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## Host Community Economic Development Grants Program

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

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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.*

## 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 \$6,594,243 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 2022.

## Grants Awarded under Minnesota Statutes 116J.548

In 2021, DEED received one application for grant funds from the City of Inver Grove Heights. DEED’s review of this application determined that it met the Host Community statute’s goal of generating economic development, and DEED awarded one grant totaling \$415,625. Below are details on the awarded grant:

- 1) *City of Inver Grove Heights – FY21 NWA Park #1 - \$415,625 (Awarded June 4, 2021)*

The City of Inver Grove Heights will use these grant funds toward the construction of a public park with paved trails and other installations to support a future potential housing development. 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 May 2022.

## Use of Remaining Funds

DEED awarded \$415,625 in FY21 funds to the city of Burnsville in October 2020 and \$415,625 in FY21 for the city of Inver Grove Heights in June 2021 for a total of \$831,250. 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. Applications for the FY22 funds have been received and awards are expected to be made soon.