

May 02, 2025

Senate Jobs and Economic Development Committee

The Honorable Senator Champion
Minnesota Senate Bldg., Room 3401
St. Paul, MN 55155

The Honorable Senator Draheim
Minnesota Senate Bldg., Room 2225
St. Paul, MN 55155

House Workforce, Labor, and Economic Development Finance and Policy Committee

The Honorable Representative Baker
2nd Floor, Centennial Office Building
St. Paul, MN 55155

The Honorable Representative Pinto
5th Floor, Centennial Office Building
St. Paul, MN 55155

RE: Submission of Host Community Economic Development Grant Program 2024 Annual Report

Dear Legislators:

As required by Minn. Stat. § 116J.548, Subd. 5, please find enclosed the Host Community Economic Development Grant Program 2024 Report to the Minnesota Legislature.

If you have any questions or concerns about this report, please do not hesitate to contact Director of Government Relations Deven Bowdry, deven.bowdry@state.mn.us

Regards,



Matt Varilek
Commissioner

Enclosure

CC: Governor's Office
Legislative Reference Library



Host Community Economic Development Grant Program

2024 Annual Report

As required by Minn. Stat. § 116J.548, Subd. 5

May 2, 2025

Department of Employment and Economic Development
Business and Community Development
Great Northern Building, 12th Floor
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St. Paul, Minnesota 55101

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As requested by Minnesota Statutes, Section 3.197: This report cost approximately \$602.06 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.

Table of Contents

Background	4
Eligible Recipients	4
Grants Awarded under Minnesota Statutes 116J.548	4
Use of Remaining Funds.....	5

Background

The Host Community Economic Development Grant Program was passed by the legislature in 2013. It directed the Minnesota Department of Employment and Economic Development (DEED) to provide grants for capital and design-related costs for eligible capital projects. The state grants can cover up to 100% of the total costs of the project and do not require any matching funds. Grants may be used for the capital costs of development or redevelopment projects to create jobs, increase the city tax base and enhance the city's ability to attract private investment. To date, DEED has awarded \$9,143,750 in grants under the program. Of that amount, \$1,030,516 was unused by the recipient and reverted back to the General Fund.

Eligible Recipients

Minn. Stat. § 116J.548 defines a Host Community as “a city located within the seven-county metropolitan area, as defined in section 473.121, subdivision 2, that is the site of a waste disposal facility that meets the standards in section 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 Economic Development Grant Program. DEED continues to check for new applicant eligibility annually, most recently in January 2025.

Grants Awarded under Minnesota Statutes 116J.548

In 2024, DEED received two applications for grant funds – from the cities of Burnsville and Inver Grove Heights. DEED's review of these applications determined that both met the Host Community Economic Development Grant Program's goal of generating economic development, and DEED awarded two grants totaling \$831,250. Below are details on the awarded grants:

- *City of Burnsville – 35W/Buck Hill Rd - \$415,625 (Awarded February 9, 2024)*

The City of Burnsville will use these grant funds to purchase right-of-way and easements to be used during and after construction of the 35W/Buck Hill Road exit ramp and roundabout. The exit ramp and roundabout will help spur redevelopment on the east side of the Burnsville Center Mall by providing a direct access connection from I-35W. This connection will help facilitate the city's long term vision and future development of the larger Burnsville Center Village project, which will include retail, housing, office space hotels and healthcare facilities that will increase the number of new jobs and taxes in the area.

- *City of Inver Grove Heights – 6500 Block of Concord Boulevard - \$415,625 (Awarded June 28, 2024)*

The City of Inver Grove Heights will use these grant funds to acquire parcels from Republic Services as a part of the larger Mississippi Riverfront project to redevelop the area for housing and commercial use. The future development is expected to increase the tax base in the area and provide jobs and workforce housing on the riverfront. The City of Inver Grove Heights Host Community grant award for FY2022 and FY2023 of \$415,625 was awarded for this same project but the project was not ready to utilize the

funding before it expired. Therefore, those funds were reverted into the State's General Fund. A new grant was awarded for FY24 to support the project.

Use of Remaining Funds

DEED awarded \$415,625 in FY24 funds to the city of Burnsville and \$415,625 in FY24 funds to the city of Inver Grove Heights in June 2024 for a total of \$831,250. These grant awards fully utilized the FY2024 appropriation.