

ANNUAL REPORT: Second Report February 03, 2023

**Northgate Development, LLC**, pursuant to MS 2021, Minn. Laws, 1<sup>st</sup> Spec Sess, Chap 4, 4 Art, 8 Sec 30

**Narrative Summary.** Northgate was appropriated \$2,500,000 for capital improvements and programmatic expenditures associated with the Regional Apprenticeship Training Center (RATC) in North Minneapolis.

Northgate executed a Funding Agreement with the Minnesota Department of Employment and Economic Development (DEED) on November 24, 2021. The agreement allowed for reimbursement of expenses made within the previous 60 days of contract execution.

Over the past year, delays have occurred in training programs due to the 2021-22 Omicron surge, and hiring challenges at the two principal training partners for this program: Avivo, Inc. and Project for Pride in Living (PPL). Delays also occurred in the renovation work for training spaces due to the discovery of asbestos that required removal, construction labor constraints, and general supply chain issues in procuring materials for interior remodeling and furnishings work.

However, the project is expected to complete the renovations work within the next 30-45 days, and training partner programs are fully staffed. The program has scheduled a minimum of 18 training cohorts in energy fields in the remaining period of grant performance.

## **I. Annual Expenditures**

DEED transferred \$125,000 of the funding to its accounts for its five percent (5%) administrative fee at the beginning of the grant period.

As of December 31, 2022, Northgate has submitted 11 invoices, totaling \$441,553.87 to DEED that have been reimbursed. As of that date, a balance of \$1,933,446.13 remains to be spent.

DEED issued a Request for Corrective Action on several items on December 22, 2022 relating to General Ledger accounting and monitoring of sub-award contractors. Northgate submitted a Corrective Action Plan on January 23, 2023 that is awaiting final review and acceptance by DEED.

## **II. Number of Participants**

Despite the late date for execution of the funding agreement at the end-of-year holiday season, and the 2022 upsurge in Covid cases, program partners have offered multiple training cohorts in temporary facilities at the RATC. Courses included certification as a Solar Associate by the North American Board of Certified Energy Practitioners (NABCEP), in partnership with the City of Minneapolis and Midwest Renewable Energy Association with four new courses in development to be offered in advanced solar

energy skills. Courses also included electric vehicle infrastructure installation, with three additional cohorts scheduled before June 30, and STEM learning activities for K-12 students offered by Minnesota STEM Partnership. Supplemental funding from CenterPoint Energy to Avivo, Inc. is being used to establish an HVAC Technician training program that includes heat pumps, and will offer at least two cohorts before June 30, 2023. The program also received a federal earmark appropriation of \$1,000,000 that is being contracted through the federal Employment and Training Administration to offer courses in construction-related energy efficiency at space in the building being developed as training space certified by the Building Performance Institute (BPI), the only facility of its kind in the metro area. A career skills training program in basic construction skills at RATC recently merged with the Housing First organizations and will establish an expanded pilot program at the RATC for skills training in residential remodeling and construction skills.

As of December 31, 2022, 15 individuals were entered into the state's Workforce One system, with 70-80 more training participants unable to be entered due to missing documentation or other barriers. The program expects to enter at least another 100 qualifying individuals in Workforce One by June 30, 2023 and has requested an additional 90 days beyond the budgetary cut-off of June 30 to enter additional participants, up to the targeted total of 195 individuals who complete training.

Demographics: The demographics of trainees remain largely represented by low-income and BIPOC residents, comprising more than 80% of program participants, and primarily in the 18-30 year old age group.

Trainees have been exited into three primary pathways: direct employment with an energy services employer, referral to a registered apprenticeship program in an energy-related field, or registration in a post-secondary degree program in an energy-related field. Most trainees have also been offered paid, on-the-job training in addition to classroom and hands-on training at the RATC.

At the end of the grant period on June 30, 2023, Northgate will have completed renovations for a state-of-the-art training space in clean energy and climate economy skills in an Environmental Justice neighborhood with excellent transit access to most of the region. Northgate will be offering courses and developing new courses in key clean energy and energy efficiency career fields, with focused recruitment of low-income and BIPOC residents that helps address the state's racial disparities. This facility and its capacity for training is well-positioned to implement programming funded with expanded federal resources for workforce training that is more equitable and focused on emerging fields. The program will provide some of the skilled and craft workforce needed to meet the state's aspirational clean energy and climate goals and will benefit the state and regional economies for many years following the end of the grant period.

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