



Commercial Redevelopment Grant Report

Purpose	Assists with internal and external demolition of commercial and industrial buildings and clean-up of brownfields to pave the way for new development.
Strategic Plan Alignment	Business Development v Community Development v Workforce Development

Results As Of	10/20/2021	10/20/2021	08/26/2022	
What did we do?	FY20	FY21	FY22	FY23
Budget	\$750,000	\$1,000,000	\$1,000,000	
Grants	12	13	12	
Agency Investment	\$584,185	\$878,143	\$999,188	
Total Project Investment	\$11,133,267	\$17,533,992	\$30,650,381	
Leverage	18 : 1	19 : 1	30 : 1	
Key Impact Measures	FY20	FY21	FY22	FY23
New Development	10	9	10	
Developable Site	1	1	3	
Hazardous Structures Removed	2	1	3	
Businesses	8	12	12	
Public Facilities	3	2	1	
Communities	9	9	9	

What were the results?
<p>FY22: The grants helped communities and businesses partner together to redevelop or demolish vacant commercial buildings. Results included new businesses opening in communities, updates to building exteriors and interiors, improved community aesthetics, and available lots for future development. Project examples include:</p> <ul style="list-style-type: none"> • Interior demolition of an existing outdated apartment building to redevelop 21 new apartments: Eveleth. • Interior demolition of a vacant grocery store for a new retail hardware and equipment rental: Ely. • Interior demolition of a vacant home interiors retail and design gallery for a new equipment supplier of welding and other tools and equipment used in the manufacturing industry: Virginia. <p>FY21: The grants supported the agency strategic plan’s short-term goal to improve and modernize community business assets such as redevelopment of building interiors and exteriors. The grants provided communities with funding that helped the reuse of industrial or commercial properties for private businesses. Municipal stakeholders reported that the grants allowed many capital projects to occur sooner than they would have without the funding. Further the stakeholders stated that the investments that the agency made to commercial redevelopment helped their community grow. Project examples include:</p>

What were the results?

- Demolition of a vacant retail building for the relocation and expansion of a grocery store: Ely.
- Demolition of former church/senior center for future development into a boutique hotel with seven rooms/apartments: Crosby.
- Phase 3 demolition of the Miners Memorial building for a new 117,000-square-foot event center with two ice arenas: Virginia.

FY20: The grant enables the reuse of industrial or commercial properties. It minimizes the effect that vacant properties can have on a community such as blight, decreasing property values, crime and arson. Reuse of vacant buildings creates economic revitalization and community stability, and it is an effective economic development tool for rural cities. The grant helped to lessen the financial burden on municipalities and business owners by assisting with renovation costs. Project examples include:

- Demolition of football field for new community event and convention center: Virginia.
- Roof demolition and asbestos abatement of a vacant commercial building for a local business to open a fourth regional branch to serve as its mining parts division: Hibbing.
- Demolition of an outdated failing firehall to make way for a new emergency services facility: Kelsey Township.

COVID-19 Pandemic: Northeastern Minnesota continues to be significantly impacted by COVID-19, including the temporary yet repeated closure of schools, businesses, community centers, clinics, public recreation and parks, and government buildings. The public and private sector experienced negative impacts related to budgets, revenues, supply chains and workforce. The pandemic impacted agency-funded projects: some projects were delayed or canceled, some lost funding from other resources. However, many projects were completed and benefitted the region's communities, economy and quality of life.

Fiscal Year 2022 Grants

Grantee	Description	Agency Investment	Total Project Investment
Babbitt	Demolish boiler at hotel	\$3,000	\$49,000
Ely	Demolish (internal) building for new retail business	\$158,400	\$1,945,600
Eveleth	Demolish (internal) building for new business	\$16,500	\$307,002
Eveleth	Demolish (internal) building for apartment building renovation	\$72,782	\$2,139,228
Gilbert	Demolish building for new dental office	\$70,000	\$1,822,711
Grand Rapids	Demolish building for parking at new hotel and restaurant	\$48,000	\$11,953,900
Ironton	Demolish (internal) building for apartments and retail	\$90,000	\$616,650
Keewatin	Demolish gas station for new credit union	\$68,000	\$2,621,622
St. Louis County	Demolish high school	\$100,000	\$331,762
Virginia	Demolish (internal) building for office/industrial use	\$18,616	\$249,116

Fiscal Year 2022 Grants			
Grantee	Description	Agency Investment	Total Project Investment
Virginia	Demolish building after fire	\$113,890	\$613,790
Virginia	Demolish retail space for new national retailers	\$240,000	\$8,000,000

Fiscal Year 2021 Grants			
Grantee	Description	Agency Investment	Total Project Investment
Aitkin	Demolish (internal and roof) for building expansion	\$19,700	\$260,000
Chisholm-Hibbing Airport Authority	Demolish building for hangar	\$39,375	\$7,490,775
Crosby	Demolish building for new development	\$95,000	\$636,000
Ely	Demolish building for outlet store	\$24,580	\$55,206
Ely	Demolish (internal) building for grocery store	\$128,900	\$6,761,678
Hibbing	Demolish (internal and external) for business expansion	\$24,135	\$185,000
Mountain Iron	Demolish roof for replacement	\$10,000	\$100,000
Mountain Iron	Demolish (internal and external) for business expansion	\$53,560	\$1,250,000
Silver Bay	Demolish (internal) for senior center development	\$6,440	\$33,561
St. Louis County	Demolish building for future redevelopment	\$49,400	\$168,800
Tower	Demolish underground storage tank for business development	\$17,764	\$194,500
Virginia	Demolish (rear exterior) for business expansion	\$11,200	\$398,472
Virginia	Demolish arena for new development	\$398,089	\$38,792,455*

Fiscal Year 2020 Grants			
Grantee	Description	Agency Investment	Total Project Investment
Aurora	Demolish (internal) business center	\$74,889	\$1,519,415
Cook County/Grand Marais EDA	Demolish (internal) downtown building	\$19,800	\$164,500
Crosby	Demolish (internal) building for business expansion	\$61,435	\$475,900
Eveleth	Demolish (internal) commercial building for new business	\$18,900	\$470,500
Grand Rapids	Demolish two commercial buildings	\$86,175	\$178,556
Grand Rapids	Demolish buildings for student center	\$175,000	\$5,475,000

Fiscal Year 2020 Grants			
Grantee	Description	Agency Investment	Total Project Investment
Hibbing	Demolish (internal) building for business expansion	\$22,500	\$1,095,171
Hibbing	Demolish (internal) building for business expansion	\$50,000	\$1,300,000
Nashwauk	Demolish (internal) building for business upgrade	\$18,198	\$95,037
Town of Kelsey	Demolish building	\$6,900	\$359,188
Virginia	Demolish (internal) building for business expansion	\$50,388	\$231,555
Virginia	Demolish stadium for new development	\$144,391	\$38,792,455*

* This project's total project investment was included in another fiscal year or another program.