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## **Host Community Economic Development Grants Program**

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

2/15/2021

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

*Upon request, this material will be made available in an alternative format such as large print, Braille or audio recording. Printed on recycled paper.*

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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 \$6,234,375 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 2021.

## Grants Awarded under Minnesota Statutes 116J.548

In 2020, DEED received three applications for grant funds, two from Burnsville and one from 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 three grants totaling \$1,246,875. Below are details on each of the awarded grants:

1) *City of Burnsville – FY20 Cliff Road West ROW Site Acquisition - \$415,625 (Awarded May 7, 2020)*

The city of Burnsville will use these grant funds toward the acquisition of a right-of-way site located at 801 Cliff Road West to improve traffic flow at the I-35W/Cliff Road interchange. The right-of-way is tied to a larger, adjacent project that will spur commercial and residential development in the Minnesota River Quadrant (MRQ) area, according to the Burnsville 2040 Comprehensive Plan. The future development will increase the number of new jobs and taxes in the MRQ over the next 20 years.

The city estimates that the acquisition will be completed by April 2021 and construction of the interchange improvement will be completed by May 2022.

- 2) *City of Inver Grove Heights – FY20 Concord Boulevard Riverside/Heritage Village Park - \$415,625 (Awarded June 1, 2020)*

The city of Inver Grove Heights will use these grant funds toward the design and construction of retaining walls, sidewalks and installation of public utilities at Heritage Village Park. The construction of public infrastructure on this site is tied to a larger project that will spur commercial and residential development in the Concord Boulevard/Heritage Village Park area in conformance with the Inver Grove Heights 2040 Comprehensive Land Use Plan.

The city estimates that this project will be completed by late 2021.

- 3) *City of Burnsville – FY21 Crystal Lake/Grace United - \$415,625 (Awarded October 28, 2020)*

The city of Burnsville will use these grant funds toward a sewer force main connection and multi-use trail that are tied to a new apartment development on Crystal Lake. The development is expected to increase the number of new jobs and taxes within the next year.

The city estimates that this project will be completed by June 2022.

## **Use of Remaining Funds**

DEED awarded \$415,625 in FY21 funds to the city of Burnsville in October 2020. DEED has \$415,625 in FY21 funds remaining to award before June 30, 2021. DEED anticipates receiving an additional \$831,250 in FY22. DEED will divide the funds as evenly as practicable based on eligible costs within the applications submitted.