



**EMPLOYMENT AND  
ECONOMIC DEVELOPMENT**

**Main Street Economic Revitalization Program  
RFP Information Session  
Round 3**

10/31/24



# Agenda

- I. Introduction
- II. Program Overview
- III. Request for Proposal Details
- IV. Questions

# Background

- Minnesota's economy had one of its most tumultuous two years between 2020 and 2022
- Consumer confidence and momentum are critical to continue the recovery
- Commercial corridors are ecosystems that drive business growth and economic impact
- The Governor and legislators wanted to create a vehicle for funding development in these corridors that will jumpstart and accelerate our economic growth
- This 3<sup>rd</sup> round is a reallocates unused fund to existing or new partners and corridors

# Main Street Economic Revitalization

- Provides funds to partner organizations to establish programs to support economic development and redevelopment projects that deliver the most economic impact in communities with the greatest needs due to conditions that have arisen since March 15, 2020
- 30% Matching Grants up to \$750,000 per project
- A total \$80 million was available statewide
  - \$75 million has been allocated and awarded
  - \$4.68 million remains for this round
- Round 3 applications Due November 22, 2024

# Definitions

- **Commercial corridor:** an area within a city or town or an area that crosses multiple cities or towns where there is concentration of commercial activity including retail, accommodations, services and employment
- **Main street:** the principal area within a single city or town where there is concentration of commercial activity including retail, accommodations, services and employment
- **Qualifying conditions:** these are needs for revitalization that have arisen in the proposed services area since March 15, 2020 (widespread property damage, widespread or major closures, COVID impacts, etc)
- **Partner organizations:** refers to organizations that are the direct recipients of grants, through this RFP, for the purposes of implementing revitalization programs in their proposed service areas
- **Eligible recipient:** refers to businesses, non-profits and developers who apply to partner organizations and receive grants or loans to complete their projects
- **Program partner:** refers to organizations that are collaborating with a partner organization to implement a revitalization program in their proposed service area

# Program Structure

- Partner organizations submit a proposal directly to DEED for funds targeting one or more main streets or corridors.
- Proposals are evaluated and awarded based on greatest need and economic impact
- Partner organization establishes program that will target a specific geographic area with state and matching funds
- Eligible recipients receive financing via grants
- Eligible recipients do not apply directly to DEED

# Needs and Conditions

- Proposals will define a service area that includes one or more commercial corridors impacted by conditions that have arisen since March 15, 2020. Qualifying conditions include but are not limited to
  - Widespread property damage due to fire, flood, arson, civil unrest and/or natural disasters.
  - One or more employer closures or multiple commercial space vacancies that have significant impact on the corridor or main street.
  - COVID-19 impacts on travel, tourism, retail and accommodation industries.

# Partner Organizations

- Eligible Partner Organizations include:
  - Foundations engaged in economic development
  - Community Development Financial Institutions (CDFI)
  - Non-profit organizations engaged in housing and commercial development
- Partner Organizations can use up to 4% of grant for administrative cost
  - Leveraged Grants Allocation X 4% = Admin Funds
- Not eligible:
  - Local governments and political subdivisions including economic development authorities, port authorities etc.
  - For profit organizations and developers



# Eligible Recipients

- The entities applying for and receiving grants ~~and loans~~ to complete projects on properties and facilities they own or are developing projects in the proposed service area
  - Businesses and property owners
  - Non-profit organizations
  - Developers (for-profit and non-profit)
- Does not include local governments

# Examples of Eligible Recipients

- A property owner whose building was damaged by fire and wants to leverage their insurance proceeds to redevelop the property
- A business who has purchased their previously leased space and want to remodel vacant space on the 2<sup>nd</sup> and 3<sup>rd</sup> floor for additional housing or offices
- A non-profit agency who has purchased a vacant property and wants to develop it into a community-based small business incubator
- A developer who has purchased a vacant lot and wants to develop it into a mixed-use facility with commercial and housing space

# Eligible Uses for Grants and Loans

- Leverage grants can be used for the following:
  - Repair, or renovation of real property
  - Building construction
  - Landscaping and street scaping
  - Demolition and site preparation
  - Predesign and design
  - Engineering
  - Infrastructure
  - Related site amenities
- Does not include the purchase of real estate or business operations or business operating expenses, such as inventory, wages, or working capital

# Leveraged Grants

- Covers up to 30% of an eligible project cost up to \$750,000 in state funds
- Grants must be matched with nonstate funds at 200% of the state's portion of the grant
- Matching funds may include but is not limited to:
  - funds contributed by a partner organization
  - insurance proceeds from an eligible recipient
  - loan proceeds
  - private grants
  - cash contributions
  - donations
  - local government contributions
  - the non-guaranteed portion of a guaranteed loan from this program
- Matching funds cannot include state or federal funds
- Matching funds sourced from other assets and sources must be restricted for use exclusively through this program
- An eligible project must have secured commitments for all required matching funds and all required development approvals before a leveraged grant may be distributed

# Leveraged Grants

## Example of a Leveraged Grant

Funding Source	Amount	% of total project cost
<b>Leveraged Grant (State's contribution)</b>	\$750,000	30%
<b>200% minimum grant recipient's contribution (no state or federal funds)</b>  A. Partner organization contributions B. Insurance proceeds C. Private grants and donations D. Loans E. Cash F. Local government contributions G. Non-guaranteed portion of a state guaranteed loan	\$1,500,000	60%
<b>Additional matching minimum (can include state and/or federal funds)</b>	\$250,000	10%
<b>Total minimum project cost</b>	<b>\$2,500,000</b>	<b>100%</b>

# Guaranteed Loans

- By law no new guarantees can be issued after December 31, 2024
- We will not be accepting requests for loan guarantee allocations

# Matching Funds and Deadlines

- Partner organizations must have matching funds identified and committed or will do so within the 15-month period following the awarding of grant funds
- Matching funds include:
  - funds contributed by a partner organization
  - insurance proceeds from an eligible recipient
  - loan proceeds
  - private grants
  - cash contributions
  - donations
  - local government contributions
- 50% of previously spent funds on a project can be counted towards the matching requirements.
- Eligible projects must have secured all commitments and development approvals before receiving funds from partner organizations
- All funded projects must fully incur costs by June 30, 2026

# Collaboration

- Proposers are allowed and encouraged to partner to meet program objectives
  - Community outreach and facilitation
  - Financing (Banks, CDFIs, etc.)
  - Technical assistance to recipients
  - Community review process
- Must avoid conflict of interest in award decisions
- Partner organizations **cannot** fund their own projects or the projects of their collaborators



# Request for Proposals

- Request for Proposals (RFP) Published October 21
- Due November 22, 2024 by 4:00 pm
- Submitted via email in PDF format to [MSERP.DEED@state.mn.us](mailto:MSERP.DEED@state.mn.us)
- Answers to questions sent to [MSERP.DEED@state.mn.us](mailto:MSERP.DEED@state.mn.us) will be posted on the website FAQ
- Awards announced January 2025

# Preview of Proposal Content

- Will define a service area that includes one or more commercial corridors impacted by conditions that have arisen since March 2020. Qualifying conditions include but are not limited to
  - Widespread property damage due to fire, flood, arson, civil unrest and/or natural disasters.
  - One or more employer closures or multiple commercial space vacancies that have significant impact on the corridor or main street.
  - COVID-19 impacts on travel, tourism, retail and accommodation industries.
- Will demonstrate economic impact of investments (leveraged funding, tax base increase, jobs created/retained, wages, reducing disparities)
- Will demonstrate that the partner organizations has the qualifications and capacities to successfully implement this program
- Describe how partner organization will conduct outreach, solicit request for assistance from eligible recipients, make award decisions, and include impacted communities in the process

# Proposal Format

- Cover Letter and Program Summary (Form 1)
- Proposal Narrative
  1. Program Design and Work Plan
  2. Service Area and Project Need
  3. Economic Impact
  4. Matching Funds and Leverage
  5. Organizational Capacity
  6. Community Support
- ~~Lender Enrollment (Form 2) – if applicable~~
- Partnership Chart (Form 3) – if applicable
- Additional required documents:
  - Unemployment Insurance Account Consent (Form 4)
  - Performance Capacity (Form 5)
  - Certification: No Conviction of Felony Financial Crime (Form 6)
  - Evidence of Good Standing (Form 7)
  - Required Nonprofit Grantee Documents (Form 8)
  - Letters of Support

# Proposal Evaluation

- Review committee composed of State staff and community reviewers
- Scoring on a 100 point scale weighted as follows:
  1. Project Summary – (0 points)
  2. Program Design and Work Plan (15 points)
  3. Service Area and Project Need (25 points)
  4. Economic Impact (25 points)
  5. Matching Funds and Leverage (20 points)
  6. Organizational Capacity (10 points)
  7. Community Support (5 points)
- Scores are averaged, proposal ranks and a recommendation for funding is made
- The Commissioner of DEED will review all committee recommendations and is responsible for award decisions. The award decisions of DEED are final and not subject to appeal.

# 1. Cover Letter and Program Summary

- Detailed but brief overview of the proposed revitalization program
  - Organization details
  - Main streets and corridors
  - Qualifying needs
  - Funding request worksheet
  - Matching sources
  - Timetable
- Required but not scored separately from the content in narrative sections

# 2. Program Design and Work Plan

- What are you going to do and how are you going to do it?
  - Outreach and Communications
  - Diversity, Equity and Inclusion Plan
  - Grant Application Process
  - Review and Award Process
  - Grant Making and Monitoring Processes
  - Performance Management and Reporting

# 3. Service Area and Project Need

- What are the main streets and/or commercial corridors that will be served by your program?
  - Can include one or more main streets and/or corridors within or across regions and cities.
  - "Concentration of commercial activity"
- What are the needs and conditions that have arisen since March 15, 2020?
  - Widespread property damage due to fire, flood, natural disasters, arson, and/or civil unrest.
  - One or more employer closures or multiple commercial space vacancies that have significant impact on the corridor or main street.
  - Impact of COVID-19 and related Executive Orders on travel, tourism, retail and accommodation businesses.

# 4. Economic Impact

- What impact will these investments have?
  - # of buildings and properties developed/redeveloped
  - Tax base increases
  - Jobs and Wages outcomes
  - Addressing disparities for diverse communities
- Use and modify tables and fields as needed



# 5. Matching Funds and Leverage

- How will state funds be leveraged to spur investments in revitalization efforts?
  - Amount and sources of matching funds for leveraged grants
  - Committed vs non-committed funds
- All funds must be committed within 15 months of being awarded
- Eligible projects must have secured all commitments and development approvals before receiving funds from partner organizations
- All funded projects must incur eligible costs by June 30, 2026

# 6. Organizational Capacity

- Scale, experience, qualifications, and capacity to implement a revitalization program
  - Does your organization have the people-power with the qualifications to implement a revitalization program?
  - What is your organization's experience in development and redevelopment?
  - Does your organization have the staff with language skills and cultural competencies to work with diverse communities?
  - How do your program partners bolster your capacity in any of these areas
- Organizations that can demonstrate they will utilize all of their funding by June 30, 2026, will be prioritized

# 7. Community Support

- Does your program have the support of the communities that will be served?
  - Local governments
  - Chambers
  - Community-based organizations
  - Neighborhood organizations
  - Business owners
  - Property owners
  - Residents

# Partnership Chart

- If your proposal includes program partners list them and their roles
  - Name
  - Type of organization
  - Key Contact
  - Type of Commitment
  - Compensated or not
  - Conflict of Interest Disclosure
  - Anticipated amount of compensation

# Post Selection Requirements

- **Prevailing Wage:** prevailing wage rates are required to be paid for projects receiving \$200,000 or more in state funds.
  - All certified payroll records need to be submitted to DEED
  - Partner organizations are responsible to ensure those records are submitted
  - Questions? Reach out to Department of Labor and Industry: [dli.prevwage@state.mn.us](mailto:dli.prevwage@state.mn.us)
- **Vendor Registration:** do it now if you have not already.
  - [https://supplier.systems.state.mn.us/psc/fmssupap/SUPPLIER/ERP/c/NUI\\_FRAMEWORK.PT\\_LANDINGPAGE.GBL?&](https://supplier.systems.state.mn.us/psc/fmssupap/SUPPLIER/ERP/c/NUI_FRAMEWORK.PT_LANDINGPAGE.GBL?&)
- **Risk Assessments:** State agencies are required to conduct a financial review of potential grantees before awarding a grant of \$50,000 or more. Please ensure you fill out Forms 5-8 of the RFP to facilitate this process.

# Questions

- [Program Website: https://mn.gov/deed/business/financing-business/deed-programs/emergency-programs/economic-revitalization/index.jsp](https://mn.gov/deed/business/financing-business/deed-programs/emergency-programs/economic-revitalization/index.jsp)
- Email questions to: [MSERP.DEED@state.mn.us](mailto:MSERP.DEED@state.mn.us)
- FAQ will be updated frequently