



## **MSERP Instructions**



### **Main Street Economic Revitalization Program Application Instructions**

#### **Overview**

Thank you for your interest in the Main Street Economic Revitalization Program. The Faribault Chamber Trust has been awarded \$750,000 through the Department of Employment & Economic Development (DEED) under this program. These funds can be used to provide 2 to 1 matching grants designed to address the greatest economic development and redevelopment needs that have arisen in communities across Minnesota since March 15, 2020.

For our grant, we can support development and redevelopment historic downtown Faribault. Faribault Chamber Trust will serve as the fiscal host of these funds, which will be sub-granted to building owners and developers.

Applications will be reviewed by a community review committee who will make recommendations on which projects should receive grant funding and whether those projects should be fully funded. The review board has been vetted for conflicts of interest. These recommendations will be used to determine which projects receive funding and how much funding will be received. This Program is supported, in part, by the State of Minnesota through a grant from the Department of Employment and Economic Development. For additional questions, please review our frequently asked questions at [www.FaribaultMN.org](http://www.FaribaultMN.org)

#### **Instructions**

Applicants are advised to read these application instructions and prepare responses in advance of submitting an application.

For applicants with questions on matching requirements, it is advisable to read the instructions in

Section 6 – Required Documentation

Section 1 – Applicant Information

Applicant First & Last Name, Email, & Phone Number

Please fill out the contact information for the primary individual responsible for the grant application and who can answer any questions regarding the application.

#### **Preferred Contact Method**

Please note the contact methods where the applicant can be most easily reached for questions or notification regarding grant decisions. This Program is supported, in part, by the State of Minnesota through a grant from the Department of Employment and Economic Development

#### **Do you identify with any of the following underserved populations?**

The population groups identified in this question are listed as priority applicants for the MSERP grant. Applicants do not need to be a member of these groups to be considered. If the applicant does not meet the underserved population criteria, but 50% or more of the business is owned by individuals meeting those criteria, please describe that information in the comments. If the applicant benefitting from the work (i.e. a landlord is making repairs to a building that benefit an existing tenant) please describe that relationship in the next section.

### **Definition of low-income.**

For the purposes of this grant, low-income is defined as those individuals with household incomes at or below the limits prescribed by the United States Department of Housing and Urban Development (HUD) for Faribault.

### **Section 2 – Business Information**

#### **Business Name**

Please name the property owner or organization that is requesting the grant funds. Grant funds will be awarded to the property owner paying for the work. If there are any special scenarios (i.e. a landlord is paying for the work on behalf of a tenant or vice-versa) please describe that relationship in the question labeled “Is there anything else you would like us to know” and describe the other businesses involved in the project.

#### **Business Address**

Please list the current address of the business that is requesting the grant funds. This Program is supported, in part, by the State of Minnesota through a grant from the Department of Employment and Economic Development

#### **Business Employees**

Please list both full-time and part-time employees. For businesses that have high seasonality, please list your average number of employees.

#### **How many years has your business been operational?**

Please continue to provide information for the business that will be receiving the grant funds.

#### **Describe your business**

This is an opportunity to describe the business that will be receiving the grant funds. It should not be used to describe the project that is being performed (that will be in the next section).

#### **Is there anything else you would like us to know?**

This is an opportunity to explain any relationships where multiple businesses are involved with or are directly impacted by the project. It can also be used to share any information about the business that the applicant feels is important and isn't captured in the other questions.

### **Section 3 – Project Information**

Is the Project address different than the business address? Here, we are looking for the location where construction work will be performed. If it is different than the business address, a new series of address lines will appear.

Describe your project's scope of work

Tell us what is going to be done. We want to know what sort of construction will be done and what the outcome will be. This is a good opportunity to talk about how the project meets the eligibility requirements and what the project will result in (additional office space, new commercial space, 5 new housing units, etc.) Stick to the basics as the opportunity to discuss community benefits will appear in later questions. If this is a multi-phase project, note that here and note which phase(s) of the project are impacted by the grant request.

What is the total project cost?

If your project is multi-phase, only include the project cost for the phase for which you are requesting a grant. If you would like to demonstrate the full investment, please describe that in the project scope of work or in the project goals section. This total cost cannot include the cost of real estate or any other ineligible expenses outlined in the FAQs. This Program is supported, in part, by the State of Minnesota through a grant from the Department of Employment and Economic Development

What is the amount of grant funds being requested?

Grant requests cannot be more than 1/3 of the total project cost. Please note that we cannot guarantee that all requests will be fully funded. Review committees will weigh grant requests against available funds.

How will this project retain or create jobs?

(How many existing employees will work at/continue to work at the project location. How many new jobs will be created by this project between now and the end of 2026? Please list full-time and part-time jobs separately) Please note all retained jobs that are related to the building project, for example, if a retail business has 2 full-time and 5 part-time employees and is completing a façade improvement, please note all of those employees. If there is a scenario where a business is at risk of downsizing, please emphasize that. New jobs include any new permanent jobs that are created, whether those permanent jobs are created in the building or will work elsewhere as a result of the project. If known, please list the estimated number of construction jobs that are supported by the project. This Program is supported, in part, by the State of Minnesota through a grant from the Department of Employment and Economic Development.

How will this project improve the property value of the site?

(Please provide current value and a contractor's estimate or county assessor's estimate of the increase) At a minimum, please provide the present property value as assessed by the county. A contractor's estimate or county assessor's estimate of the new property value after the work is performed should be attached in the required documentation. If there is no estimate of the increased value of the property, please submit the application and note that the increased value is unknown.

How will this project benefit the community and residents in the corridor and surrounding areas?

Please emphasize any benefits created for underserved residents. This is your opportunity to explain to the review committee why you believe your project should be funded. When explaining the benefit to the community, it may be useful to describe what community need is being addressed. Does the project add services/resources that don't exist in the community? Does it expand services?

Potential examples of community needs may include (but aren't limited to) creating or expanding grocery access in a food desert, increasing the amount of housing available in the community, creating new entertainment venues, etc. Examples of benefits that are created for underserved residents might include (but aren't limited to) creating or expanding culturally appropriate food/retail options, creating culturally appropriate meeting spaces, making businesses ADA accessible, employing underserved populations in quality jobs, etc.

How will this project positively impact surrounding businesses?

We expect the MSERP program to positively impact the community beyond the specific projects that are supported. Use this opportunity to note what those benefits are that reach beyond your project. Examples of positive impacts to surrounding businesses can include (but aren't limited to) bringing customers to an area where they are likely to spend money at other businesses, providing complementary services to other businesses in an area, increasing the property value of surrounding businesses, etc.

When do you expect to start the project?

This date doesn't need to be exact, please provide your best estimate.

Will the project be completed before December 31, 2026?

IMPORTANT: If your answer to this question is "No", your application cannot be considered. If part of your project will be completed before December 31, 2026, you can divide your project into phases and receive a grant for a specific phase that will be accomplished by that date. (For This Program is supported, in part, by the State of Minnesota through a grant from the Department of Employment and Economic Development example, you could receive a grant to cover the demolition of a site or to pay for engineering and site preparation work)

Have you received a quote from a contractor for the project cost?

It is strongly suggested that applicants have this quote prior to applying. Relevant quotes can be attached as additional documents.

Is it a local/regional contractor?

A contractor is considered regional if their headquarters is located within 50 miles of Faribault have a satellite office in Faribault.

Why is MSERP funding important to making this project successful?

What barriers will exist if your project is not funded? Will it make the project unviable? Will it extend the timeline until the project will be completed? Are there certain amenities that support the community or underserved populations that cannot be included without funding? This is your option to describe why your project needs this funding.

Is there anything else you would like us to know?

This question is optional. If there is something important about your project that we have not asked in the other questions, please note that here.

#### **Section 4 – Matching Funds**

How much of the matching funds have already been secured for this project and what is the source of those funds?

The matching funds worksheet should be completed prior to filling out this section. This is your opportunity to provide a narrative to support the information in that worksheet. A very limited amount of matching funds can come from state or federal sources (This is equal to the remaining portion of the required match after 200% of the grant has been matched by nonstate funds). The grant worksheet will warn applicants if too much of the match is coming from state/federal funds. If all matching funds have not been secured, what is the plan to secure remaining matching funds prior to grant award? At a minimum, please copy the note that was included when you completed the matching funds worksheet. This is your opportunity to elaborate on that information. This Program is supported, in part, by the State of Minnesota through a grant from the Department of Employment and Economic Development

#### **Section 5 – Acknowledgements**

Both acknowledgements must be checked to move forward

- I. I acknowledge that I cannot receive grant funds under this program until I have secured matching funds.

Projects must secure all matching funds as calculated in the matching funds worksheet before they can be funded. Grant decisions can be made before this, but no funds will be awarded until the full match is secured.

- II. I acknowledge that the funds will be provided to me on a reimbursable basis

Prior to distributing grant funds, a receipt will need to be provided showing that the money has been spent on the project.

#### **Section 6 – Required Documentation**

##### **Business Plan**

The purpose for requesting a business plan is to ensure that businesses receiving project funds have a plan in place to ensure their ongoing success. Similar documents that a business might submit would be a project pro forma. For businesses without an existing written plan, a submitted plan could consist of a one or two page document that highlights an executive summary and purpose of the business plus financial projections with a statement of assumptions.

Businesses can receive support creating this document by signing up for free services with the Small Business Development Center at [www.MyMinnesotaBusiness.com](http://www.MyMinnesotaBusiness.com)

Estimate of total project costs broken out by eligible categories as described in the grant (Contractor estimates will be required if your project receives a grant award). Ideally, applications should include a

contractor estimate, but we understand that not all applications will have a contractor's estimate when submitted. The most important part of breaking project costs out is to show that all costs that are part of the grant or grant match are eligible. Additional ineligible costs should be separated from the eligible costs. This Program is supported, in part, by the State of Minnesota through a grant from the Department of Employment and Economic Development

#### Application worksheet for matching funds

This worksheet is used to help applicants determine their match requirements, to show how much of the match has been secured, and to provide an opportunity to explain where additional matching funds will come from.

The worksheet is composed of one application sheet and two example worksheets. Applicants should only edit the cells in sections highlighted in green.

There are two elements to the worksheet

#### MSERP Match Worksheet

Applicants must know 4 things:

1. The total project cost
2. Main Street Grant Request
3. Funds Secured (nonstate/federal)
4. Funds secured (state/federal)

The worksheet will calculate the maximum grant amount that is allowed under the program, what the minimum match requirements are based on the main street grant request, and will highlight what the gap is for the remaining match and the remaining project funds. Applicants must have a project match that covers at least 2/3rds of the total project costs. For projects that use state/federal funds as part of the match, applicants must match at least 200% of the grant award amount with non-state/federal funds.

If matching funds have not been completely secured, the worksheet includes a space to describe what the plans are to secure the remaining funds. If you run out of space, this can be expanded on in the narrative.

#### Source of Funds Worksheet

This worksheet shows the sources of funds that have been secured for the project. Three examples are given – all of which are entered correctly. If more than 9 sources are entered, please elaborate on the sources in the application narrative.

#### Assessment of Increased Property Value (optional)

If you have a document from the county assessor or an estimate from a contractor on the increased property value as a result of the project, please attach it here.

#### Letters of support (optional)

Letters of support are optional but may enhance a grant application if they help outline the positive impacts that a grant award may have on the community.

Additional Documentation (optional)

This is an option to submit any additional documentation that may be necessary to support the application.