



Targeted Community Capital Grant Program

SFY24 Annual Report

As required by Minnesota Stat. § 116J.9924 Subd. 8

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As requested by Minnesota Statute 3.197: This report cost approximately \$1,729.42 to prepare, including staff time, printing, and mailing expenses.

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Legislative History

Minnesota Statute [Laws of Minnesota 2021 1st Special Session, Chapter 14, Article 11, Sec. 41](#) authorized funds of \$24,000,000 “for the targeted community capital project grant program under [Minnesota Statutes, section 116J.9924](#). This appropriation is available until encumbered or spent subject to Minnesota Statutes, section 16A.642. Article 11, Sec. 42” of which \$6,000,000 for one or more grants to any business engaged in the meat processing industry.

This project, under [Laws of Minnesota 2021 1st Special Session, Chapter 14, Article 11, Sec. 10, Subd. 1-8](#), authorizes the commissioner of employment and economic development to “make competitive grants for capital projects to nonprofit organizations and government entities that provide, increase, or expand services to underserved communities or economically disadvantaged persons or groups.”

The commissioner shall give priority to applicants that:

- do not have a history of receiving capital grants from the state;
- demonstrate local support for the project;
- address needs for an underserved community, an economically disadvantaged area, or people or groups who are economically disadvantaged;
- provide community benefits; or
- have previously received phased grant funds as described under subdivision 4

In selecting projects for grants, the commissioner must equitably divide the total appropriation between the metropolitan areas and greater Minnesota.

[\[116J.9924\]](#) TARGETED COMMUNITY CAPITAL PROJECT GRANT PROGRAM.

Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have the meanings given.

(b) "Capital project" or "project" means the acquisition or betterment of buildings or other fixed assets and other improvements of a capital nature.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Economically disadvantaged persons or groups" means one or more persons or groups that:

- (1) qualify as a low-income person as defined under section 116M.14, subdivision 4a; or
- (2) live in a low-income area as defined under section 116M.14, subdivision 4.

(e) "Government entity" means a city, township, county, or any political subdivision, or an American Indian Tribal government entity located within a federally recognized American Indian reservation.

(f) "Nonprofit organization" means a not-for-profit corporation under section 501(c)(3) of the Internal Revenue Code or a Tribal nonprofit under section 7871 of the Internal Revenue Code that serves underserved communities or economically disadvantaged persons or groups.

(g) "Underserved community" means one or more persons or groups that qualify as:

(1) a minority person as defined under section 116M.14, subdivision 6; or

(2) persons with disabilities as defined under section 116M.14, subdivision 9.

Subd. 2. Grant program established. (a) The commissioner shall make competitive grants for capital projects to nonprofit organizations and government entities that provide, increase, or expand services to underserved communities or economically disadvantaged persons or groups.

(b) The commissioner shall give priority to applicants under subdivision 3 that:

(1) do not have a history of receiving capital grants from the state;

(2) demonstrate local support for the project;

(3) address needs for an underserved community, an economically disadvantaged area, or people or groups who are economically disadvantaged;

(4) provide community benefits; or

(5) have previously received phased grant funds as described under subdivision 4.

(c) In selecting projects for grants, the commissioner must equitably divide the total appropriation between the metropolitan areas and greater Minnesota.

Subd. 3. Eligibility. A prospective grantee under this section must submit a written application to the commissioner in the form, at the time, and in the manner prescribed by the commissioner. The written application must include:

(1) a description of the capital project to be funded by the grant;

(2) the rationale for the project, including a description of the services provided and populations served by the applicant;

(3) the total cost of the project and the cost of individual phases of the project, including but not limited to predesign, design, construction, engineering, furnishing, and equipping;

(4) the requested grant amount;

(5) the property owner of the facility to be improved;

(6) the sources and amounts of state and nonstate funds previously received and committed to the project;

(7) the public purpose achieved by the project;

(8) an estimated timeline of the project; and

(9) any additional information requested by the commissioner.

Subd. 4. Grant amount; project phasing. (a) The commissioner shall award grants in an amount not to exceed \$1,500,000 per grant.

(b) A grant awarded under this section must be no less than the amount required to complete one or more phases of the project, less any nonstate funds already committed for such activities.

Subd. 5. Match. (a) The commissioner may not award a grant for which the applicant does not provide nonstate funds for the project unless the applicant:

- (1) is located in an area with a very low net tax capacity;
- (2) the applicant is experiencing hardship; or
- (3) the applicant serves underserved communities or economically disadvantaged persons or groups.

(b) For the purposes of this section, "area with a very low net tax capacity" means a city with a net tax capacity per capita that is less than the median net tax capacity per capita among all cities statewide.

Subd. 6. Applicability of other laws. The provisions of chapter 16A that apply to general fund appropriations for capital projects also apply to grants under this section. Money granted under this section is available until the project is completed or abandoned subject to section 16A.642.

Subd. 7. Appropriation; administration and monitoring. Up to five percent of any appropriation for the program under this section is for administration and monitoring of the program. The commissioner must also use the funds under this subdivision to provide technical assistance, education, and support for program applicants, as needed, and may contract with a third-party to provide such services.

Subd. 8. Report to the legislature. On or before January 31, 2022, and every January 31 thereafter, the commissioner must submit a report as required under section 3.195 that details the grants awarded under this section, including the total grants distributed, the recipients of the grants, the services supported by the grants, and any other information the commissioner deems pertinent. A copy of this report must also be sent to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over capital investment and economic development.

EFFECTIVE DATE. This section is effective August 1, 2021.

Awards

Funds Available

As authorized in [Laws of Minnesota 2021 1st Special Session, Chapter 14, Article 11, Sec. 41](#), up to \$18,000,000 in State Fiscal Year (SFY) 2022-2023 is available for grants under the Targeted Community Capital Project Grant Program under [Laws of Minnesota 2021 1st Special Session, Chapter 14, Article 11, Sec. 10, Subd. 1-8](#). *DEED may use up to five (5) percent of the allocated amount for the administration and monitoring of the program.*

Organizations may apply for a maximum award not to exceed **\$1,500,000**.

- A grant awarded under [Laws of Minnesota 2021 1st Special Session, Chapter 14, Article 11, Sec. 10, Subd. 4](#) must be no less than the amount required to complete the project, less any nonstate funds already committed for such activities.

Targeted Community Capital Grant Awards

**Grant agreements not yet in place*

Grantee	Amount Awarded	Geographical Area	Project Progress	Program Activities Upon Completion
Access North	\$ 123,071	Greater MN; Hibbing	Project completed Jan 2024	Construct a carpentry shop to support seniors and people with disabilities stay in their homes.
ACER	\$ 921,486	Metro Area; Brooklyn Park	Project in progress; Est. completion date June 2025	Purchase space to create Futures Entrepreneurship & Career Centers in Brooklyn Center and work with current tenants to improve store space.
CLUES	\$ 1,500,000	Metro Area; St. Paul	Project completed Sept 2024	Purchase and renovate space to create Early Childcare Center, food pantry, and increase behavioral health services.
Ecolibrium3	\$ 843,250	Greater MN; Duluth	Project in progress; Est. completion date June 2025	Renovation of properties to provide neighborhood resource hub, small footprint grocery & experiential STEM lab at the children's museum.
Emerge	\$ 610,000	Metro Area; Minneapolis	Project in progress; Est. completion date Dec 2025	Expansion of the current facility to increase access to WFD services, employment preparation, job placement and job skills for people returning from incarceration.
Itasca	\$ 1,080,000	Greater MN; Itasca	Project completed Sept 2023	Construct "The Forge", a space for programming, innovators, artists, education, & training (welding, glass blowing, pottery, 3D printing).

Kootasca	\$ 1,373,737	Greater MN; Grand Rapids	Project completed Oct 2023	Renovation of a vacated elementary school to create an early childhood hub.
LEDC*	\$ 1,500,000	Metro Area; St. Paul	Project grant agreement in negotiation	The purchase of Plaza Del Sol building for commercial and business opportunities for Latino community.
Lower Sioux*	\$ 1,500,000	Greater MN; Morton	Project grant agreement in negotiation	Construct a campus to house the hemp farming, hemp processing, and home building facilities.
Masjed	\$ 1,500,000	Greater MN; Rochester	Project completed May 2024	The purchase and renovation of a building to provide training and job placement for bus driving, childcare provider, home health aide, and IT/coding.
MIGIZI	\$ 921,486	Metro Area; Minneapolis	Project completed June 2023	Renovation and construction of an addition to the existing space for services to youth such as career training programs.
Mille Lacs	\$ 536,970	Greater MN; Onamia	Project completed Aug 2023	The purchase and renovation of a building to open a childcare facility.
Osseo	\$ 190,000	Metro Area; Brooklyn Center	Project completed Nov 2023	Renovation of the ABE front office at the primary NW Family Service Center adding space for workforce training.
PICA	\$ 1,500,000	Metro Area; Minneapolis	Project completed July 2024	Renovation of existing Training Center facility, including expanding existing Lab School and provide space for workforce development programs, and staff/community training.
Ridgewater	\$ 1,500,000	Greater MN; Wilmar	Project in progress; Est.	Construction to expand the existing space to grow the CDL training program

			completion date Dec 2025	by creating a 300'x200' truck driving training range.
Somali Comm Resettlement	\$ 1,500,000	Metro Area; Minneapolis	Project completed Oct 2022	The purchase of a new building in South Minneapolis to expand workforce development and Economic Development services in South Minneapolis.

Expenditures

Total amount available for grant awards was **\$18,000,000** total; minus DEED 5% Administration total available for Grants is **\$17,100,000**.

The following indicates the total programs' expenses July 1, 2021- November 30, 2024:

COST CATEGORY	TOTAL EXPENSES/ REIMBURSEMENTS
Grants:	\$17,100,000
Total:	\$17,100,000