



Host Community Economic Development Grants Program

Annual Report to the Legislature as required by Minnesota Statute 116J.548, Subd. 5

Minnesota Department of Employment and Economic Development
Brownfields and Redevelopment Unit
1st National Bank Building, 332 Minnesota Street, Suite E200
St. Paul, MN 55101
651-259-7451
kristin.lukes@state.mn.us
<https://mn.gov/deed/>

As requested by Minnesota Statute 3.197: This report cost approximately \$242.74 to prepare, including staff time, printing, and mailing expenses.

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Background

The Host Community Economic Development Grants Program was passed by the 2013 legislature and created a program within DEED for “host communities” to pay for capital costs and design-related costs for capital projects. These state grants can cover 100% of the total costs of the project, and do not require any matching funds. Grants may be used to finance the capital costs of development or redevelopment projects to create jobs, increase the city tax base and enhance the city’s attractiveness to private investment. To date, DEED has awarded \$7,425,493 in grants under the program.

Minnesota Statute 116J.548, Subd. 5, requires the Department of Employment and Economic Development (DEED) to report to the committees of the legislature with jurisdiction over economic development by February 15 of each year on the grants awarded under the Host Community Economic Development Grants Program. This report fulfills that requirement.

How DEED identified eligible recipients

Minnesota Statute 116J.548 defines a Host Community as “a city located within the seven-county metropolitan area, as defined in Minnesota Statutes, Section 473.121, Subd. 2, that is the site of a waste disposal facility that meets the standards in Minnesota Statutes 473.849, that accepts unprocessed mixed municipal solid waste generated in the metropolitan area.”

DEED consulted with the Minnesota Pollution Control Agency (MPCA) shortly after the Host Community legislation was passed to identify communities that met these requirements. It was determined that only the cities of Burnsville and Inver Grove Heights were eligible for grants under the Host Community statute. DEED continues to check annually, with the most recent confirmation in January 2023.

Grants Awarded under Minnesota Statutes 116J.548

In 2022, DEED received two applications for grant funds, from the city of Burnsville and from the city of Inver Grove Heights. DEED’s review of these applications determined that both met the Host Community statute’s goal of generating economic development, and DEED awarded two grant totaling \$831,250. Below are details on the awarded grants:

1) *City of Burnsville – FY21 Aldrich Avenue Predesign - \$415,625 (Awarded February 4, 2022)*

The city of Burnsville will use these grant funds toward the predesign of a proposed road extension and for corresponding multimodal improvements. The future development is expected to increase the number of new jobs and taxes in the area within the next five years.

The city estimates that the project will be completed by June 2023.

2) *City of Inver Grove Heights – 6500 Block of Concord Boulevard - \$415,625 (Awarded February 4, 2022)*

The city of Inver Grove Heights will use these grant funds to acquire parcels from Republic to redevelop with housing. The future development is expected to increase the tax base in the area and provide jobs and workforce housing on the riverfront.

The city estimates that the project will be completed by December 2024.

Use of Remaining Funds

DEED awarded \$415,625 in FY22 funds to the city of Burnsville and \$415,625 in FY22 funds to the city of Inver Grove Heights in February 2022 for a total of \$831,250. As this appropriation is part of DEED's base funding, DEED anticipates receiving an additional \$831,250 in FY23. The funds will be divided as evenly as practicable based on eligible costs within the applications submitted.