469.118 LOANS TO REDEVELOPMENT AGENCIES.

Subdivision 1. **Conditions for making.** When it has been determined by the department upon application of a local agency that the establishment of a particular redevelopment project in a redevelopment area has accomplished or will accomplish the public purposes of sections 469.109 to 469.123, the department may contract to loan the local agency an amount not in excess of 20 percent of the cost or estimated cost of the redevelopment project, subject to the following conditions:

(a) In the case of a redevelopment project to be established:

(1) the department shall have first determined that the local agency holds funds in an amount equal to, or property of a value equal to not less than, ten percent of the estimated cost of establishing the redevelopment project, which funds or property are available for and shall be applied to the establishment of the project. If a public facility within the redevelopment area has been or may be constructed and will benefit a redevelopment project, the imputed value of the benefit of the facility to the redevelopment project may be determined and the estimated cost thereof credited to the local agency for the purpose of satisfying the requirements of this subparagraph. For purposes of this section, a public facility includes utility installations, street improvements, public buildings, parks, playgrounds, schools, recreational buildings, and parking facilities;

(2) the department shall have also determined that the local agency has obtained from other sources, by gift, grant, or loan from private or other state or federal sources, a firm commitment for all other funds, over and above the loan of the state agency, and such funds or property as the redevelopment agency may hold, necessary for payment of all the estimated cost of establishing the redevelopment project, and that the sum of all these funds, together with the machinery and equipment to be provided by the owner or operator of the redevelopment project is adequate to ensure completion and operation of the plant, enterprise, or facility.

(b) In the case of a redevelopment project established without initial state or local agency participation:

(1) the state agency shall have first determined that the local or area redevelopment agency has expended funds in an amount equal to, or has applied property of a value equal to, not less than ten percent of the cost of establishing the redevelopment project. If a public facility within the redevelopment area has been or may be constructed and will benefit a redevelopment project, the imputed value of the benefit of the facility to the redevelopment project may be determined and the estimated cost thereof credited to the local agency for the purpose of satisfying the requirements of this clause;

(2) the department shall have also determined that the local agency has obtained from other public or private sources other funds necessary for payment of all the cost of establishing the redevelopment project, and that the local agency participation and these funds, together with the machinery and equipment provided by the owner or operator of the redevelopment project has been adequate to ensure completion and operation of the plant, enterprise, or facility. The proceeds of any loan made by the department to a local agency pursuant to this paragraph shall be used only for the establishment of additional redevelopment projects in furtherance of the public purposes of sections 469.109 to 469.123.

Subd. 2. **Terms.** Any such loan of the department shall be for the period of time and shall bear interest at the rate determined by the department. It may be secured by a mortgage on the redevelopment project for which the loan was made. The mortgage may be second and subordinate only to the mortgage securing the first lien obligation, if any, issued to secure the commitment of funds from a private or public source and used in the financing of the redevelopment project.

Subd. 3. [Repealed, 1987 c 291 s 244; 1987 c 386 art 2 s 24]

Subd. 4. **Deposit of payments.** All payments of interest on the loans and repayments of principal shall be deposited by the department in the Minnesota account and shall be available to be applied and reapplied to carry out the purposes of sections 469.109 to 469.123.

Subd. 5. [Repealed, 1987 c 291 s 244; 1987 c 386 art 2 s 24]

Subd. 6. [Repealed, 1987 c 291 s 244; 1987 c 386 art 2 s 24]

Subd. 7. [Repealed, 1987 c 291 s 244; 1987 c 386 art 2 s 24]

Subd. 8. [Repealed, 1987 c 291 s 244; 1987 c 386 art 2 s 24]

Subd. 9. [Repealed, 1987 c 291 s 244; 1987 c 386 art 2 s 24]

History: *1987 c 291 s 119; 2002 c 379 art 1 s 90-92*