

## Minnesota Main Street Economic Revitalization Program

If your organization is a property owner, business, or developer seeking funds for your specific project or facility you are not eligible to apply directly to the State for this program. Once partnership organizations are selected and programs established property owners, businesses and developers will have the opportunity to request assistance from partner organizations serving their community.

The Minnesota Department of Employment and Economic Development (DEED) will oversee the Main Street Economic Revitalization Program approved by the Minnesota State Legislature and signed by Gov. Tim Walz on June 29, 2021.

This program, through a Request for Proposals, will make grants to nonprofit partner organizations to fund 30% matching grants up to \$750,000 and guaranteed loans up to \$2,000,000 to eligible recipients for eligible projects that are designed to address the greatest economic development and redevelopment needs that have arisen in communities across Minnesota since March 15, 2020.

A total of \$41 million is available in this second round of funding for partner organizations. Request for proposals (RFPs) opens at 3:00 p.m. on January 27, 2022; proposals are due by 4:00 p.m. on February 28, 2022.

Main Street Revitalization Program Partner Organizations will be publicly announced in spring of 2022. Each partner organization will be responsible for conducting outreach and soliciting request for assistance from property owners, businesses and developers.

## Eligibility

The following types of organizations are eligible to submit a proposal for grant funding as a partner organization:

- Foundations engaged in economic development
- Community development financial institutions
- Nonprofit organizations engaged in housing and commercial development

Organizations seeking to serve as a partner organization must demonstrate in their proposal they have raised funds for the specific purposes of this program or will do so within 15 months of being awarded grant funds. Existing assets and state or federal funds may not be used to meet this requirement.

Partner organizations cannot receive financial assistance from this program for facilities or properties they own or lease. Partner organizations must establish a process of ensuring there are no conflicts of interest in determining awards under the program.

Local governments cannot receive funding from this program.

## Project Service Areas

In the proposals, partner organizations will define a service area that includes one or more commercial corridors and/or areas of concentrated commercial activity that have been impacted by conditions that have arisen in the area since March 2020. Proposals will demonstrate how these conditions have resulted in the need for these funds to spur investment and increase commercial activity within those identified commercial corridors.

Specific qualifying conditions may include but are not limited to:

- Widespread arson and civil unrest
- Natural disasters
- Major plant closures, significant commercial vacancy increases, and/or loss of economic anchor institutions
- COVID-19 pandemic impacts on travel, tourism, retail and accommodation

## Eligible Uses

Partner organizations receiving grant funds from this program can use the funds to establish a program within one or more commercial corridors to provide assistance to eligible recipient and projects within a defined service area.

Partner organizations can offer grants up to \$750,000 per project or up to \$2,000,000 in guaranteed loans. Leveraged grants can cover up to 30% project cost. Guaranteed loans will be guaranteed by the state up to 80% of the value of the loan.

Leverage grants and guaranteed loans can be used eligible recipients for the following:

- Repair, or renovation of real property
- Building construction
- Landscaping and streetscaping
- Demolition and site preparation
- Predesign and design
- Engineering
- Infrastructure
- Related site amenities

Eligible project expenses do not include the purchase of real estate or business operations or business operating expenses, such as inventory, wages, or working capital.

## Terms

Partner organizations must demonstrate they have raised funds for the specific purposes of this program or will do so within the 15-month period following the awarding of grant funds. Existing assets and state or federal funds may not be used to meet this requirement.

An eligible project must have secured commitments for all required matching funds and all required development approvals before a leveraged grant or proceeds from a guaranteed loan may be distributed.

No grants or loans may be made after December 31, 2024. All funded projects must be completed by December 31, 2026.

Up to 4% of a grant made to a partner organization may be used by the partner organization for administration and monitoring of their program.

## Leveraged grants

- Leveraged grants can cover up to 30% of an eligible project cost up to \$750,000 in state grant funds.
- Grants must be matched with non-state funds at 200% of the state's portion of the grant.
- Matching funds may include but are not limited to funds contributed by a partner organization and insurance proceeds from an eligible recipient.
- 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.

## Loan Guarantees

- Partner organization can offer up to \$2 million loans per project guaranteed by the state, up to 80% of the value of the loan.
- Loan capital is sourced from other non-state or non-federal sources.
- Loan guarantees are for a maximum period of 15 years from the origination of the loan.
- DEED will use program funds to reserve a minimum of 10% of the loan amount in the Loan Guarantee Trust Fund to pay out defaulted loans.
- The guaranteed portion of the loan may be subordinate to other loans made by lenders in the overall financing package.
- An eligible project must have all required development approvals before a guaranteed loan may be distributed.

## Request for Proposals

The request for proposals (RFP) is published on our [Grants and Contracts page](#) ([/deed/about/contracts/open-rfp.jsp](#)). Proposals, including all required attachments, are due by 4:00 p.m. on Monday, February 28, 2022. Late proposals will not be accepted.

Proposal must be sent via email to [MSERP.DEED@state.mn.us](mailto:MSERP.DEED@state.mn.us) (<mailto:MSERP.DEED@state.mn.us>) in a single PDF file not to exceed 25MB in file size. Please avoid using a large number of images files and photos in the proposal document.

The subject of the email line should be "MSERP – [Organization Name] – [Proposed Service Area]".