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SUBJECT: New DEDA program to spur private development

BY: Pakou Ly

New DEDA program to spur private development

The Duluth Economic Development Authority is creating a temporary program targeted at retaining and creating jobs and spurring investment in private development. At their September 15, 2010 meeting, the Duluth Economic Development Authority unanimously voted to enact this program which was authorized in the Minnesota Jobs Bill. The bill allows local governments to spend uncommitted tax increment dollars by December 31, 2011 for private construction and rehabilitation projects.

Under this legislation, local authorities can establish funding through loans, grants, or subsidy programs. DEDA will establish guidelines for applications and determine the selection criteria through a competitive process. Funds are intended for projects that commence before July 1, 2011. Key criteria for projects are job retention or creation and a demonstrated need for assistance. The maximum investment per project will be \$350,000 with three or more projects anticipated. Funding will be available to private entities. Publicly funded land and buildings are not eligible. Projects must also meet other criteria such as having a sound business plan, consistency with city planning regulations, and having a public benefit.

“The lingering problem in this slow recovery is high unemployment. The state has given the City and DEDA additional flexibility and provided a deadline to challenge us to do everything we can to expand job opportunities,” said John Heino, President of the Duluth Economic Development Authority.

“These funds will help generate economic activity but the end result is a more prosperous community with sustainable businesses and neighborhoods,” said Brian Hanson, Executive Director of the Duluth Economic Development Authority and Director of the City’s Business and Community Development Department.

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