<u>Downtown Vitality Fund</u>

PURPOSE: The Downtown Vitality Fund makes downtown more inviting, walkable and safe by catalyzing residential and retail development. The fund will catalyze up to 300 units of new housing and support street-level retail to meet the needs of those who live, work and visit downtown today, and to encourage future development.

FUNDING: $5 million

- $3M for new housing development (300 units)*
  - $10,000 per permitted housing unit
  - Issued with the building permit
  - Administered by PED
  - May be used on any development expense, including acquisition and predevelopment
- $2M for street-level retail*
  - Funds may be used by new or existing street-level tenants for build-out, tenant improvements or façade improvements anywhere in downtown. Priority will be given to locations along the Downtown Investment Strategy's priority corridors (Robert, 5th, Kellogg and Wabasha).
  - Fund will be managed by the Downtown Alliance and structured as a forgivable loan, forgivable after 3 years of continuous operations.
  - The Downtown Alliance will report to the City Council twice per year on all applications received and disbursements made.

*If the housing allocation is exhausted first, the retail allocation may be reallocated to housing and vice versa.

SOURCES

- LAHA – $1.75M
- HTF - $3.25M