

Business Item

Land Use Advisory Committee



LUAC Meeting date: November 20, 2025

Community Development Committee Meeting: Dec. 1, 2025

Metropolitan Council Meeting: 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

Since the last LUAC meeting on September 18, 2025, Council staff provided an update to the Community Development Committee (CDC) on the work of the LUAC as the Committee has been considering different funding scenarios and priorities. The funding award amounts for the 2050 Planning Assistance Grant Program have an impact on available funds for Small Communities Planning Program engineering services support. The Met Council adopted the LUAC and CDC recommended eligibility criteria for both programs on October 22, 2025 ([Business Item 2025-267](#)).

The CDC was supportive of the work of the LUAC on both the eligibility criteria for the Planning Assistance Grant Program and the Small Communities Planning Program as well as the funding priorities and award amounts. In particular, the CDC agreed with LUAC's priority to direct additional dollars towards engineering services costs for the Small Communities Planning Program and supported the adjustments to the Incentive Grant award amounts.

Recommended Funding Scenario

The LUAC discussed the three funding Scenarios shown below in Table 1. The table identifies the number of communities by award amount for each Scenario (A, B, and C). Scenario A was provided as a baseline. At the September 18, 2025, LUAC meeting, the LUAC members 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. In discussion, Members Worthington and Doolan shared the following rationale with general agreement from the other Members.

- 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*

Update on 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 identified in Table 2 below addresses a calculation error in the Remaining Budget row which inadvertently excluded \$40,000 (using \$5.6M rather than \$5.64M). Based on the LUAC's conversation and indications of program priorities, the additional funds were directed towards the Small Communities Planning Program engineering costs. The correction results in \$20,500 (revised from \$18,500) for surface water management planning engineering support available to each of the 29 eligible communities. 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.

Attachment 1

Attachment 1: Engineering Cost Estimates by Community

