



# Redevelopment Grant Program and Demolition Loan Program

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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



# What is the Redevelopment Grant Program?



COMPETITIVE  
GRANT



LOOKS AT PAST  
AND FUTURE USE



ASSISTS WITH  
SPECIFIC "SITE  
PREP" COST

# 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)

- Statutory cities must authorize BOTH mayor and clerk

# Eligible Costs

| Eligible Costs   | Ineligible Costs   |
|--|--|
| Demolition   | Interior demolition, clearing and grubbing                               |
| Interior abatement (asbestos/lead)   | Development/construction costs, rehab costs                              |
| Public infrastructure improvements (water, sewer, storm connections, etc.) | Contingencies, soft costs, per diem, insurance, project/grant management |
| Environmental infrastructure (stormwater ponding or system)                | Environmental Remediation of soil, vapor, or groundwater                 |
| Public acquisition (match only)  | Appraisals or other application costs                                    |
| Geotechnical soil correction (data/evaluation required)                    | Streetscaping, landscaping, rain gardens, etc.                           |

# 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 to begin eligible work

“Start date” included 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 = 145

Applications must score at least 50 points to be eligible for funding

# Question Break

Deadlines, funding availability, application logistics, and awarding timeline will be discussed at the end of the session.

# 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

Structures vacant for at least one year and constitute a threat to public safety

Cannot be listed on the National Register of Historic Places

Loan security = bond issuance

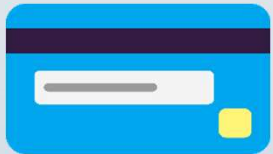
# Other Loan Information



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

# 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

# Demo Loan Timing

Submit Demolition Loan  
Program Application

Applications are due same  
time as Redevelopment  
Grant Program

Awards typically announced  
at same time

Only cost incurred post  
contract execution are  
eligible for reimbursement

# 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, 2024**

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

(Required: 2 paper copies and 1  
flash drive)

See website instructions for  
mailing or drop off!



# Applications

Applications and instructions can be forwarded upon request, please contact Amber Merritt 651-259-7449  
[Amber.Merritt@state.mn.us](mailto:Amber.Merritt@state.mn.us)

More information can be found at:  
<https://mn.gov/deed/government/financial-assistance/cleanup/>

Select Redevelopment Grant Program or Demolition Loan Program

# Additional Documentation



**Make sure you are using the correct form**



## **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)

# 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 Team

**Kristin Lukes, Director**

**651-259-7451**

**[Kristin.lukes@state.mn.us](mailto:Kristin.lukes@state.mn.us)**

**Angela Oldson, Project Manager**

**651-259-7448**

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**Amber Merritt, Administrative Assistant**

**651-259-7449**

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**651-259-7416**

**[El.Langland@state.mn.us](mailto:El.Langland@state.mn.us)**

**Erin Welle, Project Manager**

**651-259-7453**

**[Erin.welle@state.mn.us](mailto:Erin.welle@state.mn.us)**



# Questions?

For more information on DEED Programs,  
visit DEED's website:  
[www.mn.gov/deed](http://www.mn.gov/deed)



# Application Information



# Applications

Applications and instructions can be found on the DEED website:

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Select Redevelopment Grant Program or Demolition Loan Program

# Application Checklist

| Redevelopment Grant Application Submittal Checklist |   |
|---|---|
| Logistics   |   |
| <input type="checkbox"/>                            | Two complete paper copies (complete copies include all attachments)   |
| <input type="checkbox"/>                            | One complete electronic copy (i.e., one flash drive, emailed applications will not be accepted)   |
| <input type="checkbox"/>                            | All the above submitted to DEED by 4:00 p.m. on February 1 or August 1  |
| Application Form Content                            |   |
| <input type="checkbox"/>                            | Applicant Information Cover Page  |
| <input type="checkbox"/>                            | I. Site Identification and History  |
| <input type="checkbox"/>                            | II. Cost Analysis: Redevelopment Sources and Uses (Budget Table) and Construction Sources and Uses  |
| <input type="checkbox"/>                            | III. Tax Increment Financing (TIF) Analysis   |
| <input type="checkbox"/>                            | IV. Analysis of Redevelopment Potential   |
| <input type="checkbox"/>                            | V. Project Schedule   |
| <input type="checkbox"/>                            | VI. Payment Information (Applicant's State SWIFT Vendor Number, Location Code, and Address)   |
| <input type="checkbox"/>                            | VII. Resolutions (Statutory Cities must authorize Mayor and Clerk)  |
| <input type="checkbox"/>                            | VIII. Applicant Conflict of Interest Disclosure Form  |
| Application Attachments                             |   |
| <input type="checkbox"/>                            | Project Summary   |
| <input type="checkbox"/>                            | Appraisal or Assessor's Valuation (all parcels must have a current value which cannot be zero)  |
| <input type="checkbox"/>                            | Site maps illustrating ALL features requested in Question 4, site photographs   |
| <input type="checkbox"/>                            | Geotechnical Soil Evaluation Report (if applicable)   |
| <input type="checkbox"/>                            | Construction financing commitments, terms sheets, or letters of interest  |
| <input type="checkbox"/>                            | HUD 'Invitation to Apply' letter (if applicable)  |
| <input type="checkbox"/>                            | Resolution establishing Redevelopment TIF district and/or documentation of Redevelopment TIF qualifications (slum and blight analysis, building inspection, etc.) |
| <input type="checkbox"/>                            | TIF Cash Flow Analysis (if using TIF)   |
| <input type="checkbox"/>                            | Site crime data   |
| <input type="checkbox"/>                            | Council action/minutes or other documentation demonstrating local approvals/entitlements  |
| <input type="checkbox"/>                            | Current property tax statements for each parcel   |
| <input type="checkbox"/>                            | Joint agreements (if project is multi-jurisdictional)   |
| <input type="checkbox"/>                            | Local transit schedules   |
| <input type="checkbox"/>                            | Developer letter of commitment and/or development agreement   |
| <input type="checkbox"/>                            | End-user or business tenant letter(s) of commitment (if applicable)   |
| <input type="checkbox"/>                            | Resolution from applicant agency (Statutory Cities MUST authorize Mayor and Clerk)<br>MUST BE SUBMITTED AT TIME OF APPLICATION                                    |
| <input type="checkbox"/>                            | Resolution from municipality in which the site is located (if different from applicant agency)  |
| <input type="checkbox"/>                            | Conflict of Interest form signed by the applicant   |

# Application Format

- 2 paper copies and 1 flash drive
- Bound!
- Attachments tabbed and LABELED!
- Answer questions in body.

# Individual Questions

## QUESTION 17.

Describe **IN DETAIL** the specific activities for which DEED funds are being requested:

# Individual Questions

## QUESTIONS ABOUT TIF.

- How much will be used for the project?
- What activities are being financed with TIF?
- If TIF is not being used fully, or at all, explain why:
- Is there a gap in financing after applying TIF?
- If yes, how much is the gap?

# Resolutions

It is best to just use the resolution sample in the application.

# General Comments

- Tell your story
- Check DEED's scoring criteria
- Provide pictures that make sense
- Sell, but don't oversell
- Answer all questions
- Call in advance



# Questions?

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visit DEED's website:  
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