



# **Host Community Economic Development Grants Program**

Annual Report to the Legislature

As required by Minnesota Statute 116J.548, Subd. 5

February, 2019

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## Minnesota Department of Employment and Economic Development

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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 of eligible 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 \$1,662,500 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. The MPCA confirmed in 2017 that Burnsville and Inver Grove Heights were still the only eligible communities.

#### **Grants Awarded under Minnesota Statutes 116J.548**

In 2018 DEED received two applications for grant funds, one each from Burnsville and Inver Grove Heights. DEED’s review of these applications determined that each met the Host Community statute’s goal of generating economic development, and DEED awarded two grants totaling \$831,250. Below are details on each of the awarded grants:



# EMPLOYMENT AND ECONOMIC DEVELOPMENT

1) *City of Burnsville – Travelers Trail/Heart of the city - \$415,625 (Awarded April 30, 2018)*

The city of Burnsville will use these grant funds towards street improvements along Travelers Trail, between Pleasant Avenue and Burnsville Parkway. This consists of Street, Parking, Sidewalk and Street Lighting improvements. The street reconstruction will retain roughly 35 jobs and is expected to be complete by September, 2019.

These improvements will also support the city's longer term development plans within the Minnesota River Quadrant (MRQ), which encompasses the Travelers Trail reconstruction and the surrounding area. Though the full redevelopment of the MRQ will not be complete until the Burnsville Sanitary Landfill and Kraemer Quarry cease operations in 15-20 years, the city estimates that the redevelopment could result in over \$20M of increased tax revenue per year and the creation of many permanent jobs.

2) *City of Inver Grove Heights – Broderick Boulevard - \$415,625 (Awarded May 31, 2018)*

The city of Inver Grove Heights will use these grant funds for street and utility improvements for the Arbor Pointe West Commercial Neighborhood that lies to the north of Highway 52/55 and Concord Boulevard interchange along Broderick Avenue. This will consist of street, trail, sidewalk, and utility improvements. Moreover, these improvements will help restore an adequate, safe and convenient access for customers. This will also contribute to the restoration of economic viability to the commercial neighborhood and hence recreate jobs, restore property values, and increase the tax base.

The city estimates that this project will help retain 300 jobs within the Arbor Pointe West Commercial Neighborhood, as well as help increase the number of new jobs to the area. The project is estimated to be complete by February of 2019.

## **Use of Remaining Funds**

DEED has \$831,250 in FY19 funds to award before June 30, 2019. An additional \$831,250 in FY20 funds will be available after that date. DEED will divide the funds as evenly as practicable based on eligible costs within the applications submitted.