



2021 Small Cities Development Program Application

Summary of Activities

Background

The City of Two Harbors has authorized Bolton & Menk, Inc (BMI) to apply for and, if awarded, administer funds associated with the MN Department of Employment and Economic Development (DEED) Small Cities Development Program (SCDP). SCDP is funded Federally through the Community Development Block Grant (CDBG); a Program administered by the U.S. Department of Housing and Urban Development (HUD).

Two Harbors submitted a preliminary proposal for the 2021 SCDP in November, and has been invited to make a final application for a Single Purpose Grant to provide funding for public facilities improvements. If awarded the funds would be utilized for two watermain segment replacements, and watermain looping in a third area (see map on Page 2). Improvements are intended to address aged, structurally deficient and underperforming infrastructure. Once complete, these improvements will improve the overall functionality and reliability of the distribution system, which improves the entire water system and provides stability for future improvement needs.

Proposed Activities and Funding Sources*

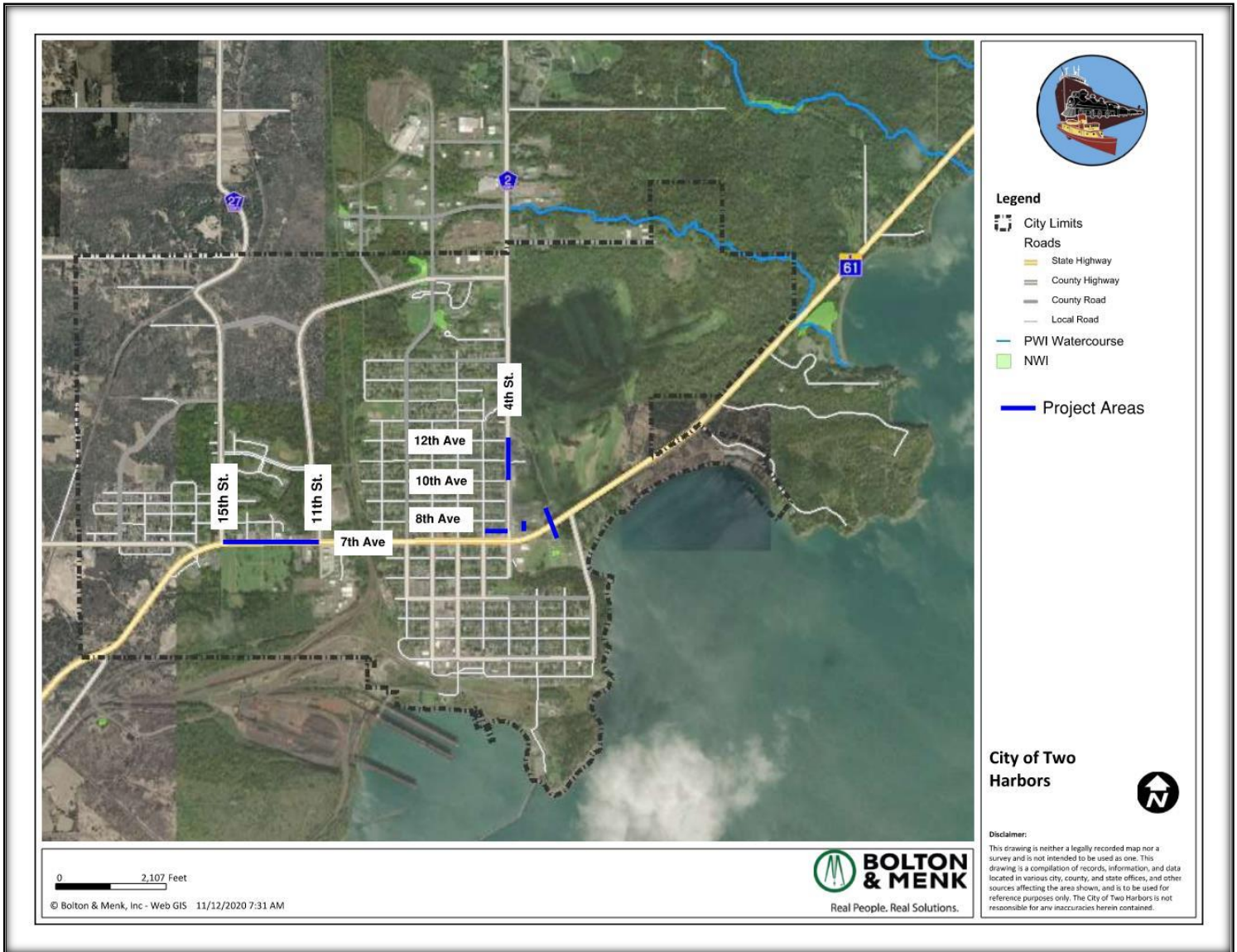
| Activity | # of Units | SCDP Cost per Unit | Total SCDP | Program Income -if applicable | Total Leveraged Sources | Source of Leveraged Funds- "c" if committed | Total Costs |
|---------------------------------|------------|--------------------|------------------|-------------------------------|-------------------------|---|--------------------|
| Water/Sewer System Improvements | 1 | \$600,000 | \$600,000 | N/A | \$1,353,000 | PFA | \$1,953,000 |
| Program Administration | | | | | \$84,000 | PFA | \$84,000 |
| Totals | | | \$600,000 | | \$1,437,000 | | \$2,037,000 |

*These numbers are based on the Preliminary Proposal, and could be modified further as part of the final application. The "Sources of Leveraged Funds" are dependent upon awarding of funds from the Public Facilities Authority.

Project Timeline

| | |
|-----------------|---|
| March 12, 2021- | Final Application due to DEED |
| May/June 2021- | SCDP Award announcement by DEED |
| June-Sept 2021- | Execution of SCDP contracts; Environmental clearance for release of funds |
| Sept 2021-2024- | Project Bidding and Construction |
| September 2024- | SCDP Contract funding period closes |

Project Location Map



Past Use of CDBG Funds

The City of Two Harbors has not utilized CDBG Funds in the past. Bolton and Menk will be administering the funds, and they have several years of experience administering similar projects.

Protection of Historic Properties

Environmental Review is a condition of SCDP funding, which includes identification of any historic or potentially historic properties in the project area. Should any of these properties be identified the City will further evaluate whether any adverse impacts may occur as a result of project activities funded through the SCDP program and will take the steps necessary to mitigate these impacts.