



## **St. Cloud Main Street Economic Revitalization Grant Program Frequently Asked Questions**

The City of St. Cloud Economic Development Authority (EDA), in partnership with Initiative Foundation is now accepting applications for grants to support business recovery and economic development along the St. Cloud Downtown Commercial Corridor.

Applications will be open July 22, 2022 through an online portal until September 23, 2022. All funding is expected to be distributed by the Initiative Foundation by December 31, 2024. Projects must be completed by December 31, 2026.

### **What is the Main Street Economic Revitalization Grant Program?**

This is a state-funded initiative intended to provide grants for capital improvement projects in commercial corridors across the state that have been impacted by conditions that have arisen since March 2020. In May 2022, the Initiative Foundation was awarded a Main Street Economic Revitalization grant of \$4.5 million from the Minnesota Department of Employment & Economic Development (DEED), of which St. Cloud is one of 6 Central Minnesota communities included in this award round. Initially \$1.5 million has been allocated to projects in the St. Cloud Downtown Commercial Corridor.

<https://mn.gov/deed/business/financing-business/deed-programs/emergency-programs/economic-revitalization/> The grant dollars will be used to help central business districts rebuild and reposition themselves in the face of a substantially changing downtown economy.

### **Who is administering the grant program locally?**

The City of St. Cloud EDA is administering the program marketing, outreach, application review and issuing funding recommendations to the Initiative Foundation. Funding will be disbursed by the Initiative Foundation with funding provided by the State of Minnesota Department of Employment and Economic Development (MN DEED).

### **When can I apply for a grant under this program and when will funding be available?**

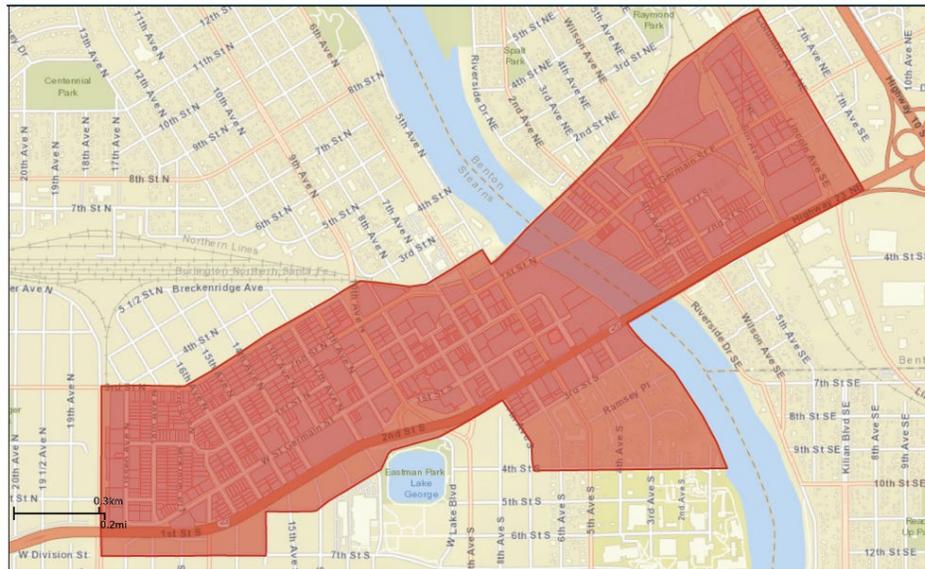
The City of St. Cloud EDA intends to begin accepting applications in July 22, 2022 through September 23, 2022. DEED requires all funds to be awarded no later than Dec 31, 2024, and the projects must be completed by Dec 31, 2026.

### **Who is eligible to apply for this grant program?**

Business owners or developers with property located in St. Cloud Downtown Commercial Corridor (highlighted area shown on the map) and have plans to develop, redevelop, renovate, or make repairs to their property are eligible to apply. Projects that make an investment in preparation for a future project can apply to cover any of the eligible expenses listed above. Individuals leasing space should work with their landlord for any potential application.

**What if my business was impacted but is not within the boundaries of the defined service area: Am I eligible to receive assistance from this program?**

No. All eligible recipients and projects must be within the geographic boundaries of the defined service area.



**What investments may be funded by the grant?**

Projects enhancing permanent structures or creating new site amenities within the program boundary are eligible. Soft costs (e.g. design, engineering, and/or construction expenses associated with the following projects are eligible:

- Construction of new buildings
- Renovation or repair of existing structures, including expansions or additions
- Demolition of existing blighted or obsolescent structures
- Landscaping, streetscaping, related site amenities
- Private infrastructure

**What investments may NOT be funded by the grant?**

The purchase of real estate is not eligible, nor are business operations or business operating expenses, such as ongoing maintenance, inventory, wages, or working capital.

**What projects will receive priority?**

All businesses and organizations within the St. Cloud Downtown Commercial Corridor are welcomed to apply. However, applicants should be mindful of the priority objectives in considering project requests that:

- Revitalize properties harmed by events of the past two years
- Support small businesses
- Advance projects that catalyze further investment in the corridor;

- Enhance opportunities for minorities, women, veterans, or other protected classes of entrepreneurs
- Increase occupancy of currently vacant storefronts and downtown buildings
- Create affordable housing and support services (e.g. childcare) in the corridor

**Are funds available for projects already completed?**

No, these funds are only available for new projects as described in your application.

**What is the maximum and minimum amount of funding that can be received under this program?**

Grant awards can cover up to 30% of an eligible project cost, up to a maximum of \$750,000 (e.g. total project size \$2,500,000 or more). However, to fund as many projects as possible, a soft cap of \$200,000 has been set. Projects receiving \$200,000 or more must comply with [prevailing wage](#) requirements as required by the State of Minnesota. The minimum grant award is \$3,000 (e.g. total project size \$10,000 or more)

For example:

- a. A \$100,000 capital project can be awarded up to \$30,000 in Main Street Grant funds. The remaining balance must be funded through other sources.

**What can be used for the matching funds?**

Loans, equity, and local government funding not derived from state or federal sources can be used for the match. Projects must demonstrate that they have outside funding from sources such as grants or loans, developer equity, or insurance proceeds. All Main Street grants must be matched with non-state and non-federal funds. Examples of proof of matching funds include pending or open loan with a financial institution, letter or line of credit, bank statement, letter of commitment from other local units of government.

**Can recovery grants or loans to an eligible recipient used for working capital expenses be considered as matching funds towards leverage grants?**

No. Only funds used for eligible capital costs can be considered as matching contributions toward a project receiving a leveraged grant from this program.

**Would the purchase of real estate count towards the matching requirements of leveraged grant to a project?**

The purchase would not be counted as match. An eligible project does not include purchase of real estate or business operations or business operating expenses, such as inventory, wages, or working capital.

**Does an eligible project and recipient need to be an existing business or established business prior to March 2020 or can a new business receive assistance from this program?**

New businesses and businesses that did not exist prior to March 2020 are eligible to participate if they meet all other program requirements.



**Are works of art, including murals, eligible expenses for projects receiving grants from this program?**

Works of art, including murals, are not eligible expenses for this program. However, those costs can be considered as part of the matching contribution to any grants to a recipient.

**For projects receiving grants from this program, do those projects have to comply with prevailing wage requirements?**

Yes. Per 2020 Minn. Stat. 116.871, prevailing wage requirements under Minn. Stat. 177.41 through 177.44 apply to all recipients receiving \$200,000 or more in grant proceeds. More information can be found here:

[https://mn.gov/deed/assets/prevailing-wage\\_tcm1045-420167.pdf](https://mn.gov/deed/assets/prevailing-wage_tcm1045-420167.pdf)

**Where can I access and complete my application?**

All application materials must be submitted through the online portal. Applicants will need to create an account in the portal which will allow updates to be made until final submittal; we encourage you to download this preview document which is designed to help you prepare your application. Complete applications will be screened for eligibility, project readiness, and alignment with funding priorities. All applicants will be notified if they have been chosen to advance in the process and those that have been declined.

**Where can I go for additional questions not addressed here?**

If you have questions about the guidelines or need other assistance in the application process, contact [Cathy Mehelich](#), Economic Development Director or [Lyndsey Stram](#), Economic Development Specialist.

**Do I need to complete my application in English?**

We are working with translators to provide outreach, communication and interpretation services to clients who require this application in other languages. Contact [Cathy Mehelich](#), Economic Development Director or [Lyndsey Stram](#), Economic Development Specialist for endorsed service providers.

**What should I consider as I complete my application?**

Grant applicants will be asked to demonstrate that their project accomplishes one or more of the following goals:

- Revitalize properties harmed by events of the past two years
- Support small businesses
- Advance projects that catalyze further investment in the corridor
- Enhance opportunities for minorities, women, veterans, or other protected classes of entrepreneurs
- Increase occupancy of currently vacant storefronts and downtown buildings
- Create affordable housing and support services (e.g. childcare) in the corridor

**My business lost money during COVID-19, can I apply for funds to cover those expenses under this program?**

No, this program cannot cover lost revenue or other operating expenses.

Can I apply for funds under this program if my project already started?

This funding cannot provide funding for work underway. This funding can cover additions made to the original project plans. These additions should be referenced in the application. Please highlight how this funding allows for an addition in your grant application.

I need to start my project prior to grant decision, can I apply for funds under this program?

This funding cannot provide funding for work started before a grant decision and agreement is made. If your project is constructed in multiple phases, you can apply for funds to support a later phase of your project.

**I am leasing a space within the boundary; can I apply for funds under this program?**

If your business is leasing a space, you should work with your landlord to determine if eligible work can be performed on your business.

**What qualifies as an eligible matching fund?**

|   |              |
|---|--------------|
| Private funds (cash, private loans, etc)                                  | Eligible     |
| Local government funds (City, County, Political Subdivisions, EDAs, etc.) | Eligible     |
| New Market Tax Credits  | Eligible     |
| SBA 7a Loans  | Eligible     |
| SBA 504 Loans   | Eligible     |
| CARES Act Funds   | Not Eligible |
| Community Development Block Grant Funds                                   | Not Eligible |
| Any other direct state or federal funds                                   | Not Eligible |
| State Grants/Loans (MIF, JCF, Community Development Funds, etc.)          | Not Eligible |
| State or Federally Source Revolving Loan Funds                            | Not Eligible |

**Are eligible expenses incurred prior to grant approval allowed toward the 70% match requirement?**

Eligible expenses incurred between July 1, 2021 and August 6, 2022 will be allowed to account for up to 50% of the local match (representing 70% of total project costs). Documentable expenses (receipts or invoices paid) between those dates can count as (up to 50%) of the 70% match.

Eligible expenses include:

Eligible expenses incurred between July 1, 2021 and August 6, 2022 will be allowed to account for up to 50% of the local match (representing 70% of total project costs). Documentable expenses (receipts or invoices paid) between those dates can count as (up to 50%) of the 70% match.

Eligible expenses include:

- Predesign and Planning

- Demolition
- Repair or renovation
- Landscaping/streetscaping
- Engineering
- (Non-municipal) infrastructure

## Eligible Expenses

### 5.1 Is an equipment an eligible project expense?

- Equipment is not eligible unless it falls under the definition of a capital improvement. For equipment to qualify as a capital improvement it has to be a tangible fixed asset of a capital nature and purchased and installed upon initial acquisition and construction of a building, expansion or major remodeling and necessary for the intended purpose of the facility.
- Examples of equipment that meets this definition could include walk-in coolers, kitchen ranges and ovens, vent hoods, security equipment, restroom equipment, etc.
- Equipment that is not installed in facility such as furniture, computers, etc are not considered capital improvements to the facility itself. In other words if a piece of equipment can be picked up and moved out the facility and be quickly converted to cash it's not eligible.
- Examples of equipment that does not meet the definition of capital improvement could include things like tables, chairs, tablets, computers, utensils, office supplies, printers, etc.

### 5.2 Do mechanical upgrades (ie. new heating and air conditioning) qualify for this grant?

- Capital improvements or replacement of structural components of a facility are an eligible expenses for this program. HVAC systems are considered a structural component. We are relying on IRS definition of structural component defined in 26 CFR 1.48-1(e)(2) .

*The term "structural component," includes such parts of a building as walls, partitions, floors and ceilings, as well as any permanent coverings therefore such as paneling or tiling; windows and doors; all components (whether in, on, or adjacent to the building) of a central air conditioning or heating system, including motors, compressors, pipes and ducts; plumbing and plumbing fixtures, such as sinks and bathtubs; electric wiring and lighting fixtures; chimneys; stairs; escalators, and elevators, including all components thereof; sprinkler systems; fire escapes; and other components relating to the operation or maintenance of a building.*

- Repairing or upgrading an HVAC is a capital improvement of structural component so in that sense it is an eligible expense.