

Commercial Redevelopment Grant Program

Applications open starting July 1, 2026, for Fiscal Year 2027.

Grant Program Overview

Commercial Redevelopment grants assist with the full and selective demolition of commercial and industrial buildings and the clean-up of brownfields to pave the way for new development.

Contact Information

Chris Ismil, Chris.Ismil@state.mn.us, or 218-735-3010.

Funding Availability

- Funded at \$1,500,000 for Fiscal Year 2027 from the Taconite Environmental Protection Fund.
- The number of grants awarded is variable and dependent upon the amount awarded to successful applicants.
- A 1:1 match per project is required.
- In-kind materials and/or labor are not eligible toward the project match.
- Applications should be submitted within nine months of the project construction start date.

Collaboration

Multi-organization collaboration is welcomed.

Eligibility

Eligible Applicants

Cities, townships, counties, Tribal governments and governmental entities created pursuant to Minnesota Statutes within the Iron Range Resources & Rehabilitation (IRRR) service area.

Eligible Projects

Full and selective demolition of commercial or industrial buildings and clean-up of brownfields. Abatement expenses are eligible and considered a component of the demolition project.

Competitive Priorities

- New development or redevelopment is planned.
- Economic impact.

Evaluation Criteria and Weight

The review committee will review each application using a 100-point scale.

All evaluation criteria must be addressed in the project narrative. The scoring factors and weight on which applications will be evaluated are based on the following seven criteria:

1. Development. (40 points)
 - New development or redevelopment is planned.
 - A development agreement is in place.
 - Promotes reinvestment and revitalization in targeted redevelopment areas such as downtowns and corridors.
2. Economic impact. (30 points)
 - Wages and benefits.
 - Amount of matching funds or leveraged investment (public/private).
 - Increase in local tax base and property value.
3. Job impact. (10 points)
 - Jobs created and retained.
 - One point per projected job created and/or retained as a result of the designation of funding.
 - Construction jobs.
 - Project supports construction related jobs.
 - Workforce impact.
 - Project supports local businesses and/or suppliers.
4. Diversity, equity, inclusion and accessibility. (5 points)
 - Project serves a diverse population.
 - Examples include, but are not limited to, racial and ethnic communities, LGBTQIA+ communities, Tribal Nations, people with disabilities, veterans and aging populations.
 - Project accessibility.
 - Project scope reduces barriers by increasing accessibility, equity, usability and independence.
 - Project serves an economically distressed community.
 - Factors can include, but are not limited to, the poverty rate, unemployment rate, income levels and population.
 - Project incorporates targeted business vendors.
 - Project administration, execution, purchasing, contracting or consulting services that involves majority women-owned, veteran-owned, racial minority-owned, Tribal-owned or disability-owned businesses or vendors.

- To find demographic information for registered businesses, you can use the Minnesota Office of the Secretary of State's Business Entity by Community and Industry tool. Visit <https://www.sos.mn.gov/>, select *Minnesota Business Snapshot* then choose *Business Entities by Community and Industry*.
 - Another resource is the State's certified Targeted Group, Economically Disadvantaged and Veteran-Owned vendor database, available on the Minnesota Department of Administration Procurement website. Visit <https://mn.gov/admin/osp/search/vmpvendors.jsp> and select *Approved TG/ED/VO Vendor List*.
 - Project funding.
 - Applicant has not received funding from this grant program in the past two fiscal years.
5. Environmental impact and mitigation. (5 points)
- Climate change.
 - Reduction of emissions or pollution.
 - Renewable energy resources such as solar, wind or water.
 - Energy efficient, sustainable, resilient or green infrastructure for site, building or materials.
 - Water conservation.
 - Environmental health.
 - Waste management, air quality, water quality, sanitation quality, lead exposure and use.
 - Building deconstruction and retrofit.
 - Recycling or reuse of materials.
 - Ecosystem vitality.
 - Preservation of habitats, trees, greenery, fisheries, grasslands or wetlands.
 - Responsible wastewater and sustainable agricultural practices.
 - Clean-up of brownfield sites or contaminated sites.
 - Environmental justice community or population.
 - Use demographic data, environmental conditions and health information to help identify areas of concern for environmental justice. You can access the Environmental Justice mapping tool by visiting the Minnesota Pollution Control Agency (MPCA) website at <https://www.pca.state.mn.us/>. From there, go to *About MPCA*, select *Environmental Justice*, and then choose *Understanding Environmental Justice in Minnesota*.
6. Project readiness and timeliness. (5 points)
- Applicant and partner funding are secured.
7. Removes blight. (5 points)

Urgent Health and Public Safety

Notwithstanding the criteria above, a grant may be awarded when the IRRR commissioner determines that a project will alleviate or mitigate an emergency condition, which shall mean a risk to public health, welfare or safety caused by a damaged building or structure. The match requirement may be adjusted in an emergency situation. Top priority is given to unanticipated urgent health and public safety concerns which include, but are not limited to the following:

- Safety hazards such as structurally unsound buildings and structures or debris piles.
- Location is downtown and/or in close proximity to commercial businesses or residential properties.
- Health hazards such as exposure to asbestos or other harmful substances and materials.
- Disruption to surrounding businesses and/or tourism.
- Disruption to vital services and goods provided to local communities.

Application Submission

Application Process

- Applications must be submitted through the FLUXX grants portal.
- A short pre-application is required to determine the eligibility of the project.
- A full application will be available in FLUXX once eligibility is determined.

Application Deadline

- Applications are accepted July 1, 2026 through May 28, 2027 or until program funds are substantially committed for the fiscal year, whichever occurs sooner.
- Notify the grant program administrator of any changes to the application after the final submission.

Review Process and Timeline

Application Review

- Initial review is completed by the grant program administrator for eligibility and application requirements.
- Eligible and complete applications received by the deadline are subject to a competitive review process.
- Applications are evaluated and scored based on the evaluation criteria by a minimum of three reviewers.
- Grant program administrators do not score applications for their respective programs.
- Applications must meet the minimum required score in order to be recommended for funding.
- Grant program administrator finalizes recommendations based on the completed evaluations, past performance of the grantee and availability of program funds.

Application Award

- Grants are awarded to the most competitive applications.
- IRRR reserves the right to award all or partial funding per application.
- Applicants will be notified by email within 60 days following application review.
- Grant award is subject to the IRRR commissioner's final approval and must meet objectives, priorities and policies established by the IRRR commissioner.
- If awarded, eligible expenditures may only occur when the grant contract agreement is fully executed and the grant has reached its effective date.
- The award decisions are final and not subject to appeal.

Application Content

Commercial Redevelopment Application Checklist

Applicants must submit the following in order for the application to be considered complete.

Table 1 - Required documents by applicant type.

Required Documents	Municipality: Request <\$50K	Municipality: Request ≥\$50K	Tribal Government: Any Request Amount
Project narrative addressing evaluation criteria.	Yes	Yes	Yes
Certified cost estimates following the state contracting and bidding requirements.	Yes	Yes	Follow Tribal procurement and purchasing guidelines.
A resolution authorizing the applicant to apply for and accept funding for the identified project. The project name must be clearly stated within the resolution.	Yes	Yes	Yes
Scope of work for agency-funded portion of the demolition project.	Yes	Yes	Yes
Pre-demolition photos for all sides of the structure.	Yes	Yes	Yes
Developer business plan	If applicable.	If applicable.	If applicable.
Proof of real estate insurance	Yes	Yes	Yes
Proof that property taxes are up to date	Yes	Yes	Yes

Required Documents	Municipality: Request <\$50K	Municipality: Request ≥\$50K	Tribal Government: Any Request Amount
Current organization chart or personnel list to include all names of, staff, public officials and board members with authority to access, administer or determine the use of grant funds.	No	Yes	No

Fields to be Completed within the FLUXX System

All Applicants

- Project budget detail, to include match and/or other project funds.
- Project timeline/milestones.
- Property address of the building.
- Property type.
- Estimated number of jobs that will be created or retained along with any other workforce impacts, if applicable.
- Average hourly wage for the business development.
- Description of the redevelopment proposal.
- Select environmental impacts, if applicable.
- Conflict of interest disclosure.

Applicants Requesting \$50,000 or more, Excluding Tribal Governments

Certification requirement that no current principals have been convicted of a felony financial crime in the last 10 years.

New Applicants Requesting \$50,000 or More, Excluding Tribal Governments

Describe the organizational capability and capacity to perform the duties similar to those required by the grant.

Bidding Requirements

Municipality Bidding Requirements

Grantees that are municipalities must follow the contracting and bidding requirements in the Uniform Municipal Contracting Law as in Minnesota Statutes Section 471.345.

Non-Governmental Bidding Requirements

Any grant-funded services and/or materials that are expected to cost:

- Under \$10,000, then a minimum of one quote or bid is required.
- Between \$10,000 and \$24,999 must be competitively awarded based on a minimum of two verbal quotes or bids or awarded to a targeted vendor.
- Between \$25,000 and \$99,999 must be competitively awarded based on a minimum of three verbal quotes or bids.
- If \$100,000 or more, then a formal notice and bidding process must be performed.

The grantee must maintain documentation of the purchasing and/or bidding process used to procure contracted services as part of its financial records. If a single-source procurement is used, the financial records must also include documentation justifying that procurement method.

Notwithstanding the requirements above, the State may waive nonprofit bidding process requirements when:

- Vendors included in response to competitive grant request for proposal process were approved and incorporated as an approved work plan for the grant.

It is determined there is only one legitimate or practical source for such materials or services and that grantee has established a fair and reasonable price.

Tribal Government Bidding Requirements

Minnesota Tribal governments are sovereign nations and not subject to the requirements of Minnesota Statutes Section 471.345.

Prevailing Wage Requirements

Prevailing wage is the minimum hourly wage that must be paid to certain workers performing labor on construction projects funded with state dollars. Generally, prevailing wage requirements apply to public infrastructure projects and the construction, remodeling, repair, demolition, or improvement of public buildings. Prevailing wage may also apply to construction projects owned by nonprofit organizations or private businesses.

Municipalities or Publicly Owned projects must follow:

- The requirements of prevailing wage for public grant-funded projects that include construction work of \$2,500 or more where a single trade is involved and \$25,000 or more where more than one trade is involved, per Minnesota Statutes Sections 177.41 through 177.44.

Nonprofits or Privately-Owned projects must follow:

- The requirements of prevailing wage for nonprofit or private grant-funded projects that include grant funding of \$200,000 or more to support construction work, per Minnesota Statutes Section 116J.871.

Certified Payroll Records

As a condition of prevailing wage requirements, certified payroll records must be provided by the grant recipient prior to IRRR disbursing funds, per Minnesota Statutes Section 116J.871, subdivision 2(b).

Job Creation and Retention Requirements

IRRR is required to follow Minnesota State Statute 298.22 which notes for any grants awarded, the IRRR commissioner must evaluate applications based on criteria including, but not limited to job creation or retention goals for the project, including but not limited to wages and benefits, and whether the jobs created are full time, part time, temporary or permanent. Job goals are measured using methods established by the IRRR commissioner. Job goals must be verified for achievement. IRRR reserves the right to request supporting documentation of job goals.

Historic Preservation Requirements

If your project is listed in or located on the National Register of Historic Places and/or the State Register of Historic Places (specific to public buildings and landmarks), it must be submitted to the State Historic Preservation Office (SHPO) for review, and the response letter uploaded to your application. Contact SHPO with questions at 651-201-3287.

Diversity, Equity and Inclusion

IRRR works to improve economic opportunities in support of diversity, equity and inclusion in its service area.

- Diverse populations served by this program include economically distressed communities, Tribal Nations, racial and ethnic communities, veterans, low to moderate-income neighborhoods and people with disabilities.
- Additional points are awarded to projects that serve a diverse population as listed above or for projects that reduce barriers by increasing accessibility, equity, usability and independence or projects that incorporate a targeted business or vendor.

Grant Outcomes

- The program outcomes will result in new building development or redevelopment.
- IRRR will annually evaluate the program's performance in serving diverse populations.

Accountability and Reporting

- Demolition cannot begin prior to execution of a grant contract.
- For municipal projects, if the estimated contract amount exceeds \$175,000, sealed bids shall be solicited through public notice.
- The contractor is required to be licensed and insured.
- Upon receiving a grant award, the grantee may be required to make additional documentation available including:
 - MPCA Intent to Perform a Demolition Form.

- Utilities disconnect form.
- Assurance of hazardous waste removal.
- IRRR reserves the right to require signage/logo acknowledging financial assistance from IRRR.
- Spending for project expenses within IRRR's service area is encouraged.
- A progress report is required prior to a grant reaching 12 months and annually thereafter.
- A final progress report is required before final payment.
- All grant payment requests will require substantiation of eligible expenditures before payment.
- Minnesota Statutes Section 16B.97 and Policy 08-10 Grant Monitoring https://mn.gov/admin/assets/grants_policy_08-10_tcm36-207117.pdf require the following:
 - One monitoring visit/report during the grant period on all grants of \$50,000 and higher.
 - Annual monitoring visits/reports during the grant period on all grants of \$250,000 and higher.
 - Conducting a financial reconciliation of the grantee's expenditures at least once during the grant period on grants of \$50,000 and higher.
- A close-out acknowledgment form may be required if there is a grant balance remaining.

Accessibility Inquiries or Accommodation Requests

Contact: Jordan Metsa, Jordan.Metsa@state.mn.us, or 218-735-3061.

State of Minnesota Grantee Requirements

Supplemental Policy Information

Bidding requirements

Nongovernmental and For-profit businesses

The grantee must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through these entities are used when possible:

- State Department of Administration's Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List found at this website: <https://mn.gov/admin/osp/government/procuregoodsandgeneralservices/tgedvo-directory/>.
- Metropolitan Council's Targeted Vendor List - Minnesota Unified Certification Program found at this website: <https://mnucp.metc.state.mn.us/>.
- Small Business Certification Program through Hennepin County, Ramsey County and the city of St. Paul found at this website: <https://www.stpaul.gov/departments/human-rights-equal-economic-opportunity/procurement/cert-program>.

The grantee must maintain:

- Written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.
- Support documentation of the purchasing and/or bidding process utilized to contract services in their financial records, including support documentation of verbal quotes or bids and justifying a single/sole source bid, if applicable.

The grantee must not contract with vendors who are suspended or debarred in Minnesota found on this website: <https://mn.gov/admin/osp/government/suspended-debarred/>.

Municipalities

Grantees that are municipalities must follow:

- The contracting and bidding requirements in the Uniform Municipal Contracting Law as defined in Minnesota Statutes Section 471.345.
- The requirements of prevailing wage for grant-funded projects that include construction work of \$25,000 or more, per Minnesota Statutes Sections 177.41 through 177.44. These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole.

The grantee must not contract with vendors who are suspended or debarred in Minnesota found on this website: <https://mn.gov/admin/osp/government/suspended-debarred/>.

Required Financial and Grantee Capacity Review

Minnesota Statutes Section 16B.981 requires that a pre-award risk assessment is conducted for grant awards of \$50,000 or more.

All grantees as defined in Minnesota Statutes Section 16B.981, subdivision 1(c) applying for grants in the state of Minnesota must undergo a financial and capacity review prior to a grant award of \$50,000 and higher.

In order to comply with this requirement, the following information and documents will need to be submitted before the grant contract agreement is fully executed:

- Capacity Responses: History of performing the work that will be funded by the grant, to include the organization's current staffing, current budget, etc.
- Certification: No current principals have been convicted of a felony financial crime in the last ten years.
- Evidence of good standing: For-profit and nonprofit grantees: Filed and up-to-date with the Secretary of State.
- Nonprofit grantees as applicable: Most recent Form 990 or Form 990-EZ.
- Most recent audited financial statement of a charitable organization which has received total revenue in excess of \$750,000 for the 12 months of operations covered by the statement per Minnesota Statutes Section 309.53.
- Most recent board-reviewed (or managing group if applicable) financial statements, description of internal controls over business expenditures and outcomes of grant funds, if awarded, and evidence of exemption.

The submission of inaccurate or misleading information may be grounds for disqualification from the grant contract agreement award and may subject an organization to suspension or debarment proceedings, as well as other remedies available to the state, by law.

Minnesota Statutes Section 16B.981 establishes the authority for a granting agency to:

- Provide or require enhanced grant oversight.
- Request additional information from a potential grantee to determine whether there is a substantial risk that the potential grantee cannot or would not perform the required duties of the grant agreement. The potential grantee has 30 business days to respond.
- Develop a plan to address the risk or concerns identified.
- Not award the grant. The granting agency must provide notice of this determination to not award the grant to the grantee and the commissioner of the Department of Administration. The notice must include the following:
 - The reason for postponing/not awarding the grant.
 - The timeline for the process for contesting the agency's decision.

Priorities

It is the policy of the state of Minnesota to ensure fairness, precision, equity and consistency in competitive grant awards. This includes implementing diversity and inclusion in grant-making. Policy 08-02

(https://mn.gov/admin/assets/08-02%20Grants%20Policy%20Revision%20September%202017%20final_tcm36-312046.pdf) establishes the expectation that grant programs intentionally identify how the grant serves diverse populations, especially populations experiencing inequities and/or disparities.

Conflicts of interest

State grant policy requires that steps and procedures are in place to prevent individual and organizational conflicts of interest, both in reference to applicants and reviewers per Minnesota Statutes Section 16B.98, subdivision 2-3 and downloadable copy of 08-01 Conflict of Interest in State Grant-Making Policy (<https://mn.gov/admin/government/grants/policies-statutes-forms/>).

Organizational conflicts of interest occur when:

- A grantee or applicant is unable or potentially unable to render impartial assistance or advice to the Department due to competing duties or loyalties.
- A grantee's or applicant's objectivity in carrying out the grant is/or might be otherwise impaired due to competing duties or loyalties.

In cases where a conflict of interest is in question or disclosed, the applicants or grantees will be notified and actions may be pursued, including but not limited to, revising the grant work plan or grantee duties to mitigate the risk, requesting the grant applicant to submit an organizational conflict of interest mitigation plan, disqualification from eligibility for the grant award, amending the grant or termination of the grant contract agreement.

Public Data

Per Minnesota Statutes Section 13.599:

- Names and addresses of grant applicants and the amount requested will be public data once proposal responses are opened.
- All remaining data in proposal responses (except trade secret data as defined and classified in Minnesota Statutes Section 13.37) will be public data after the evaluation process is completed. For the purposes of this grant, data will be considered public when all the grant contract agreements have been fully executed.
- All data created or maintained by Iron Range Resources & Rehabilitation as part of the evaluation process (except trade secret data as defined and classified in Minnesota Statutes Section 13.37) will be public data after the evaluation process is completed. For the purposes of this grant, data will be considered public when all the grant contract agreements have been fully executed.

Grant Provisions

Grant program appropriation, statute citation, grant regulations and requirements, grant purpose and outcomes, terms and conditions of the funding as well as allowable expenditures are provided within the application and grant contact agreement.

Grant contract agreement templates are available for review at the [Office of Grants Management Policies, Statutes, Forms/Forms and FAQs tab \(https://mn.gov/admin/government/grants/policies-statutes-forms/\)](https://mn.gov/admin/government/grants/policies-statutes-forms/).

Ineligible expenses include but are not limited to:

- Fundraising.
- Taxes, except sales tax on goods and services and payroll taxes.
- Lobbyists, political contributions.
- Bad debts, late payment fees, finance charges or contingency funds.

- Parking violations and traffic violations.
- Out-of-state transportation and travel expenses. Minnesota will be considered the home state for determining whether travel is out of state.

Grant Payments

Per Policy 08-08 (<https://mn.gov/admin/assets/08-08%20Policy%20on%20Grant%20Payments%20FY21%20 tcm36-438962.pdf>), reimbursement is the preferred method for making grant payments. All grantee requests for reimbursement must correspond to the approved grant budget. The state shall review each request for reimbursement against the approved grant budget, grant expenditures to-date and the latest grant progress report before approving payment. Grant payments shall not be made on grants with past-due progress reports unless Iron Range Resources & Rehabilitation has given the grantee a written extension.

Audits

Per Minnesota Statutes Section 16B.98, subdivision 8, the grantee's books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the commissioner of the Department of Administration, the state granting agency and either the legislative auditor or the state auditor, as appropriate. This requirement will last for a minimum of six years from the grant contract agreement end date, receipt, and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

Affirmative Action and Non-Discrimination

Requirements for all Grantees

The grantee agrees not to discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status in regard to public assistance, membership or activity in a local commission, disability, sexual orientation or age in regard to any position for which the employee or applicant for employment is qualified. Minnesota Statutes Section 363A.02. The grantee agrees to take affirmative steps to employ, advance in employment, upgrade, train and recruit minority persons, women and persons with disabilities.

The grantee must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The grantee agrees to take affirmative action to employ, advance in employment and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. [Minnesota Rules, part 5000.3500 \(https://www.revisor.mn.gov/rules/5000.3500/\)](https://www.revisor.mn.gov/rules/5000.3500/).

The grantee agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

Voter Registration Requirement

The grantee will comply with Minnesota Statutes Section 201.162, by providing voter registration services for its employees and for the public served by the grantee.