TO SCHOOL**
  3. Program Name (under which the grants/loans are awarded): Safe Routes to School
  4. Contact person: Kristie M. Billiar, 651-366-3833; kristiebilliar@dot.state.mn.us

5. Brief grant/loan program description, including funding source: Safe Routes to School is a Federal Transportation program designed to improve the conditions and quality of bicycling and walking to school. The goal of the program is to reverse the 30 year decline in the numbers of children walking to school and reintroduce opportunities for regular physical activity.
6. Grant/loan cycle and frequency: Annual Opens late August, Closes November announce March
7. Web site for grant: <http://www.dot.state.mn.us/saferoutes/index.html>
8. Total annual grant/loan award: \$175,000 for an infrastructure project and up to \$50,000 for a Non Infrastructure project
9. Total annual awards made: approx 30 Total annual \$ awarded: \$2 million
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.
  - construction projects (including, but not limited to, infrastructure, building construction or remodeling, trails, parks, major landscaping); \$1 million
  - Procurement of equipment over \$10,000 in value; \$500,000
  - Activities intended to reduce or eliminate pollution or waste; \$200,000
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: It is intended that the improvements to a community’s walking and biking environment will be available for 20+ years. Additionally, it is expected that the infrastructure and education will provide transportation alternatives that will reduce a community’s reliance on driving in the immediate and for the long term.
12. Does this program have a “buy local” focus? If so, please describe: The only purchasing requirement is to buy US steel. The small scale of the projects is such that the work is generally bid on only by local firms.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: No
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota? No
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: N/A
16. Would such a change pose significant problems? Explain: N/A

1. Agency Name: Mn/DOT Office of Transit
2. GRANT/LOAN NAME: **GREATER MN PUBLIC TRANSIT ASSISTANCE PROGRAM**
3. Program Name (under which the grants/loans are awarded):  
Greater Mn Public Transit Assistance Program
4. Contact person: Tom Gottfried, 651-366-4171; tom.gottfried@dot.state.mn.us

5. Brief grant/loan program description, including funding source :  
Greater MN Public Transit Assistance Program is funded under MN Statutes 174.24 for capital and operating assistance for public transit services in Greater Minnesota (Out side of the Twin Cities seven county metro area). State General Funds and Motor Vehicle Sales Tax revenues are the state funding sources.
6. Grant/loan cycle and frequency: Annual
7. Web site for grant: <http://www.dot.state.mn.us/transit/>
8. Total annual grant/loan award: 2008 = \$27.3 million
9. Total annual awards made: 65      Total annual \$ awarded: 2008 = \$27.3 million
10. List the Step #1 activities that this program may be used for, and estimate amount of grant/loan funds under this program that are allocated to each activity.
  - Procurement of vehicles; transit buses
  - Activities intended to reduce or eliminate pollution or waste; transit services
11. Does this program currently have a “sustainable” or “green” focus? If so, please describe: As nature of public transit service provides an alternative to the single occupancy vehicle, as carbon foot print is reduced as ridership increases.
12. Does this program have a “buy local” focus? If so, please describe:  
If buy local includes “Buy America” then our program recipients do, if not then this not applicable.
13. Are there statutory or regulatory barriers that might impede this program’s capacity to promote or advance the green economy? If so, please describe: N/A
14. Do you have suggestions/comments on how this could help create green jobs in Minnesota?  
Public Transit is green relative to the single occupancy vehicle.
15. Are there some specifications or changes in the grant/loan program that would allow it to include a focus on creation or expansion of green jobs in Minnesota? Please describe: N/A
16. Would such a change pose significant problems? Explain: N/A