Redevelopment Grant Program

Meeting will begin shortly
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Program Purpose

• Level the playing field by removing or assisting with extra costs of development on previously used sites

• Create jobs, increase taxes
Eligible Applicants

- Cities
- Counties
- HRAs
- EDAs
- Port Authorities
Eligible Projects

• Site must have been previously developed

• Redevelopment will create jobs, taxes, or other public benefits
  – Such as blight reduction, crime reduction, affordable housing, etc.

• Resolution from applicant body and municipality (if different)**
## Eligible Costs

<table>
<thead>
<tr>
<th>Eligible Costs</th>
<th>Ineligible Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Demolition</td>
<td>Interior Demolition or Rehab Costs</td>
</tr>
<tr>
<td>Soil Stabilization (geotechnical)</td>
<td>Development or Construction costs</td>
</tr>
<tr>
<td>Public Infrastructure Improvements</td>
<td>Project/Grant Administration</td>
</tr>
<tr>
<td>Environmental Infrastructure (ponding)</td>
<td>Environmental Remediation</td>
</tr>
<tr>
<td>Interior Abatement (asbestos/lead)</td>
<td>Appraisal or other application costs</td>
</tr>
<tr>
<td>Public Acquisition (match only)</td>
<td>Streetscape (landscaping, benches, planters, etc.)</td>
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<tr>
<td></td>
<td>Contingencies, Soft Costs, Contractor per diem</td>
</tr>
</tbody>
</table>
Previously Incurred Costs

• Eligible costs are those incurred after grant contract is executed

• Eligible costs incurred up to 12 months prior to application due date can be eligible as match
Match Requirement

- Must be 50% of total eligible redevelopment costs

- Match can be from any available source
Project Readiness

- Grants are competitive
- Apply when project is ready
- Projects must start by date listed in grant agreement
- Grant repayment
- Grant term extensions 😞
Competitive Scoring Categories

- Contamination remediation need
- Qualifies for and uses TIF
- Redevelopment potential
- Proximity to public transit
- Project readiness and timeframe
- Projects that are multi-jurisdictional, offer affordable housing, and/or have a positive environmental impact
Minimum Score

- Total points available = 150
- Applications must score at least 50 points to be eligible for funding
Awarding Grants

• Past use is detriment
• Eligible costs
• Ready to go
• New project is creating jobs and taxes
Program Changes/Updates

• Application form has changed

• Additional documentation
  – TIF Slum and Blight Analysis or other evidence that the site meets the requirements for a Redevelopment TIF District
  – Geotechnical Reports (if soil stabilization costs are requested)
Redevelopment Grants – Question Break

• Will discuss deadlines, funding timelines and application logistics at the end of the presentation

• Will open up for questions
Demolition Loan Program
Eligible Criteria

• Same eligible applicants as Redevelopment Grants, same application deadline
• Does not require an imminent development prospect
• Eligible costs include acquisition, demolition and interior abatement
• Eligible sites must be owned by the applicant
• Vacant for at least one year
• Cannot be listed on the National Register of Historic Places
Other Loan Information

- May pay up to 100% of costs, maximum loan amount of $1,000,000
- 2% interest rate for maximum of 15 years
- Interest and payment free for first two years
- If development occurs, up to 50% of the remaining principal and interest could be forgiven based on development benefits
Demo Loan Process

- Submit Demolition Loan Program Application
- Applications are due same time as Redevelopment Grant Program
- Awards typically announced at same time
Demolition Loan Scoring Criteria

- Extent to which the existing property conditions threaten public safety
- Length of vacancy of the property
- Development potential of the property
- Proximity of the property to existing public infrastructure
- Applicant’s financial condition and ability to repay the loan
Funds Available

$2,000,000 approximately

Awards split
50% to Greater Minnesota
50% to Metro Area
Application Due Dates

Applications are due on **August 1, 2022**

by **4:00 pm** at DEED offices

(Required: 2 paper copies and 1 flash drive)

See instructions for drop off!!

[Logo: MN Employment and Economic Development]
Applications

Applications and instructions can be found on the DEED website:

https://mn.gov/deed/government/financial-assistance/cleanup/

Select Redevelopment Grant Program or Demolition Loan Program
Application Reminders

- Complete applications thoroughly by due date:
  - All questions answered
  - All attachments submitted (appraisals, Resolutions, etc.)
  - Closed Process

- Only Assessor or Appraiser can determine value

- Use Updated Application form
Awarding Grants

• Grants are generally awarded approximately 6-8 weeks after submittal.

• Funds awarded must be spent within grant term
DEED Assistance

Brownfields and Redevelopment Unit Staff

Kristin Lukes, Director, 651-259-7451

Irene Dassier, Administrative Asst., 651-259-7449

Claudia Ursulescu Kracht, Project Manager, 651-259-7448

Erin Welle, Project Manager, 651-259-7453
Questions?

For more information on DEED Programs, visit DEED’s website:
www.mn.gov/deed