

TO: Chair Hassan and Economic Development Committee Members

FROM: Economic Development Association of Minnesota (EDAM)

RE: HF2038 DE and the DEED Redevelopment Grant Program Appropriation

DATE: March 28, 2023

As you know, EDAM is a statewide association of over 500 economic development leaders in the public and private sectors – in rural and urban areas – from all corners of the state. We provide training and public policy advocacy for our industry and appreciate your work and commitment to economic development in Minnesota.

EDAM strongly supports the core economic development programs administered by DEED, as it is critical to many aspects of local economic development. The Economic Development Omnibus Bill 2038 DE maintains the base funding for the Redevelopment Program. It also includes transfer authority, allowing the commissioner to transfer up to \$2 million from the Job Creation Fund (JCF) Program to the Redevelopment Grant program (line 30.13).

While EDAM is supportive of the flexibility this transfer authority provides, we recognize that this can be at the expense of other important economic development projects that JCF facilitates. EDAM's members – a mix of economic development professionals across the state from the public and private sectors – identified an increase in consistent funding for the Redevelopment Account as their number one priority in the most recent survey. For this reason, **EDAM encourages the Committee to consider increasing the base funding for the Redevelopment Program.**

This program has resulted in the redevelopment of 1,450 acres of land, as well as the addition of 8,500 housing units, and the creation or retention of 30,000 jobs across the state. These are complex projects that would not have been possible without this funding.

We strongly believe increasing the funding for the Redevelopment Fund is a critical step toward building thriving and inclusive local economies. This program provides wealth building and economic mobility opportunities in the metro area as well as greater Minnesota. It is especially important now, as we work to recover from a pandemic, that the legislature invests in programs that advance equity in economic development.

We are grateful to the Committee for hearing H.F. 1920 (and increase to the Redevelopment Fund) and urge you to **include fully funding the Redevelopment Grant Program at \$8 million in the final omnibus bill.**

If you would like any additional information regarding EDAM's position, contact Sam Richie at (218) 301-9758 or by email at srichie@fryberger.com.

Sincerely,



Kati Bachmayer

2023 President, Economic Development Association of Minnesota