

Business Item

Community Development Committee



Committee meeting date: Dec. 1, 2025

For the Metropolitan Council: Dec. 17, 2025

Business Item: 2025-304

2050 Planning Assistance Grant Program and Small Communities Planning Program Funding Award Recommendations

District(s), Member(s):	All Districts and Met Council members
Policy/Legal Reference:	Minn. Stats. §§ 473.191 and 473.867
Staff Prepared/Presented:	Angela R. Torres, Senior Manager, (651) 602-1566
Division/Department:	Local Planning Assistance / Community Development

Proposed action

That the Metropolitan Council:

1. Set the grant award amounts for the 2050 Planning Assistance Grant Program as follows:
 - a. The base award amounts for eligible communities are as follows:
 - i. Sewered communities: \$40,000
 - ii. Unsewered communities: \$25,000
 - iii. County or Consortium: \$110,000
 - b. Eligible Planning Assistance Grant Program participants may choose to opt-in to either or both of the following incentive grants:
 - i. Advancing Regional Goals: \$10,000
 - ii. Early Plan Completion: \$4,000
 - iii. If an eligible participant opts into an incentive grant program and later either chooses not to or is unable to complete program requirements, they shall forfeit those grant dollars but there shall be no penalty.
2. Set the funding amounts for the 2050 Small Communities Planning Program as follows:
 - a. Each eligible community shall have an identified not-to-exceed (NTE) engineering budget allocation based on need and expected planning effort as determined by the type of wastewater and water supply services further detailed in Table 3 and Attachment 1 of this report.
 - b. Any additional engineering costs would be required to be the responsibility of the local government.

Background

At the November 20, 2025, Land Use Advisory Committee Meeting, the Committee recommended approval of the funding award amounts for the Planning Assistance Grant Program and the Small Communities Planning Program for the 2050 planning cycle.

The Met Council adopted the LUAC and CDC recommended eligibility criteria for both programs on October 22, 2025 ([Business Item 2025-267](#)).

Both the LUAC and the CDC have reviewed and provided direction to guide the evolution of these two programs throughout 2025. The most recent update of LUAC's progress on these programs

was shared with the CDC on October 20, 2025. CDC was supportive of LUAC's work on the funding priorities and award amounts. In particular, Council members supported LUAC's priority to direct additional dollars towards engineering services costs for the Small Communities Planning Program. Most members voiced strong support for the Incentive Grant awards, although one member had concerns about its purpose and implementation.

The Planning Assistance grants provide direct financial support to 67 eligible participants. With two counties responsible for planning for the townships in their jurisdictions, that number actually represents 103 local governments. The new Small Communities Planning Program adds a significant increase in support for the region's smallest communities with the most demonstrated financial need. Up to 29 communities are eligible for that program. For the 2050 planning cycle, the Planning Assistance Grant Program and the Small Communities Planning Program in total support comprehensive planning efforts for 124 of 188 jurisdictions in the region.

In the 2030 and 2040 planning cycles, the Planning Assistance Grant Program provided financial support for 86 and 103 jurisdictions, respectively. The 2050 programs will provide financial support for 2/3 of the region's communities, representing a 20% increase from the 2040 planning cycle.

Recommended Funding Scenario

Table 1, below, shows the three funding scenarios that have been reviewed. The table identifies the number of communities by award amount for each Scenario (A, B, and C). Scenario A was provided as a baseline. Both Committees primarily favored Scenario C, indicating that the minor reduction to the individual planning grants to support other programs was far outweighed by the impact of additional assistance for small communities. LUAC Members Worthington and Doolan shared the following rationale with general agreement from the other Members. CDC members concurred at their October meeting discussion.

- The need and lack of capacity in small communities warrant more assistance within the Small Communities Planning Program. Smaller communities lack engineering resources in-house, generally, and also lack capital funds to make necessary improvements. Assistance for those communities would be more impactful.
- The difference between Scenarios B and C from Scenario A (baseline) is a 34% increase and a 25% increase, respectively, for those receiving planning grants over what was provided in the previous planning cycle. The difference between the two scenarios is not that material for planning grant recipients for the value it would provide to the small communities.

Table 1: 2050 Planning Assistance Grant Program Funding Scenarios

# of Eligible Participants*	Community type	Scenario A		Scenario B		Recommended: Scenario C	
		2040 Plan Levels	Total	Inflation-Adjusted	Total	Adjusted for Programs	Total
60	Sewered	\$32,000	\$1,920,000	\$43,000	\$2,580,000	\$40,000	\$2,400,000
4	Unsewered	\$20,000	\$80,000	\$27,000	\$108,000	\$25,000	\$100,000
3	County/Consortium	\$84,000	\$252,000	\$112,000	\$336,000	\$110,000	\$330,000
67			\$2,252,000		\$3,024,000		\$2,830,000

**Based on eligibility criteria adopted by the Council on 10/22/2025*

Program Budget

Table 2 below shows the overall program budget of \$5.64 million using the recommendation of Scenario C, which provides a higher level of support for the engineering costs anticipated in the Small Communities Planning Program. This total budget is intended to cover the costs for the 2050 Planning Assistance Grant Program, the two incentive grants that are a part of that Program, and the Small Communities Planning Program engineering services costs. The intention is to expend as close to the allocated budget as possible. This is the amount available for disbursement and excludes a reserve amount to maintain the Planning Assistance Fund for the next decennial cycle.

The total budget as identified in Table 2 below allocates \$3,768,000 for the Planning Assistance



Grants, inclusive of the Incentive Grants supporting advancement of regional goals and early plan completion. A total of \$1,870,500 is allocated for the Small Communities Planning Program engineering costs for the required wastewater, water supply, and surface water management planning in comprehensive plans. This would expend all but \$1,500 of the total overall program budget.

Table 2: Overall Program Budget using recommended award scenario

Programs	Overall Budget Based on Recommended Award Scenario (C)
Planning Assistance Grant Program	\$2,830,000
Incentive Grants Opt-in Program	\$938,000
Small Communities Planning Program	\$1,870,500
Wastewater Plan Estimated Costs	\$982,000
Water Supply Plan Estimated Costs	\$294,000
Surface Water Management Plan Estimated Costs	\$594,500
	\$5,638,500
Remaining Budget	\$1,500

Not-To-Exceed (NTE) Engineering Budget Allocation

Engineering services have been estimated to reflect the distinct conditions of each community, based on key variables. Wastewater planning considers how services are provided: through the regional wastewater system or a local municipal system; via individual septic systems; or some combination of these systems. Water supply planning considers where water supply is obtained: public water supply through various means, or through privately owned wells. Surface water depends on the level of assistance from the local watershed district or water management organization as well as impaired waters and the level of planning needed to protect them.

Table 3 below identifies the range of engineering costs by community type. This identifies the recommended budget allocation based on what type of services are provided. The table below shows how many communities fall into each type and the estimated costs to accomplish water planning for those communities. This illustrates how, even though the communities are small, there are different engineering needs.

The NTE budget allocation would be paid by the Met Council to consulting engineers retained by the Council for this purpose. Funds will not be provided to the local government directly.

Table 3: Range of Engineering Cost Estimates by Community Type

Type of Community Services	# of comms	Wastewater+ Water Supply Estimates	Recommendation Scenario C	
			Addl \$20,500 for Surface Water Mgmt	Estimated Total Cost
Sewered + Public (municipal) water supply	10	\$76,000	\$96,500	\$965,000
Sewered + Public water supply from neighbor	3	\$63,000	\$83,500	\$250,500
Sewered + Private water supply (wells)	2	\$61,000	\$81,500	\$163,000
Unsewered +Public (municipal) water supply	3	\$26,000	\$46,500	\$139,500
Unsewered + Public water supply from neighbor	3	\$13,000	\$33,500	\$100,500
Unsewered + Private water supply (wells)	8	\$11,000	\$31,500	\$252,000
TOTALS	29			\$1,870,500

Attachment 1 to this staff report identifies the recommended Not-To-Exceed (NTE) engineering budget allocation for each individual community based on the community types described in the table above.

Any additional engineering costs in excess of the recommended NTE amount would be required to be the responsibility of the local government.

Rationale

Minnesota Statutes Section 473.867, subd. 2, authorizes the Metropolitan Council to establish a Planning Assistance Fund to provide grants and loans to local units of government. The primary purpose is for reviewing and amending local comprehensive plans, fiscal devices, and official controls, as required by the Metropolitan Land Planning Act. Planning grants facilitate the local planning process to ensure that the region continues to coordinate planning across all jurisdictions focusing on the local governments most in need.

Further, Minnesota Statutes Section 473.191, subd. 1, authorizes the Metropolitan Council to enter into contracts or make other arrangements with local government units to provide services or assist with comprehensive planning. The Small Communities Planning Program provides the smallest communities with the most demonstrated need in the region, with the highest level of technical assistance in order to ensure completion of decennial planning requirements.

Thrive lens analysis

On February 12, 2025, the Council adopted Imagine 2050, which builds on policy direction in Thrive MSP 2040. As part of its implementation of Imagine 2050, the Council has committed to supporting local comprehensive planning. Following this policy direction, and incorporating feedback from grantees and staff experiences from previous funding cycles, the proposed approach aims to advance the core requirements of the Metropolitan Land Planning Act as well as Imagine 2050 regional goals.

Funding

The Planning Assistance Fund maintains a base balance after each decennial grant cycle to help maintain the fund through interest earnings. The Fund balance saw limited interest earnings over the past decade. Additionally, high rates of inflation and a different programmatic structure which focuses assistance on small communities and incentivizes regional goals have all increased the funding needs and impacted the budget for these programs.

In concert with the Community Development Finance Director and Executive Leadership, the budget established for the 2050 Planning Assistance Grant Program, with the Small Communities Planning Program and incentive grants is currently proposed to be \$5.64 million. The programs are funded through transfers from the Council's General Fund into the Planning Assistance Fund.

Budgetary decisions are ongoing and require additional Council commitment. This Business Item only entails the recommended award amounts and funding priorities for the programs and does not include any budget authorizations by the Committee. Budget authority for the grant program will be presented and voted on by the full Council as part of its 2026 budget adoption in December.

Attachments

Attachment 1: Engineering Cost Estimates by Community

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Small Communities Planning Program eligible participants based on adopted eligibility criteria (10/22/2025)	WASTEWATER		WATER SUPPLY		SURFACE WATER MANAGEMENT	TOTAL	RECOMMENDATION (SCENARIO C)
	Type of Wastewater Service	Estimated Cost for Wastewater Engineering Services	Type of Water Supply Service	Estimated Cost for Water Supply Engineering Services	Estimated Cost for Surface Water Engineering Services	Estimated Cost for Engineering Services	Recommended Not-To-Exceed (NTE) Budget Allocation
Bethel	municipal sewer	\$ 58,000	Private wells	\$ 3,000	\$ 30,000	\$ 91,000	\$ 81,500
Birchwood Village	MUSA	\$ 58,000	Public water supply from neighbor	\$ 5,000	\$ 30,000	\$ 93,000	\$ 83,500
Coates	unsewered	\$ 8,000	Private wells	\$ 3,000	\$ 30,000	\$ 41,000	\$ 31,500
Cologne	municipal sewer	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
Grey Cloud Island Township	unsewered	\$ 8,000	Private wells	\$ 3,000	\$ 30,000	\$ 41,000	\$ 31,500
Hamburg	municipal sewer	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
Hampton	municipal sewer	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
Hilltop	MUSA	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
Lake St. Croix Beach	unsewered	\$ 8,000	Public water supply from neighbor	\$ 5,000	\$ 30,000	\$ 43,000	\$ 33,500
Lakeland	unsewered	\$ 8,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 56,000	\$ 46,500
Lakeland Shores	unsewered	\$ 8,000	Public water supply from neighbor	\$ 5,000	\$ 30,000	\$ 43,000	\$ 33,500
Landfall	MUSA	\$ 58,000	Private wells	\$ 3,000	\$ 30,000	\$ 91,000	\$ 81,500
Lauderdale	MUSA	\$ 58,000	Public water supply from neighbor	\$ 5,000	\$ 30,000	\$ 93,000	\$ 83,500
Lilydale	MUSA	\$ 8,000	Public water supply from neighbor	\$ 5,000	\$ 30,000	\$ 43,000	\$ 33,500
Loretto	MUSA	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
Maple Plain	MUSA	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
Mendota	MUSA	\$ 58,000	Public water supply from neighbor	\$ 5,000	\$ 30,000	\$ 93,000	\$ 83,500
Miesville	unsewered	\$ 8,000	Private wells	\$ 3,000	\$ 30,000	\$ 41,000	\$ 31,500
New Germany	municipal sewer	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
New Trier	unsewered	\$ 8,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 56,000	\$ 46,500
Nininger Township	unsewered	\$ 8,000	Private wells	\$ 3,000	\$ 30,000	\$ 41,000	\$ 31,500
Pine Springs	unsewered	\$ 8,000	Private wells	\$ 3,000	\$ 30,000	\$ 41,000	\$ 31,500
Randolph	unsewered	\$ 8,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 56,000	\$ 46,500
Ravenna Township	unsewered	\$ 8,000	Private wells	\$ 3,000	\$ 30,000	\$ 41,000	\$ 31,500
Sciota Township	unsewered	\$ 8,000	Private wells	\$ 3,000	\$ 30,000	\$ 41,000	\$ 31,500
St. Bonifacius	MUSA	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
Vermillion	municipal sewer	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
Waterford Township	unsewered	\$ 8,000	Private wells	\$ 3,000	\$ 30,000	\$ 41,000	\$ 31,500
Willernie	MUSA	\$ 58,000	Public (municipal) water supply	\$ 18,000	\$ 30,000	\$ 106,000	\$ 96,500
		\$ 982,000		\$ 294,000	\$ 870,000	\$ 2,146,000	\$ 1,870,500