

Development Incentive Program

Amended June 28, 2011

City of Delano

The State of Minnesota has given cities temporary authority to stimulate construction through the use of excess Tax Increment Finance (TIF) funds. The City of Delano has approximately \$150,000 in excess TIF that will be available for commercial, industrial, and residential construction in up to \$5,000 grants. To distribute these funds, the City of Delano has established the Development Incentive Program (DIP) which will partially offset Infrastructure Charges associated with new commercial, industrial and residential development, and commercial and industrial redevelopment with the City of Delano.

The State has mandated that all projects eligible for these DIP funds meet the following requirements:

- The assistance to private development must result in the construction or substantial rehabilitation of buildings and ancillary facilities, if doing so will create or retain jobs in the state, including construction jobs, and construction commences before July 1, 2011 and would not commence before that date without assistance; and
- Residential grants apply only to market rate housing.

Further, the City of Delano has implemented the following requirements to ensure equity of DIP funds in Delano:

- The project must be within Delano's corporate limits
- DIP funds shall only apply to City Infrastructure Charges (SAC, WAC, etc.) associated with construction
- DIP fund applications may not receive other municipal financing incentives, such as TIF

Applications for DIP grants are available at the City of Delano. All commercial and industrial projects must begin no later than June 30, 2012. Residential market rate housing projects must begin no later than December 31, 2011 and be completed prior to June 30, 2012.