

# Airport Infrastructure Renewal (AIR) Grant Program

# Program Concept and Application Instructions

# Application

Minnesota Statute 116J.439

*12/1/21*

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# Program Concept and Application Instructions

**AUTHORIZING LEGISLATION**

Minnesota Statute 116J.439

**BACKGROUND/PURPOSE**

The Airport Infrastructure Renewal (AIR) grant program is created to provide grants to counties, airport authorities, or cities to keep or enhance jobs in the area, increase the tax base, or expand or create new economic development.

**ELIGIBLE PROJECTS**

An eligible project is expected to use the grant funds for the capital costs of redevelopment of an existing facility or construction of a new facility; and for public and private infrastructure costs, including broadband infrastructure costs, necessary for an eligible airport infrastructure renewal economic development project.

An economic development project for which a county, airport authority, or city may be eligible to receive a grant includes:

1. Manufacturing
2. Technology
3. Warehousing and distribution
4. Research and development

**INELIGIBLE PROJECTS**

Projects such as retail development or office development, except as incidental to an eligible purpose are not eligible for a grant under this program.

Eligible Applicants

Eligible Applicants for the Airport Infrastructure Renewal (AIR) Program are counties located outside of the metropolitan area (as defined in Minnesota Statute section 473.121, subdivision 2), airport authorities (created pursuant to Minnesota Statute Section 360.0426), or statutory or home rule cities located outside of the metropolitan area (as defined in Minnesota Statute section 473.121, subdivision 2).

**TYPES OF FUNDING AVAILABLE**

DEED provides funds as a grant.

**APPLICATION DEADLINE**

Applications are accepted on an open basis.

**FUNDS AVAILABLE**

Contact DEED for current funding availability.

**MAXIMUM AWARD**

A county, airport authority, or city may receive no more than $250,000 in two years for one or more projects.

**MATCH REQUIREMENT**

50 percent of the capital costs of the project are from non-state sources

**SELECTION CRITERIA**

The AIR Grant Program applications will be evaluated on the following criteria:

1. Eligibility (No points)
2. Capital Investment and Economic Development (40 points)
	1. Private Capital Investment
	2. Non-State Capital Investment
	3. Increase in Tax Base
	4. Economic Development
3. Full-time Job Creation or Retention (40 points)
	1. New or retained jobs by identified business(es) within 1 year
	2. New or retained jobs by unidentified and identified business(es) within 5 years
4. Readiness (20 Points)
	1. Committed funding
	2. Project Identified in Airport Layout Plan (ALP)
	3. FAA, MnDOT, and other governmental and environmental documentation is complete
5. Priority to eligible applicants not previously receiving funds (30 Points)

Please note, an application must receive a minimum of 50 points (excluding 30 points for grantees previous not funded) in order to be eligible for funding.

The most competitive applications are those that can demonstrate within their request the following:

* A strong, well-documented need and an effective solution. This would include documented financial costs, reasonable budgets, secured leverage resources;
* How the proposal addresses the goal of the application;
* Committed business(es) – a letter from business(es) documenting the number of full-time jobs created or being created and their salaries;
* Project Readiness – the project will be able to start soon after AIR grant approval and completed quickly;
* Capacity – Evidence that the Eligible Applicant is able to perform and complete the tasks stated within the application.

**DEED DISBURSEMENT REQUIREMENTS**

Grant payments will be processed on a reimbursement basis for completed work. When requesting payments, supporting documentation including invoices and proof of payment for completed work, including eligible match, must be included with each pay request in order for Minnesota Department of Employment and Economic Development (DEED) to process payment request(s). Payments are made on a pro rata basis (with other sources) and will not be front loaded. Eligible Applicants can only request up to the percentage of funds that matches the percentage of AIR funding in the project. DEED will only reimburse for completed work that has been paid for by the grantee.

Work completed prior to grant agreement execution are not eligible for AIR funding. Work completed prior to a grant agreement also cannot be counted towards the required match. Staff costs and grant administration are not eligible grant costs.

**APPLICATION REQUIREMENTS/TIME TABLE**

Please submit **one original and one hard copy** of the application to DEED. No emailed or faxed applications will be accepted.

**Resolution**

A resolution indicating applicant eligibility, approval of the project, and the commitment of non-state matching funds and any other funds necessary to complete the project, must be completed and submitted with the application. A sample resolution has been provided for your convenience. You may choose to re-format this resolution but make sure to include all of the statements that appear in the sample resolution.

**Conflict of Interest**

The “Conflict of Interest Disclosure Form” provided must be completed, signed, and submitted with the application.

**OTHER IMPORTANT PROGRAM INFORMATION**

The following information is not directly addressed in authorizing legislation, but are helpful tips and administrative guidance for applying and administering an AIR grant.

Eligible applicants considering an application are encouraged to contact DEED staff prior to completing the application. Interaction with DEED staff could provide valuable input regarding eligibility, selection, availability of funds, and additional programs that may assist with the proposed project.

If AIR grant funds will be used on facilities or infrastructure not owned by the applicant, the funds provided to the facilities or infrastructure owner must be provided as a grant and not a loan. An agreement must be in place between the applicant and the owner requiring the owner to meet AIR guidelines. If the owner does not meet and keep required AIR program requirements, the applicant will be liable for all responsibilities that may include grant repayment to DEED.

Construction projects cannot be started prior to a grant agreement being fully executed.

The required 50 percent non-state match must be used on grant eligible capital costs.

AIR grant funds will be the last funds committed to a project. The match, and any other funds that are necessary to complete the project, will need to be committed and documented as full funding at the time of the application. Full funding documentation for the project will need to be approved by DEED prior to an award notice.

|  |
| --- |
| **Examples of Full Funding Documentation** |
| Cash in hand – bank statements for segregated accounts, copies of checks |
| Federal funds – line items in approved federal budgets, grant award letters from federal agencies  |
| Local government match – line items in approved local government budgets, executed loan agreements with lenders |
| Private contributions – pledges which have been received in cash (see documentation for “Cash” above) or that are backed by a loan or irrevocable letter of credit; future pledges by themselves are not sufficient |
| In-kind contributions (acquisition and/or site prep) – documentation must be received with the name of the contributor, a description and the value of the contribution, and details of how the value was determined |
| Local Bonding – Bond sale resolutions and evidence of a bond purchase agreement |

**REPORTING REQUIREMENTS**

DEED will provide each grantee with the necessary reporting documents. Reports must be provided to DEED upon request.

**APPLICATION SUBMITTAL**

Eligible applicants must submit **one original and one copy of** the application to be considered for funding to the address listed below.

Minnesota Department of Employment and Economic Development

1st National Bank Building

332 Minnesota Street, Suite E200

St. Paul, Minnesota 55101-1351

Attn: Jeremy LaCroix

**CONTACTS**

Jeremy LaCroix Pat Armon

651-259-7457 651-259-7245

jeremy.lacroix@state.mn.us patrick.armon@state.mn.us

**APPLICATION INSTRUCTIONS**

Eligible Applicants may apply for assistance from the AIR Grant Program using the AIR Application if they have an eligible project.

DEED, with the assistance of Minnesota Department of Transportation, Aeronautics, shall analyze all applications and base their funding decision on the information provided within each application. There may be instances when staff will require additional information prior to making a funding decision.

Please do not submit Program Concept and Application Instructions with your application.

Please answer all questions. Failure to do so will affect application scoring.

If the proposal submitted is not eligible for AIR grant funding, DEED or MnDOT may recommend alternative funding resources.

Names and addresses of grant applicants, and amount requested will be public data once proposal responses are opened.

All remaining data in proposal responses (except trade secret data as defined and classified in §[13.37](https://www.revisor.mn.gov/statutes/?id=13.37)) will be public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed).

All data created or maintained by the Department as part of the evaluation process (except trade secret data as defined and classified in §13.37) will be public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed).



**Airport Infrastructure Renewal (AIR) Grant Program**

**Application Cover Sheet**

**The Cover Sheet must be completed by all applicants requesting financial assistance.**

**Project Name:**

**Project Address**

**Or Location:**

|  |  |  |  |
| --- | --- | --- | --- |
| AIR Request |  | MN House District |  |
| Total Project Costs  |  | MN Congressional District |  |

|  |
| --- |
| Applicant:  |
| Project Contact Person: |
| Title: | Email address: |
| Address: | Phone: |
| City: | MN, Zip Code: |
| Minnesota Tax Identification Number: |
| Federal Tax Identification Number: |

|  |
| --- |
| Project Manager:  |
| Title: | Email address: |
| Address: | Phone: |
| City: | MN, Zip Code: |

**Eligibility Criteria**

|  |
| --- |
| Type of Project. Check all that apply. |
| [ ]  Manufacturing  | [ ]  Technology | [ ]  Warehousing and distribution |
| [ ]  Research and development |  |  |
|  |
| Applicant is a county, airport authority or city located outside of metropolitan area | [ ]  Yes | [ ]  No |
| Use of funds would be for an eligible facility or infrastructure project | [ ]  Yes | [ ]  No |
| Request is 50% or less of capital costs of facility or infrastructure | [ ]  Yes | [ ]  No |

**Airport Infrastructure Renewal (AIR) Grant Application**

**Project Summary**

Provide a brief Project Summary that, at a minimum, includes answers to these questions. Please keep your summary divided by the questions provided.

* Briefly describe the proposed project and justification and need for funding. Please indicate how your project meets the program purpose and eligibility requirements.
* Will the applicant own and maintain the facilities/infrastructure? If not, explain who will and how the grant will be structured with the owner of the facilities/infrastructure.
* Does the applicant have site control of the facilities/infrastructure project area? If not, explain.
* Has the project been awarded to a contractor or started construction? If yes, explain.
* The AIR portion of the project cannot be assessed or reimbursed from other sources. Will the project be assessed?
* Is the project relocating substantially the same operation from another location in the state? If yes, please explain why the project cannot be reasonably accommodated within the county or city in which the business is currently located.
* Describe the status of permitting necessary for the project being secured. Include permit expectations and timeframes for approval.

**Capital Investment and Economic Development**

**Part 1**

* How much private capital investment is committed to the project? Please provide a brief explanation.
* How much non-state public capital investment is committed to the project? Please provide a brief explanation.

Complete Table A and provide documentation of committed capital.

|  |
| --- |
| **TABLE A – Immediate Committed Capital Investment** |
| **Sources** | **Facilities/Infrastructure** | **TOTALS** |
| Committed Private Capital  |  |  |
| Committed non-state Public Capital |  |  |
| **TOTALS** |  |  |

* How much private capital investment is expected to be attracted to the project within 5 years of grant closeout? (Include funds from Table A) Please provide brief explanation.
* How much public capital investment is expected to be attracted to the project within 5 years of grant closeout? (Include funds from Table A) Please provide brief explanation.

Complete Table B and provide detail and timing of projected capital investment.

|  |
| --- |
| **TABLE B – Expected 5 Year Capital Investment** |
| **Sources** | **Facilities/Infrastructure** | **TOTALS** |
| Committed Private Capital  |  |  |
| Committed non-state Public Capital |  |  |
| **TOTALS** |  |  |

**Part 2**

* What is the current taxable value of the area proposed for development?
* What is the expected taxable value of the Project with committed business(es)?
* What is the expected taxable value of the project 5 years after grant closeout?

Complete Table C to calculate increase in taxable property value. On the table, list business(es) that are identified and speculated and what the projected taxable values of their developed property(s) will be after one year and five years. List the current taxable value of what the project area is now (usually undeveloped land). Subtract the current taxable value from the total projected new (developed) property values to calculate projected increased in taxable value. Add additional rows to the table if necessary.

If your project is tax exempt, please provide the current, first year, and five year estimated market value of the property being improved. Documentation of these estimates should be provided.

|  |
| --- |
| **TABLE C – Increase in Taxable Value of Property** |
| **Businesses (include unidentified projections)** | **First Year – Estimated Taxable Value of Property** | **Five Year – Estimated Taxable Value of Property** |
|  |  |  |
|  |  |  |
|  |  |  |
| **TOTALS** |  |  |
|  **- Current Taxable Value** |  |  |
| **= Increased Taxable Value**  |  |  |

* Provide a letter from the county auditor’s office documenting the current and projected estimated market values.
* Is there any additional substantial economic benefit provided to the county or city from the eligible project not explained in Part 1 or Part 2?

**Creating or Retaining Full-time Jobs**

* How many full-time jobs will be created and retained by identified business(es)?
* How many full-time jobs will be created and retained within 5 years by identified and unidentified business(es)? Include jobs from the first question.

Please complete Table D. Add additional rows to the table if necessary.

|  |
| --- |
| **TABLE D – Created and Retained Jobs** |
| **Business(es)** | **First Year** | **After 5 Years** |
| **Jobs** | **Jobs** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| **TOTALS** |  |  |

**Project Readiness**

Use the following example format project sources and uses budget. Add rows or columns as necessary. A final sources and uses outline will be provided to awarded projects by DEED with a grant agreement.

| **TABLE E – Facilities/Infrastructure Sources and Uses** |
| --- |
| **Project Activities** | **DEED** | **City/County** | **Federal**  | **Private** | **Total** |
| Building | $250,000 |  |  |  | $250,000 |
| Capital Equipment | Blank4544544 | $75,000 |  |  | $75,000 |
| Water | $250,000 | Blank | Blank |  | $250,000 |
| Sewer |  | $50,000 | $200,000 |  | $250,000 |
| StreetsFiber Optic Cable |  | $75,000 |  |  | $75,000 |
| Engineering and Admin (Design, legal, etc.) \* |  | $35,000 |  |  | $35,000 |
| **Total Costs** | **$250,000** | **$235,000** | **$200,000** | **$0** | **$685,000** |

Engineering incurred during construction, such as inspections and observation, is eligible for match. Administration (including application writing), legal and engineering incurred before construction, such as design preparation, are not eligible for AIR nor the match.

Of the sources listed in TABLE E, please list the total amount from each source and the date of that commitment. Please provide documentation from each source that shows the amount of their commitment.

|  |
| --- |
| **TABLE F – Commitment of Sources** |
| **Sources of Funding** | **Amount** | **Date of Commitment** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| **TOTALS** |  |  |

Please provide a projected timetable to complete project in a format similar to TABLE G.

**TABLE G – Project Timetable**

|  |  |  |
| --- | --- | --- |
| **Activity** | **Start mm/yy** | **Finish mm/yy** |
| Property Annexed | 1/22 | 1/22 |
| Property Rezoned | 1/22 | 1/22 |
| Initial Engineering | 1/22 | 1/22 |
| Easements Acquired | 1/22 | 1/22 |
| Resolution Approved | 1/22 | 1/22 |
| Permits Acquired | 1/22 | 1/22 |
| Project Specifications | 1/22 | 1/22 |
| Project Fully Funded (if bonding, bonds sold) | 1/22 | 1/22 |
| Out for Bid | 1/22 | 1/22 |
| Bid Close | 1/22 | 1/22 |
| Award Contract/Notice to Proceed | 1/22 | 1/22 |
| Project Construction | 1/22 | 1/22 |

* Is the project is currently identified in the airport layout plan (ALP)? Please provide documentation. If not, please explain why.
* Are all necessary FAA, MnDOT, and local government and environmental approvals complete? Please provide documentation. If not, please provide necessary documentation.

**Project Maps**

Attach color maps that illustrate:

* City boundaries and where the project is located
* Airport and where the project will be located
* Proper zoning to accommodate the project. If zoning changes are pending, please explain how proper zoning for the project will be in place by project completion.
* If infrastructure, where current and proposed infrastructure are and will be in the proposed project area

**Application and Attachments Checklist**

[ ]  Application Cover Page (Do not include the first six pages of instructions)

[ ]  Completed Application (with Tables A-G completed)

[ ]  Project Maps (color)

[ ]  Conflict of Interest Disclosure

[ ]  Pre-engineering and/or an engineering report including environmental documentation that

 corresponds with the project. The documents will include an engineer’s estimate of project

 costs.

[ ]  Letter from county auditor’s office with current estimated market value of the property and

 projected

 property values after development.

[ ]  Documentation of full project funding that coincides with the facility/infrastructure project’s

 sources and uses of funds (TABLE E and TABLE F); or a bond sale resolution adopted by the

 applicant if the applicant intends to bond for any portion of the match and/or remaining costs.

[ ]  Attach commitment letters (can be from parent company) from the business(es) (if any) that are

 a partner with the application or intend to locate or expand as part of the project. The letter

 should include timing of their plans and number of full-time jobs being added and/or retained.

[ ]  Local Government Resolution (see sample)

[ ]  Permits – if available at this time

**Required AIR Grant Application Attachments**

* Local Government Resolution
* Conflict of Interest Disclosure Form

## LOCAL GOVERNMENT RESOLUTION

## AIRPORT INFRASTRUCTURE RENEWAL (AIR) GRANT PROGRAM APPLICATION

Applicants must adopt and submit the following resolution. This resolution must be adopted prior to submission of the forms package.

BE IT RESOLVED that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Applicant) act as the legal sponsor for project(s) contained in the Airport Infrastructure Renewal (AIR) Program Application to be submitted on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Title of First Authorized Official) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Title of Second Authorized Official) are hereby authorized to apply to the Minnesota Department of Employment and Economic Development for funding of this project on behalf of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Applicant).

BE IT FURTHER RESOLVED that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Applicant) has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure matching funds, adequate construction, operation, maintenance and replacement of the proposed project for its design life.

BE IT FURTHER RESOLVED that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Applicant) has not violated any Federal, State or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (Applicant) may enter into an agreement with the State of Minnesota for the above‑referenced project(s), and that it will comply with all applicable laws and regulations as stated in all contract agreements.

BE IT FURTHER RESOLVED that, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (Applicant) has committed $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ towards the local match requirement.

BE IT FURTHER RESOLVED that the sources of the Applicant’s matching funds shall be the \_\_\_\_\_\_\_\_\_\_\_\_ fund which has adequate funding to cover the commitment.

BE IT FURTHER RESOLVED that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Applicant) will the repay the grant if milestones are not realized by the completion date identified in the Application.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Applicant) certifies that it will comply with all applicable laws, regulations, and rules of the Application.

BE IT FURTHER RESOLVED that the sources and uses, private investors, equity, and other financing commitments represented in the attached document are accurate.

NOW, THEREFORE BE IT RESOLVED that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Title of First Authorized Official) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Second Authorized Official), or their successors in office, are hereby authorized to execute such agreements, and amendments thereto, as are necessary to implement the project(s) on behalf of the applicant.

I CERTIFY THAT the above resolution was adopted by the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(City Council) of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Applicant) on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Date).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| SIGNED: |  |  | WITNESSED: |  |
| (Authorized Official) |  | (Signature) |
| (Title) (Date) |  | (Title) (Date) |

# Conflict of Interest Disclosure Form

This form gives applicants and grantees an opportunity to disclose any actual or potential conflicts of interest that may exist when receiving a grant. It is the applicant/grantee’s obligation to be familiar with the Office of Grants Management (OGM) [Policy\_08-01,](https://mn.gov/admin/assets/OGM%20Policy%2008-01%20Conflict%20of%20Interest%20in%20State%20Grant-Making%20effective%20date%20January%201%2C%202021_tcm36-442645.docx) Conflict of Interest Policy for State Grant-Making and to disclose any conflicts of interest accordingly.

All grant applicants must complete and sign a conflict of interest disclosure form.

* I or my grant organization do NOT have an ACTUAL or POTENTIAL conflict of interest.

If at any time after submission of this form, I or my grant organization discover any conflict of interest(s), I or my grant organization will disclose that conflict immediately to the appropriate agency or grant program personnel.

* I or my grant organization have an ACTUAL or POTENTIAL conflict of interest. (*Please describe below*):

If at any time after submission of this form, I or my grant organization discover any additional conflict of interest(s), I or my grant organization will disclose that conflict immediately to the appropriate agency or grant program personnel.

Printed Name of Mayor or County Board Chair:

Signature:

Name of City/County:

Date:

E