

**MINNESOTA  
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

**GREATER MINNESOTA REDEVELOPMENT GRANT PROGRAM**

05 - 0178

**FY 2004/05 ANNUAL REPORT FOR JULY 1, 2003 – JUNE 30, 2004**

Minnesota Statutes § 116J.573, Subdivision 5 requires the Department of Employment and Economic Development (DEED) to report to the legislature annually on the Greater Minnesota Redevelopment Account established in Minnesota Statutes 116J.571-116J.575. This report must include information on the amount of money in the account, the amount distributed, to whom the grants were distributed, and for what purposes, and an evaluation of the effectiveness of the projects funded in meeting the policies and goals of the program.

**1. Background of Program**

The Redevelopment Program (M.S. §§ 116J.561 – 116J.567) was initiated in October 1998 and was funded from 1998 – 2000 as a statewide program. The program was created because there is often no incentive for the private sector to redevelop old industrial, residential or commercial property when undeveloped parcels of land are available. Therefore, the Redevelopment Grant Program was established by the 1998 legislature to assist with complex and costly redevelopment projects that might not occur without public financial assistance.

The Redevelopment Grant program statute was repealed in 2002 and the Greater Minnesota Redevelopment Program (116J.571 – 116J.575) was created to serve only the areas of the state located outside of the seven-county metropolitan area. Among many other substantive changes, this new statute included an annual reporting section.

Although the statute was passed, there was no appropriation of funds to administer the new program.

**2. Amount of Funds in Account**

Since no funds have been made available under the new statute, the balance in the account is currently \$0.00.

**3. Amount of Funds Distributed**

A total of \$13 million has been distributed to date under the original statewide Redevelopment Grant Program. No awards have been made under the Greater Minnesota Redevelopment Program as there have been no funds appropriated, to date.

**4. Grants Recipients**

Several communities throughout the state have been awarded grants through the original program. See the attached spreadsheet for details. Again, no grants have been awarded under the current program statute.

**5. Meeting Policies and Goals**

The original program has met several economic development goals including the creation of new jobs, job retention, and providing housing units. Of the \$13 million awarded to the original program, private investments of more than \$345 million have been generated. See the attached spreadsheet for details.

Redevelopment Grant Program Funded Projects to date: Feb  
2005

| Cycle  | Grantee                 | Project Name                |    | Award Amount | Acres | Job Creation | Retained Jobs | Tax Increase | Housing Units-Market Rate | Housing Units - Affordable | Total Housing | *Non-State Investment (private) | Assessed Market Value Increase | Status                     | Date       |
|--------|-------------------------|-----------------------------|----|--------------|-------|--------------|---------------|--------------|---------------------------|----------------------------|---------------|---------------------------------|--------------------------------|----------------------------|------------|
| Oct-98 |                         |                             |    |              |       |              |               |              |                           |                            |               |                                 |                                |                            |            |
| Oct-98 | MCDA                    | SEMI                        | A  | \$689,000.00 | 58.7  | 750          |               | \$636,803    | 0                         | 0                          | 0             | \$16,165,533                    |                                | Awarded                    | 1/20/1998  |
| Oct-98 | City of Duluth          | Technology Village          | KH | \$460,000.00 | 1     | 800          |               | \$502,500    | 0                         | 0                          | 0             | \$34,237,300                    |                                | Closed                     | 2/6/2001   |
| Oct-98 | St. Paul HRA            | Lake Phalen Townhomes       | K  | \$221,000.00 | 3.39  | 0            |               | \$41,519     | 29                        | 0                          | 29            | \$3,488,409                     | \$2,100,000                    | Closed                     | 3/5/2001   |
| Oct-98 | City of Racine          | Community Utility Company   | JH | \$80,000.00  | 4     | 9            |               | \$7,540      | 0                         | 0                          | 0             | \$434,000                       |                                | Closed                     | 1/22/2001  |
| Oct-98 | City of Detroit Lakes   | Swift/Eckrich Project       | KH | \$450,000.00 | 4.62  | 35           |               | \$55,557     | 0                         | 0                          | 0             | \$2,747,000                     |                                | Closed, Pending Dev        | 2/1/2002   |
| Oct-98 | South St. Paul HRA      | Golden Steer Site           | K  | \$100,000.00 | 13    | 25           |               | \$104,000    | 0                         | 0                          | 0             | \$4,292,000                     |                                | Closed                     | 3/30/2000  |
| Apr-99 |                         |                             |    |              |       |              |               |              |                           |                            |               |                                 |                                |                            |            |
| Apr-99 | Brooklyn Park EDA       | The Village                 | LH | \$300,000.00 | 17.5  | 99           |               | \$406,218    | 0                         | 0                          | 0             | \$9,036,760                     |                                | Closed, Pending Dev        | 1/21/2003  |
| Apr-99 | Fosston                 | Block 4 W. Fosston Addition | KH | \$50,000.00  | 1.1   | 0            |               | \$9,471      | 0                         | 0                          | 0             | \$50,000                        |                                | Closed, Pending Dev & Rpts | 12/9/2003  |
| Apr-99 | Little Falls            | Falls Fabricating Site      | KH | \$224,933.00 | 1     | 0            |               | \$53,270     | 26                        | 14                         | 40            | \$1,394,400                     |                                | Closed                     | 9/30/2003  |
| Apr-99 | Maynard                 | Helle/Moen Buildings        | KH | \$5,754.00   | 0.5   | 1            |               | \$3,638      | 0                         | 0                          | 0             | \$90,000                        |                                | Closed                     | 6/30/2000  |
| Apr-99 | MCDA                    | Great Lake Center           | A  | \$433,334.00 | 19    | 1780         | 1780          | \$1,538,064  | 0                         | 0                          | 0             | \$49,000,000                    |                                | Closed, Pending Dev        | 12/30/2004 |
| Apr-99 | Mounds View             | Mermaid Hotel               | K  | \$333,333.00 | 10.81 | 46.5         |               | \$199,778    | 0                         | 0                          | 0             | \$8,485,926                     |                                | Closed                     | 5/5/2003   |
| Apr-99 | New Brighton            | Main Street Village II      | K  | \$433,333.00 | 9.65  | 421          |               | \$302,578    | 96                        | 0                          | 96            | \$3,457,856                     |                                | Closed, Pending Dev        | 6/17/2002  |
| Apr-99 | SEMMCHRA                | Kenyon Housing Development  | K  | \$24,464.00  | 0.39  | 0            |               | \$23,450     | 30                        | 18                         | 48            | \$119,536                       |                                | Closed                     | 6/16/2000  |
| Apr-99 | Waseca                  | Bratrud Block Development   | JH | \$183,536.00 | 5.59  | 0            |               | \$0          | 0                         | 0                          | 0             | \$0                             |                                | Closed, Pending Dev        | 8/16/2002  |
| Oct-99 |                         |                             |    |              |       |              |               |              |                           |                            |               |                                 |                                |                            |            |
| Oct-99 | St. Paul Port Authority | Stroh's (See April 00)      | K  | \$500,000.00 | 33    |              |               |              |                           |                            |               |                                 |                                | Closed Pending Dev & Rpts  | 12/12/2003 |
| Oct-99 | Minneapolis, City of    | East Village Project        | A  | \$300,000.00 | 2.9   | 20           |               | \$111,464    | 140                       | 40                         | 180           | \$9,798,843                     |                                | Closed                     | 9/6/2002   |
| Oct-99 | Robbinsdale, City of    | Montgomery Wards Site       | A  | \$337,150.00 | 14.3  | 0            |               | \$97,117     | 0                         | 0                          | 0             | \$2,640,000                     |                                | Closed, Pending Dev        | 12/29/2003 |
| Oct-99 | Rockford, City of       | Carpet Corner               | JH | \$69,450.00  | 0.33  | 9            |               | \$8,174      | 2                         | 0                          | 2             | \$69,450                        |                                | Closed, Pending Audit      | 4/21/2003  |
| Oct-99 | Maple Lake              | Downtown Housing Dev.       | KH | \$125,000.00 | 2     | 0            |               | \$9,045      | 3                         | 0                          | 3             | \$900,000                       |                                | Awarded                    | 6/12/2000  |
| Oct-99 | Pine City               | Riverview Estates           | KH | \$168,400.00 | 3.1   | 25           |               | \$48,630     | 6                         | 0                          | 6             | \$2,750,000                     |                                | Closed, Pending Dev        | 6/9/2003   |
| Apr-00 |                         |                             |    |              |       |              |               |              |                           |                            |               |                                 |                                |                            |            |

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|--------|----------------------------|-------------------------------------|----|-----------------|-----------|--------------|---------------|--------------|---------------------------|----------------------------|---------------|---------------------------------|--------------------------------|---------------------------|------------|
| Apr-00 | Minneapolis, City of       | Grain Belt Brewery (See Oct 00)     | A  | \$235,000.00    | 1         | 18           | 189           | \$165,200    | 0                         | 0                          | 0             | \$6,250,000                     |                                | Awarded                   | 6/26/2000  |
| Apr-00 | Bird Island                | Learning Center                     | JH | \$15,000.00     | 0.25      | 10           |               | \$5,100      | 0                         | 0                          | 0             | \$28,348                        |                                | Closed                    | 1/12/2001  |
| Apr-00 | Princeton                  | Great Northern RR Corridor          | KH | \$70,000.00     | 8.16      | 0            |               | \$42,560     | 112                       | 0                          | 112           | \$1,679,120                     |                                | Closed pending Audit      | 4/4/2003   |
| Apr-00 | St. Paul Port Authority    | Stroh's (See Oct 99)                | K  | \$500,000.00    | see above | 100          |               | \$128,000    |                           |                            |               | \$3,125,000                     |                                | Closed Pending Dev & Rpts | 12/12/2003 |
| Apr-00 | Dakota County              | W. St. Paul North End               | K  | \$355,000.00    | 2.83      | 30           |               | \$836        | 0                         | 50                         | 50            | \$1,305,063                     |                                | Closed                    | 1/11/2005  |
| Apr-00 | Two Harbors                | Downtown & Waterfront Redevelopment | KH | \$308,000.00    | 39        | 5            | NA            |              | 35                        | 0                          | 35            | \$1,920,000                     |                                | Awarded                   | 6/26/2000  |
| Oct-00 |                            |                                     |    |                 |           |              |               |              |                           |                            |               |                                 |                                |                           |            |
| Oct-00 | MCDA                       | Grain Belt Brewery (See April 00)   | A  | \$209,000.00    | 1.8       |              |               |              | *                         | *                          | *             |                                 |                                | Awarded                   | 12/26/2000 |
| Oct-00 | St. Paul Port Authority    | Maxson                              | K  | \$1,200,000.00  | 21        | 150          |               | \$74,340     | 0                         | 0                          | 0             | \$2,800,000                     |                                | Closed pend Dev           | 6/11/2003  |
| Oct-00 | MCDA                       | Stremel Mfg.                        | A  | \$147,488.00    | 1.46      | 15           | 71            | \$58,509     | 0                         | 0                          | 0             | \$1,950,000                     | \$97,000                       | Closed Pend Audit         | 2/3/2003   |
| Oct-00 | St. Louis Pk. EDA          | Park Commons                        | JH | \$421,942.00    | 15        | 100          |               | \$967,000    | 338                       | 122                        | 460           | \$98,214,000                    |                                | Closed, Pending Dev       | 4/9/2002   |
| Oct-00 | Richfield(\$5M legi appr.) | Airport Noise Mitigation            | JH | \$5,000,000.00  | 6.8       | 46           |               | \$340,818    | 0                         | 0                          | 0             | \$25,500,000                    |                                | Awarded                   | 6/30/2004  |
| Oct-00 | Brainerd                   | NPC West Development                | KH | \$348,570.00    | 18.6      | 166          |               | \$55,188     | 0                         | 0                          | 0             | \$1,800,000                     |                                | Closed Pending Dev        | 5/1/2003   |
| Oct-00 | Spicer                     | Bentley-Chelsea Site                | KH | \$43,000.00     | 0.76      | 2.5          |               | \$4,550      | 0                         | 0                          | 0             | \$750,000                       |                                | Closed                    | 6/26/2002  |
| Apr-01 |                            |                                     |    |                 |           |              |               |              |                           |                            |               |                                 |                                |                           |            |
| Apr-01 | Jackson                    | Commercial Redevelopment            | JH | \$265,765.00    | 3.8       | 15           |               | \$44,846     | 0                         | 0                          | 0             | \$1,417,000                     |                                | Closed, Pending Audit     | 8/9/2004   |
| Apr-01 | Owatonna                   | Northgate Redevelopment             | JH | \$176,250.00    | 1.14      | 20           |               | \$117,923    | 50                        | 0                          | 50            | \$5,074,000                     |                                | Closed, Pending Dev       | 9/6/2002   |
| Apr-01 | Gilbert                    | Business Park                       | KH | \$85,250.00     | 7.72      | 120          | NA            |              | 0                         | 0                          | 0             | \$91,193                        |                                | Awarded                   | 8/1/2001   |
| Apr-01 | Watertown                  | Riverbend Plaza                     | JH | \$34,751.00     | 1.4       | 28           |               | \$15,150     | 0                         | 0                          | 0             | \$2,200,000                     |                                | Closed                    | 1/8/2004   |
| Apr-01 | Harmony                    | Senior Living Project               | JH | \$128,750.00    | 3.54      | 12           |               | \$18,435     | 4                         | 30                         | 34            | \$4,550,000                     |                                | Closed                    | 7/8/2002   |
| Apr-01 | Shoreview                  | Lexington/Co. Rd. D Gateway         | K  | \$366,000.00    | 4         | 11           |               | \$187,216    | 54                        | 29                         | 83            | \$681,194                       |                                | Closed                    | 2/17/2004  |
| Apr-01 | Osseo                      | Bell Tower Commerce Ctr.            | JH | \$127,300.00    | 6.73      | 130          |               | \$126,211    | 0                         | 0                          | 0             | \$9,849,000                     |                                | Closed                    | 6/24/2002  |
| Apr-01 | St. Paul Port Authority    | Phalen Blvd / Westminster Bus.Ctr   | K  | \$2,300,000.00  | 35        | 300          |               | \$519,415    | 0                         | 0                          | 0             | \$22,000,000                    |                                | Closed, Pending Dev       | 4/28/2003  |
|        | TOTAL                      |                                     |    | \$17,825,753.00 | 385.87    | 5299         | 2040          | \$7,030,113  | 925                       | 303                        | 1,228         | \$340,340,931                   |                                |                           |            |

Non State Investment equals total Redevelopment cost from question 12, minus DTED award amount