

# Downtown Building Rehabilitation Program

## Eligibility

1. Private businesses, nonprofits, and tribal units of government
  - a. Tenants are eligible with written consent from the property owner.
  - b. City Economic Development Authorities (EDA's) is eligible to apply if repurposing a vacant building for business development.
2. Demonstration of matching funding.
  - a. Must submit a document from bank or other loan/grant program showing matching funding is available.
3. Funding must be used to address code compliance construction upgrades.
  - a. Must submit a description of how work will address code issues.
4. The building must be located on a main street in a downtown area.
  - a. Applications not on the Main Street in a downtown area will be reviewed on a case-by-case basis and eligible to apply contingent upon:
    - i. Additional funds available.
    - ii. Being located in a commercial business corridor.
5. Confirmation project (or project phase) has not started construction.
  - a. AEOA will conduct an initial site visit and document with photos.
  - b. Agency reserves the right to award grants to projects which have started but an inspection must occur prior to construction to ensure eligibility and document existing conditions.
6. One project per applicant per year.
  - a. If more than one project per year is proposed, it will be determined on a case-by-case basis with approval by the grant administrator prior to the project beginning.

## Downtown Building Rehabilitation Prioritization

1. Building is prominent or historically significant (1 point).
2. The building is highly visible on the Main Street in a downtown area (1 point).
3. Code compliance issues are clearly identified (1 point).
4. Project will support business expansion or retention (1 point).
5. Project will bring a building back into use, expand the use of a building or retain a business that is in jeopardy of vacating a building (1 point).
6. Readiness is demonstrated, including but not limited to the following: (2 points total)
7. Current bids submitted with application.
8. Ready to begin within 90 days of application submittal.

## How it Works

1. Submit your DBR application, release, supporting documents and current prevailing wage compliant bids to AEOA for review. \$500,000 has been allocated to the program.
2. If approved, AEOA will contact you and schedule a site visit, take photo documentation of the property, verify if the project is viable, discuss the program more thoroughly and collect the application fee of \$500.00, if not already submitted. If declined AEOA will submit an email explaining the reason.

**\*\*\* Prior to Starting the Project \*\*\***

## Applicant Responsibilities

1. AEOA conducts bid review with the applicant and AEOA verifies contractor requirements such as being licensed and/or registered to include having liability insurance are met.
2. AEOA, the applicant and contractor(s) will perform a pre-construction conference. At this conference both parties will complete the warranty agreement and proceed to work documents.

# Downtown Building Rehabilitation Program

3. The applicant must have their banker or lender supply AEOA with a 2/3 (or specific amount) funding verification email or letter for their portion of the project to include award letters from leverage funding sources. Supplying this documentation with your application is encouraged for application scoring purposes.
4. The Application (or AEOA) will hang the provided **“This project made possible through taxes paid by Minnesota’s Mining Industry”** sign in public view.

## **Contractor Responsibilities**

1. Contractor to complete the AEOA provided direct deposit form for their 1/3 (or specific amount) electronic payment to include a voided check in association with the bank account information.
2. Contractor to provide current liability insurance certificate made out to AEOA.
3. Contractor to complete the AEOA provided completed ‘Sworn Construction Statement’.

**\*\*\* When the above documents have been completed and provided to AEOA, the project may start \*\*\***

## **AEOA’s Responsibility after Project Awarding**

1. AEOA will process the \$500 application fee.
2. AEOA will collect contractor’s lien waiver, final invoice, and prevailing wage compliance form(s) when completed.
3. AEOA will complete the final inspection for the work that was awarded to the specific contractor. The applicant, contractor, and AEOA will need to sign the complete certificate for the contractor payment.
4. AEOA will electronically deposit the award grant amount directly to the awarded contractor.

If you have any additional questions, please contact me.

Sincerely,

Erik Bennett  
AEOA – Downtown Building Rehabilitation Program  
702 3<sup>rd</sup> Ave South  
Virginia, MN 55792  
218.780.8061  
Erik.bennett@aeoa.org



# Downtown Building Rehabilitation Program Description



The Downtown Building Rehabilitation Program (DBR) is designed to help aid in financing code compliant construction and remodeling projects on main streets in downtowns. The DBR Program will support and provide 1/3 project cost up to \$50,000 in eligible expenses. Up to 10% of awarded grant funding may be utilized for professional services such as an architect or engineer. A \$500.00 application fee will be required to participate in this program and will be processed at the time of project closing. Total program funding is yet to be determined.

## Eligible Projects

- Private & Nonprofit building owners and tenants
- Funding must be used to address code compliant construction upgrades.
- Confirmation that the project has not started construction.
- Demonstration of matching funds
- Building must be on a main street in a downtown area
- One project per program year

## Code Compliant Eligible Costs

- General Construction
- Elevator
- Sprinklers
- Electrical
- ADA
- Housing Rehabilitation
- Plumbing
- Mechanical
- Lead & Asbestos Removal

Applicants are required to provide the following to be considered for funding:

- Downtown Building Rehabilitation Program Application
- Letter from the businesses bank(s) or lender(s) verifying funds available for their portion.
- \$500.00 Application Fee (Please make check payable to AEOA at the initial inspection)

Eligible applications will be prioritized based on the following: Building is prominent or historically significant (1 point), Building is highly visible on the main street in a downtown area (1 point), Code compliance issues are clearly identified (1 point), Project will support business expansion or retention (1 point), Project will bring a building back into use, expand the use of a building or retain a business that is in jeopardy of vacating a building (1 point), Current prevailing wage estimates submitted with application (2 points), and applicant is ready to begin within 30 days of application submittal (1 point).

Staff from AEOA will be responsible for:

- Initial site visit inspection - photo documentation and collection of application fee
- Pre-construction conferences with the business representative(s) and Contractor(s) to award the project(s)
- Final inspection of the completed project

One third of the project up to \$50,000 maximum payment will be paid in full to the awarded contractor(s) from AEOA when all documents are completed, and the project is final inspected. It is the contractor(s) responsibility to invoice AEOA as well as the building owner. The building owner is responsible for paying the additional amount of the total project to the contractor with proof prior to receiving the DBR portion. If multiple measures of work are chosen and the total cost of the project is over \$150,000, the \$50,000 contribution will go towards the portion of the project that has the most impact and value to the program at AEOA and the IRRR's discretion.

Contractors will have to complete the following to move forward with the project:

- Prevailing Wage Compliance Form
- Direct Deposit Form w/voided check (applicable to new contractors)
- Liability insurance certificate for job specific projects
- Signed Warranty and Contract Agreement, Lien Waiver(s) and Sworn Construction Statement at the pre-construction conference.

If you have any additional questions, please contact me.

Sincerely,

Erik Bennett  
 AEOA - Downtown Building Rehabilitation  
 702 3<sup>rd</sup> Ave South  
 Virginia, MN 55792  
 218.780.8061  
 Erik.bennett@aeoa.org



# Downtown Building Rehabilitation Program Application



Business Name: \_\_\_\_\_ # of Employees at this location: \_\_\_\_\_  
 Property Address: \_\_\_\_\_ Tax Parcel # \_\_\_\_\_  
 City: \_\_\_\_\_ Zip: \_\_\_\_\_ County: \_\_\_\_\_  
 Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Contact Email Address: \_\_\_\_\_ Fax: \_\_\_\_\_  
 Property Owner Name: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Property Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

\* Electronic signature will be represented by typing full, legal name in the specified signature box and I agree that my electronic signature is the legally binding equivalent to my handwritten signature.

What type of facility is this building? \_\_\_\_\_ Is it mixed use? \_\_\_\_\_  
 Are there current residential rental units within building? \_\_\_\_\_ If so, how many? \_\_\_\_\_  
 How many stories above ground is your building? \_\_\_\_\_ Is your building vacant? \_\_\_\_\_  
 Do you have a lease agreement pending rehabilitation? \_\_\_\_\_ If so, who/what? \_\_\_\_\_  
 Is the building considered historic? \_\_\_\_\_ If so, is the building registered with state or national historical? \_\_\_\_\_  
 Do you have a business plan? \_\_\_\_\_ If yes, attach to application.  
 How will you project bring a building back into use? \_\_\_\_\_

How will your project impact the community? \_\_\_\_\_

How will your project impact the region? \_\_\_\_\_

If applicable, note impact to job creation and retention: \_\_\_\_\_

What building codes are currently in violation? \_\_\_\_\_

List any building accessibility concerns? \_\_\_\_\_



# Downtown Building Rehabilitation Program Application



Are you ready to start the project within 90 days? \_\_\_\_\_ Estimated construction start date? \_\_\_\_\_

\*\*\*Current prevailing wage compliant estimates are due with application submission\*\*\*

Have you applied for other grants? \_\_\_\_\_ If so, list lenders and amounts: \_\_\_\_\_ \$ \_\_\_\_\_

Have these grants been committed or awarded? \_\_\_\_\_ \$ \_\_\_\_\_

Anticipated date of construction: \_\_\_\_\_ \$ \_\_\_\_\_

Have you secured a loan? \_\_\_\_\_ If so, how much? \$ \_\_\_\_\_ Where? \_\_\_\_\_

How much are you willing to pay out of pocket? \$ \_\_\_\_\_

Are you using an architect or structural engineer? \_\_\_\_\_

List items you would like to repair, replace or install:

- |          |           |
|----------|-----------|
| 1. _____ | 6. _____  |
| 2. _____ | 7. _____  |
| 3. _____ | 8. _____  |
| 4. _____ | 9. _____  |
| 5. _____ | 10. _____ |

Please submit supporting documentation and current prevailing wage compliant bids with your application submission.

*Thank you!*

Additional Applicant Comments: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Submit applications to:

**Attention: Erik Bennett**  
**Mail: AEOA**  
**702 3rd Ave South, Virginia, MN 55792**  
**Email: erik.bennett@aeoa.org**  
**Fax: (218) 780.8061**

BY SIGNING THIS RELEASE FORM YOU ALSO HEREBY GRANT PERMISSION FOR AEOA AND IRRR TO TAKE AND USE: TESTIMONIALS AND/OR COMMENTS SAID DURING THE BUSINESSES PROJECT AND PHOTOGRAPHS AND/OR DIGITAL IMAGES OF THE BUSINESS/PROJECT FOR USE IN NEWS RELEASES AND/OR EDUCATIONAL MATERIALS. THESE MATERIALS MIGHT INCLUDE PRINTED OR ELECTRONIC PUBLICATIONS, WEB SITES OR OTHER ELECTRONIC COMMUNICATIONS. YOU FURTHER AGREE THAT YOUR BUSINESS NAME AND IDENTITY MAY BE REVEALED IN DESCRIPTIVE TEXT OR COMMENTARY IN CONNECTION WITH THE IMAGE(S).

YOU AUTHORIZE THE USE OF THESE IMAGES WITHOUT COMPENSATION.

ALL NEGATIVES, PRINTS, DIGITAL REPRODUCTIONS SHALL BE PROPERTY OF AEOA.

**\*\*\*Make application fee of \$500.00 out to AEOA\*\*\***

Property Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

\* Electronic signature will be represented by typing full, legal name in the specified signature box and I agree that my electronic signature is the legally binding equivalent to my handwritten signature.

