



# Brownfields and Redevelopment Programs

September 2012

# Funding Types

## Grants

- Investigation and RAP Development
- Cleanup
- Redevelopment

## Loans

- Minnesota Cleanup Revolving Loan Fund
- Demolition



# Investigation and RAP Development Grants and Contamination Cleanup Grants



# Eligible Applicants

- Cities
- Counties
- HRAs
- EDAs
- Port Authorities



# Eligible Sites

- Known or suspected soil or groundwater contamination
- MPCA-approved RAP for Cleanup Grant applicants
- End use which will create jobs, taxes, or other public benefits
- Own or have access to property
- Resolution from applicant body and municipality (if different)

# Eligible Costs

Eligible Costs	Ineligible Costs
Investigation - Phase I, Phase II, RAP Development	Project/Grant Administration
Cleanup - Contaminated soil removal and disposal, vapor barriers, groundwater treatment, etc.	Appraisal or other application costs
Public Acquisition*	Development Costs
Environmental Consulting Fees*	Asbestos Abatement in Buildings
Public Improvements*	Contingencies
Demolition*	Landscaping - Seeding, sod, trees, etc.

\*Only when required to implement the RAP

# Previously Incurred Costs

- Investigation Grant
  - Recent and reasonable
  
- Cleanup Grants
  - Funds incurred prior to award date must have been incurred after RAP approval and the RAP approval date must be within 180 days of application due date

# Maximum Grant Awards

- Up to 75% of eligible cleanup and investigation costs
- Maximum of \$50,000 for investigation grants
- Of the 25% match, an amount equivalent to 12% of cleanup costs must come from an unrestricted source
- Ask for what you need



# Funds Available

\$4,000,000 per cycle

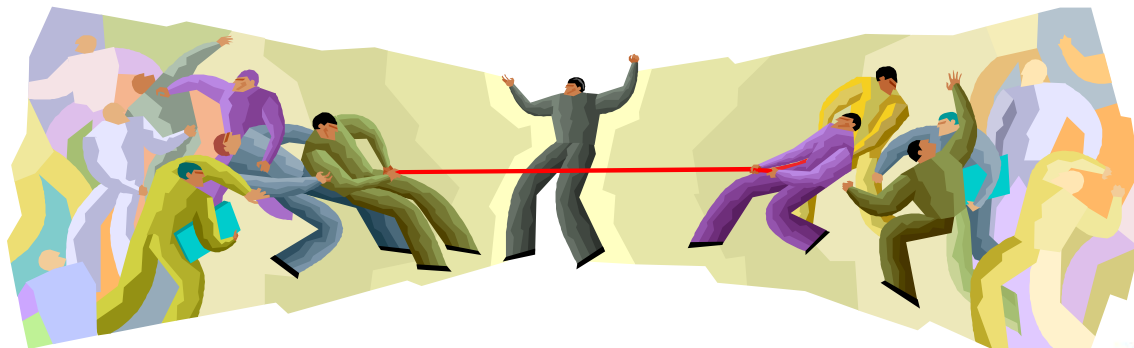
\$250,000 investigation maximum

35% Greater Minnesota statute



# Competitive Grants

- Both Cleanup and Investigation grants are competitive
- Compete against other applications (no thresholds)

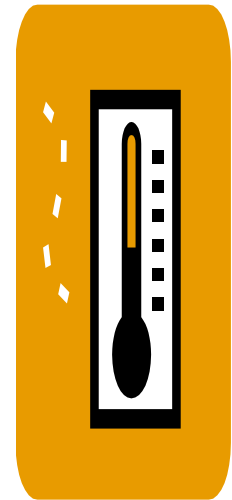


# Competitive Scoring Categories

- Increase in tax base (25 points)
- Add social value (65 points)
- Reduce or eliminate health threats (25 points)
- Funding need (20 points)
- Cleanup cost (10 points)
- Commitment of local match (5 points)

# Minimum Score

- Total points available = 150



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

# Unique and Different



- Variety of projects have been funded
  - Sites from .09 – 235 acres
  - Between 4 and 1000's Housing Units
  - New commercial, industrial, housing and expansion of existing businesses

# Application Due Dates



Applications are due on  
May 1 and November 1  
by 4:00 pm to DEED offices

(Electronic copies of application are not accepted)

# Project Readiness

- Apply when project is ready
- Grant terms are for two years and are difficult to extend



# Applications

Applications may be found on the DEED website:

[www.positivelyminnesota.com](http://www.positivelyminnesota.com)

FOR LOCAL GOVERNMENT

Financial Assistance

Site Cleanup and Redevelopment Funding

Contamination Cleanup and Investigation Grant Program

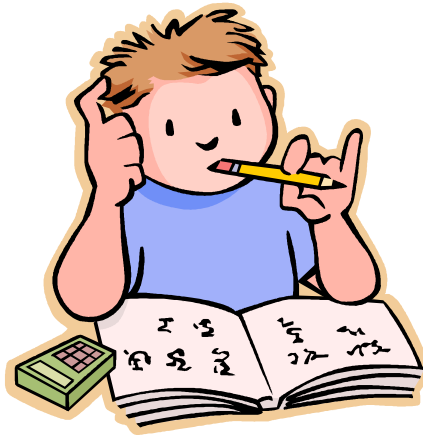


# Application Reminders

- Complete applications thoroughly by due date:
  - All questions answered
  - All attachments submitted (RAP approval, appraisals, Resolutions, etc.)
  - Closed Process
- Only Assessor or Appraiser can determine contaminated value
- Acquisition costs will only be considered in public transactions
- Use Updated Application form
- Make sure your project qualifies before submitting

# Application Reminders

Please review the Program Requirements and Criteria



# Awarding Grants



- Grants are generally awarded approximately 6-8 weeks after submittal.
- Funds awarded must be spent within two year grant term

# Minnesota Cleanup Revolving Loan Fund (MCRLF)



# Eligible Applicants

- Cities
- Counties
- HRAs
- EDAs
- Port Authorities
- Private Entities
- Non-profit Entities



# Eligible Sites

- Completed All Appropriate Inquiries
- Own or have access to property
- MPCA-approved RAP
- Applicant cannot be responsible for contamination
- Have ability to repay loan

# Eligible Costs

Eligible Costs	Ineligible Costs
Cleanup - Contaminated soil removal and disposal, vapor barriers, groundwater treatment, etc.	Project/Loan Administration
Asbestos Abatement in Buildings	Appraisal or other application costs
Environmental Consulting Fees*	Development Costs
Demolition*	Contingencies
	Investigation Costs

\*Only when required to implement the RAP

# Previously Incurred Costs

- Costs already incurred are not eligible for loan funds
- Cleanup costs only eligible after project is determined to be eligible and plan is approved by appropriate agencies



# Other Loan Information

- Generally takes a minimum of 90 days to complete loan process
- Rates and term are negotiable
- Public Comment Period for each loan project

# Maximum Loan Awards

- Up to 78% of eligible cleanup costs
- 22% local match must come from a non-Federal source



# Funds Available

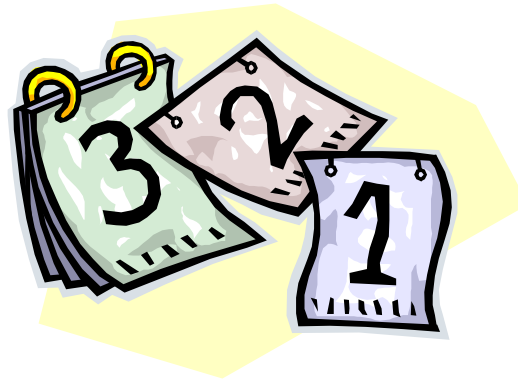
Currently:

Hazardous Substance: \$1,500,000

Petroleum: \$2,000,000

# Application Due Dates

Applications are accepted  
throughout the year



# Applications

Applications and instructions may be found on the DEED website:

[www.positivelyminnesota.com](http://www.positivelyminnesota.com)

FOR LOCAL GOVERNMENT

Financial Assistance

Site Cleanup and Redevelopment Funding

Contamination Cleanup and Investigation  
Grant Program – Part 1

Minnesota Cleanup Revolving  
Loan Fund – Part 2

# Application Reminders

Contact DEED Staff to make sure your project qualifies before submitting



# Cleanup Program Successes

- First grant awarded in 1995 and first loan awarded in 2004
- Over \$3 million in 99 INVESTIGATION grants
- Over \$111 million in 204 CLEANUP grants
- Approximately \$2.1 million in LOAN funds

Producing.....

# Program Results

- 3,030 acres cleaned or investigated
- 34,411 new jobs created or jobs retained
- 12,477 housing units developed
- \$76.6 million in tax base increases
- Over \$3 billion in non-state funds leveraged

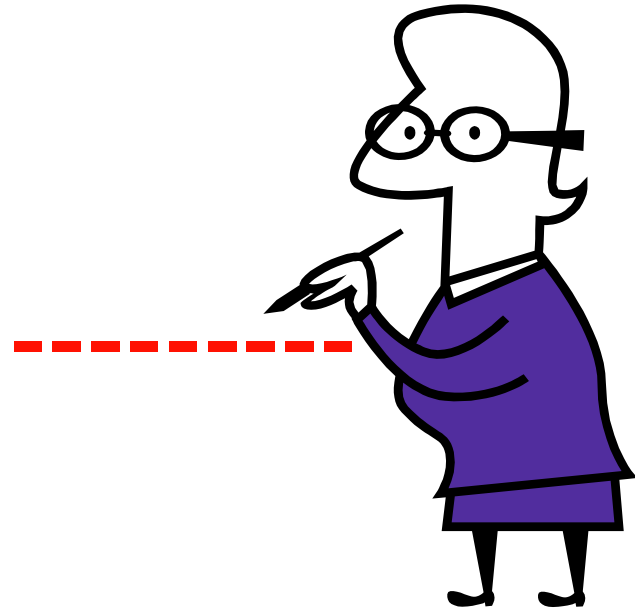


# Redevelopment Grant Program and Demolition Loan Program



# Eligible Applicants

- Cities
- Counties
- HRAs
- EDAs
- Port Authorities



# Eligible Sites

- Previously been developed
- End use which will create jobs, taxes, or other public benefits
- Must have public component
- Resolution from applicant body and municipality (if different)

# Eligible Costs

Eligible Costs	Ineligible Costs
Acquisition	Project/Grant Administration
Infrastructure Improvements	Appraisal or other application costs
Soil Stabilization	Development Costs
Demolition	Environmental Remediation
Ponding or other Environmental Infrastructure	Contingencies
Interior Remediation for Re-use	Streetscape - Landscaping, benches, planters, etc.

# Previously Incurred Costs

- Eligible costs are those incurred after grant award date
- Eligible costs incurred up to 12 months prior to application due date can be eligible as match

# Match Requirement

- Up to 50% of eligible redevelopment costs
- Match can be from any available source
- Eligible activities performed on private portion of the site are eligible as match

# Funds Available

Waiting for funds!



50% to Greater Minnesota

50% to Metro Area

# Competitive Grants

- Grants are competitive
- Compete against other applications (no thresholds)





# Competitive Scoring Categories

- Contamination remediation need (15 points)
- Qualifies and uses TIF (25 points)
- Redevelopment potential (85 points)
- Proximity to public transit (5 points)
- Multi-jurisdictional projects that take into account affordable housing, transportation and environmental impact (10 points)
- Bioscience/green economy (10 points)

# Minimum Score

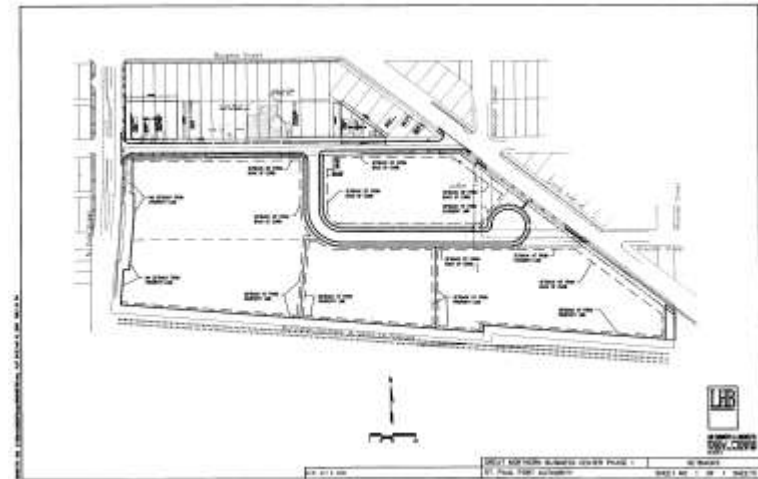
- Total points available = 150
- Applications must score at least 50 points to be eligible for funding

# Project Readiness

- Apply when project is ready
- Projects must begin by date listed in grant agreement – generally within 9 months of award
- Grant terms are extremely difficult to extend

# Eligible Bond Projects

- Publicly-Owned
- Public Purpose
- Public Project
  - Public infrastructure



# Ownership Issues

Grantee must be the owner of the public property and the infrastructure or public facility.

# A Note on State Funds

- Public funds are subject to numerous requirements. Please contact your city attorney for assistance with specific requirements.
- Bond funds are complicated and are not a good fit for every project.

# Application Due Dates

Applications are due on  
February 1 and August 1  
by 4:00 pm to DEED offices



(Electronic copies of application are not accepted)

# Applications

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[www.positivelyminnesota.com](http://www.positivelyminnesota.com)

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Site Cleanup and Redevelopment Funding

Redevelopment Grant 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

# Application Reminders

Please review the Program Requirements and Criteria



# Awarding Grants



- Grants are generally awarded approximately 6-8 weeks after submittal.
- Funds awarded must be spent within grant term

# Redevelopment Program Successes

- First grant awarded in 1998
- Over \$59.7 million in over 140 Redevelopment grants

Producing.....

# Program Results

- 1190 acres redeveloped
- 19209 new jobs created or jobs retained
- 4,403 housing units developed
- \$24.2 million in tax base increases
- \$1.7 billion in non-state funds leveraged

# Demolition Loan Program



# Eligible Criteria

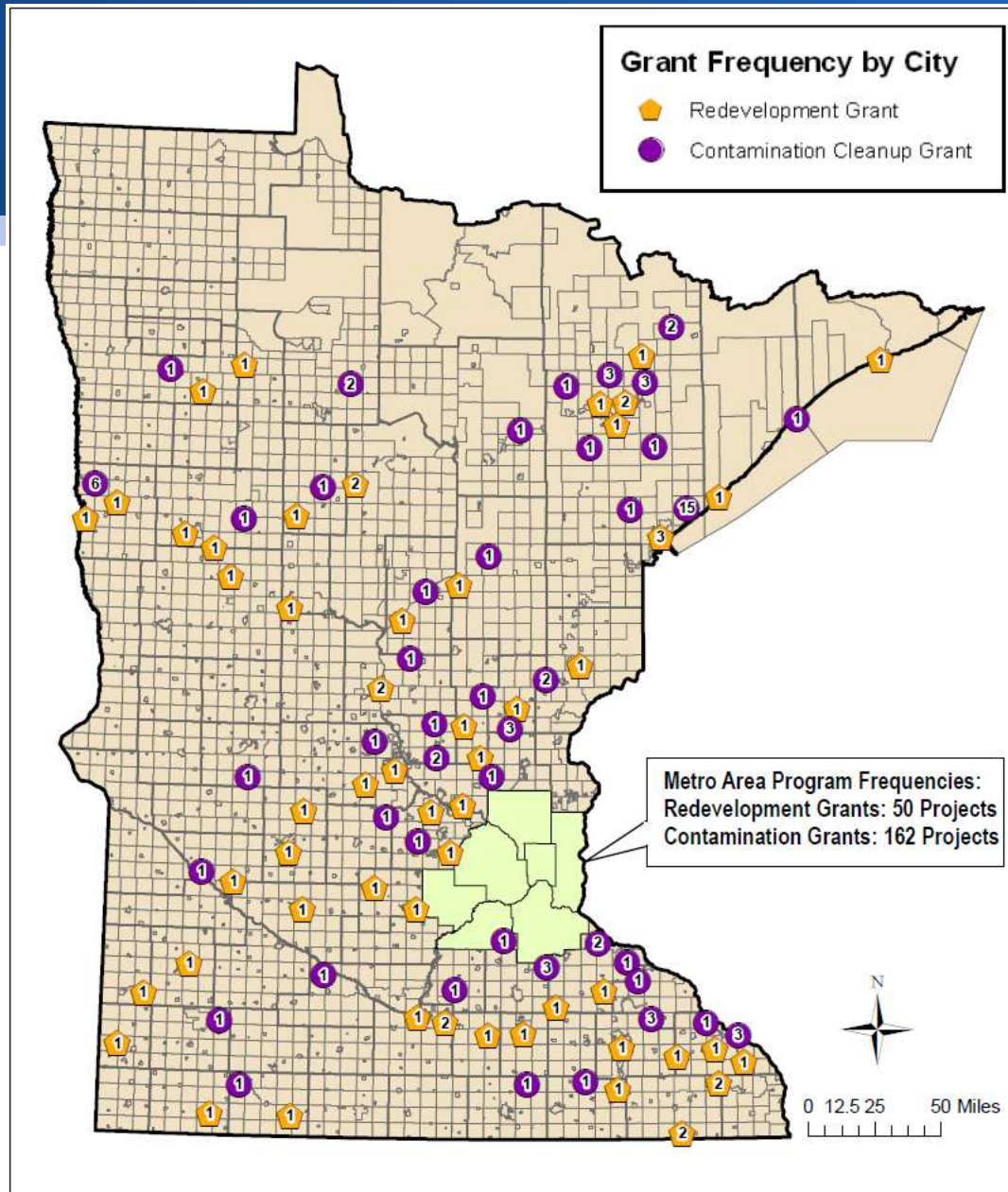
- Same eligible applicants as Redevelopment Grants
- Eligible sites must be owned by the applicant, must have been vacant for at least one year and cannot be listed on the National Register of Historic Places
- Eligible costs include demolition and interior remediation
- Same application deadlines as Redevelopment Grants
- Doesn't have to be imminent development prospect

# Other Loan Information

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



# Previously Funded Cleanup and Redevelopment Grants



# Comparables

	Contamination Investigation	Contamination Cleanup	Minnesota Cleanup RLF	Redevelopment	Demolition Loan
Program Created	1995	1993 (1995)	2004	1998	2011?
Local Match	25%	25%	22%	50%	0%
Competitive	✓	✓	✓	✓	✓
Grant	✓	✓	Sometimes	✓	✓
Loan			✓		✓
Due Date	May and November	May and November	Anytime	February and August	February and August
Statewide Distribution	Minimum 35% GM	Minimum 35% GM		Minimum 50% GM	Minimum 50% GM
Private Use	✓	✓	✓		✓

# Eligible Applicants

	Contamination Investigation	Contamination Cleanup	Minnesota Cleanup RLF	Redevelopment	Demolition Loan
City	✓	✓	✓	✓	✓
County	✓	✓	✓	✓	✓
HRA	✓	✓	✓	✓	✓
EDA	✓	✓	✓	✓	✓
Port Authority	✓	✓	✓	✓	✓
Private For Profit			✓		
Private Non-Profit			✓		
State or Federal Agency					

# Use of Funds

	Contamination Investigation	Contamination Cleanup	Minnesota Cleanup RLF	Redevelopment	Demolition Loan
Investigation	✓	✓	Sometimes		
Soil/GW Cleanup		✓	✓		
Asbestos Abatement		Sometimes	✓	✓	✓
Demolition		Sometimes	Sometimes	✓	✓
Acquisition		Sometimes		✓	
Infrastructure Improvements				✓	
Geotechnical				✓	
Ponding				✓	

# DEED Assistance

## **Brownfields and Redevelopment staff:**

Meredith Udoibok,  
Director  
651-259-7454

Kristin Lukes,  
Assistant Director  
651-259-7451

## Project Managers:

Terry Dalbec, 651-259-7448

Roy Murphy, 651-259-7452

Kristin Prosocki, 651-259-7453

## Administrative Assistant:

Irene Dassier, 651-259-7449

For more information on DEED Funding Programs, see DEED on the Web

[www.positivelyminnesota.com](http://www.positivelyminnesota.com)