



# Redevelopment and Property Reinvestment Program Guidelines

2022



# **City of Farmington**

## **Redevelopment and Property Reinvestment Program**

### **Program Objectives**

In coordination with the EDA Workplan and city adopted plans such as the 2040 Comprehensive Plan, Downtown Redevelopment Plan and Highway 3 Corridor Plan, it has been acknowledged that redevelopment needs to focus on retaining, reinvesting and reinvigorating underutilized buildings within commercial and industrial areas of the city.

For 2022, the Economic Development Authority (EDA) has made financial grants available for projects which focus on property, building and code improvements which are otherwise seen as barriers for reinvestment, reuse and redevelopment of a property. The intent of the program is to foster investments and improvements into commercial and industrial properties which fosters business growth, efficiency and increases the productive use of existing infrastructure.

### **Eligible Properties**

Any property within the City of Farmington where the primary use of the property and building(s) is for business (commercial and/or industrial). If you are unsure if your property is eligible or if you qualify for this program, please contact city staff who will assist you.

### **Eligible Improvements**

Funds may be used for property, building and code improvements which are permanent and anchored to the site of improvements. The project utilizing grant funds must go towards a project which helps redevelop, maintain and/or expand the variety of business uses on the existing property and infrastructure. Applicants which can outline how the project provides the potential to create or retain jobs as well as increase revenue and/or efficiency of a business operation will receive higher scoring. Please refer to the scoring rubric on page 4.

#### **Funds may be used for, but not limited to:**

- Building demolition costs in a project which will redevelop the property.
- Construction, renovation or expansion of buildings.
- Contamination remediation.
- Correcting code violations (city, building and/or fire code).
- Installation and connection to city sewer and/or water.
- Permanent electrical, plumbing or mechanical work.
- Preventing and/or fixing deterioration and blight of structure(s).
- Property upgrades to comply with ADA requirements (e.g. install an elevator).
- Reconfiguration of interior space to suite a new user or provide lower cost space.
- SAC and/or WAC credits.
- Sprinkling a building.
- Other improvements similar in nature to the above – contact city staff with questions on project eligibility.

## **Ineligible Improvements**

- Acquisition costs.
- Any improvement(s) temporary in nature (furniture, equipment, etc.) which can be removed when the owner/tenant leaves.
- Business and operating costs.
- Costs to the applicant prior to EDA acceptance and grant agreement execution.

## **Funding**

The EDA utilizes \$30,000 of its annual operating budget to fund the Redevelopment and Property Reinvestment Program and will contribute up to a maximum of 50% of eligible project costs. Grants typically will not exceed \$10,000. Only one grant approval is allowed per year per property.

**All grants require a minimum 1:1 funding match from the applicant.**

This is a reimbursement program. You must complete and pay for the project in full before you will be issued a reimbursement check. All program requirements must be met and the applicant must provide a receipt of evidence of paid invoice(s) with a breakdown of itemized costs before a reimbursement check is issued.

## **Historic Properties**

The City of Farmington is a Certified Local Government under the Historic Preservation Act. Each project submitted for review that is determined eligible for designation or is a heritage landmark property will be reviewed as outlined in city code to receive a Certificate of Appropriateness. This requires additional Planning Commission review for the project.

## **Grant Terms & Requirements**

If approved, a grant agreement will be executed between the applicant and the City of Farmington outlining all requirements which must be met by the applicant before funding is released. Once the grant agreement is executed, the applicant has 90 days to begin the project. The project must be completed by July 1, 2023. If construction work does not begin within 90 days of the grant agreement execution, the grant agreement is null and void. The applicant may apply for one extension if necessary which will be reviewed on a case-by-case basis.

## **Data Privacy**

All information provided by applicants under the Redevelopment and Property Reinvestment Program shall be maintained in accordance with the Minnesota Data Practices Act.

## **Permits**

All improvements must obtain any required approvals and/or permits. All construction management is your responsibility.

## **Property Inspections**

Upon determination that the applicant(s) applying for financial assistance is eligible based on the program guidelines, the Building Official may conduct an inspection of the property to

determine if the proposed improvements conform with City of Farmington building code standards.

### **Grant Approval Process**

#### **Step One: Be sure you meet program requirements**

- The property receiving grant dollars must be used for business purposes.
- The property is up-to-date on all property taxes and is in good standing with the city.
- This is a reimbursement program. You must complete and pay for the redevelopment and reinvestment project in full before the EDA will issue a reimbursement check. All program requirements must be met before reimbursement is issued.

**Step Two: Contact Community Development city staff with any questions** you have before applying for the program. Possible project discussion can occur over the phone, email, virtually or in-person. Community Development staff can be reached at 651-280-6800.

- Properties which are a designated historic property may require Planning Commission review and approval for a Certificate of Appropriateness before a grant can be approved.

#### **Step Three: Submit a completed Redevelopment and Property Reinvestment Program Application.**

A completed application includes:

- Filled-out application.
- Photo(s) of current area to be redeveloped and reinvested in.
- Rendering and/or plan drawings showing proposed improvement.
- Contractor bids (minimum two) with a breakdown of itemized costs.
- Proof of insurance on the building and/or property to be improved.

#### **Step Four: Application review and grant selection.**

Completed applications will be accepted from March 1, 2022 – June 30, 2022. All applications must be submitted no later than 4:30 p.m. on June 30. The EDA will award grants at their July 2022 Regular Meeting.

Applications competing for funding will be graded and selected based on the scores received. Please reference scoring criteria to review how redevelopment and reinvestment projects will be graded if applications exceed available funding. The EDA reserves the right to approve or reject projects on a case-by-case basis taking into consideration established policies, project criteria and Redevelopment and Property Reinvestment Program demand. Meeting program criteria does not guarantee the award of business assistance to the project. Approval or denial of any project does not set a precedent for approval or denial of another project.

**Office Use Only – Please leave blank**

Scoring System	1	2	3	4	5	Rationale
<b>Age of Building</b>	<30 Years (Built Since 1992)	31-60 Years (Built 1991-1962)	61-90 Years (Built 1961 - 1932)	91-120 Years (Built 1931-1902)	121+ Years (Built Before 1902)	Older buildings typically need reinvestment or redevelopment to reach full business capacity or capabilities. This criteria aims to support business in older buildings in the community as well as business retention efforts.
<b>Business Size</b>	51+ Employees	26-50 Employees	11-25 Employees	6-10 Employees	5 or Fewer Employees	Statically, smaller businesses have less cash buffer than larger businesses. This criteria aims to stabilize the ability for all businesses to complete reinvestment or redevelopment projects.
<b>Total Cost of the Project</b>	<\$10,000	\$10,001-\$20,000	\$20,001-\$30,000	\$30,001-\$50,000	\$50,001+	The higher the ratio of private investment vs. public grant dollar investment, the higher the scoring will be.
<b>Current Conditions of the Building and/or Property</b>	<u>Good</u> : Suitable for continued use with normal maintenance.		<u>Satisfactory</u> : Requires some restoration to represent "good" condition.		<u>Fair, Poor, or Unsatisfactory</u> : Conditions adversely impact building and business operations in some capacity.	Buildings and properties which need redevelopment or reinvestment projects to achieve full business potential will receive higher scoring.
<b>Minority, Women, Veteran and/or Immigrant Ownership</b>	No M/W/V/I Ownership	-	-	-	Ownership is M/W/V/I	Statically, M/W/V/I businesses have less cash buffer than other businesses. This criteria aims to stabilize the ability for all businesses to complete projects.
<b>Does the Project Directly Relate To An Increase In Business Productivity, Revenue, Capacity or Employee Size?</b>	No	-	-	-	Yes	Redevelopment and reinvestment grants are intended to help a business or property owner increase business productivity, revenue, capacity or employee size. If the project is able to accomplish that objective, the scoring will reflect that.
<b>Have You Received an EDA Grant Previously?</b>	Yes	-	-	-	No	Redevelopment and reinvestment grants intend to be accessible to all businesses. Preference will be given to those businesses who have not previously received EDA grants.

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