



2024 Preston New Construction Builder Incentive

2024 New Construction Builder Incentives*

Builder Package:

Construction Loan Interest Reimbursement***	Value: Up to \$10,000
Waive Building Permit Fee (per structure)	Value: \$70-\$300
Waive Utility Hook-Up Fees (per unit)	Value: Up to \$675
Preston Public Utility Credit (\$225 one-time credit) ***	Value: Up to \$225
Preston Public Utility Energy Rebates	Value: Up to \$500

=Total Value of up to \$11,700!

Applications are limited based on EDA funding. Apply early!

*Separate program available to homeowners

***Preston EDA has established an agreement with F & M Community Bank in Preston to offer a reduced construction loan rate in conjunction with the New Construction Builder Incentive Program. Please contact a lender at F & M Community Bank in Preston to discuss terms.

www.fmcommunity.com 507.765.3823

*** PPU credit will be applied directly to your bill until fully utilized. It is important to note that any unused portion of the credit will not be redeemable for cash and will be forfeited upon expiration.*

New Construction Builder Incentive Program Details

PURPOSE

The purpose of this program is to act as a catalyst for building speculative and pre-sold houses/townhomes within the corporate city limits of Preston. The definition of pre-sold for this program is the builder has identified a buyer, the buyer is not yet under contract, and the builder carries the financial burden of completing the structure. The Economic Development Authority is committed to satisfying the housing needs of Preston. The Preston EDA realizes that adequate housing is a necessary tool to help foster a successful and growing community.

ELIGIBLE APPLICANTS

Eligible applicants include any builder who constructs a house/townhome within the corporate limits of Preston. For the purposes of this program, “*new home*” means any single-family dwelling, including townhomes, (not including “mobile” homes) built after the date of adoption of this program and specifically “spec” homes which have not yet been lived in or homesteaded.

PROGRAM DESCRIPTION

Interested parties shall obtain an application form from:

Preston City Hall
210 Fillmore Street West
Preston, MN, 55965
507-765-2153
Allison.Whalen@cedausa.com
or online at www.prestonmn.org

Complete the application and return it to the above address and:

ATTN: Economic Development Authority

All applicants shall have control of the subject property (i.e. a signed purchase agreement or deed) prior to applying. All applicants and their project must meet local and zoning and building codes. Applications will not be accepted after closing for new construction.

A limited number of applications will be available in 2024 and incentives generally expire one year after EDA approval.

All applicants:

1. Preston EDA reserves the right to reject applications ***for any reason, specified or unspecified.***
2. In the case of the declaration of a natural disaster within the City of Preston, the New Construction Builder Incentive will not apply.
3. The Preston Public Utility Credit will be applied directly to the applicant’s utility bill until fully utilized. It is important to note that any unused portion of the credit will not be redeemable for cash and will be forfeited upon expiration.
4. Interest Reimbursement is available for a construction loan with a term up to 12 months with a cap of \$10,000. Monies will be distributed upon completion and closing of the construction loan.
5. Closing document required to disburse funds include:
 - a. A HUD closing statement, and/or Warranty DEED
 - b. After construction photos
6. All applicants requesting energy rebates are to follow PPU rebate guidelines. Rebate applications can be picked up at the Preston Public Utilities office.

New Construction:

All applicants will need to apply for a zoning permit from the city and construction must be completed in compliance with local zoning and the State Building Code. Multi-family dwelling incentives are awarded per structure for new construction. Mobile homes are not meant to be considered for the incentive.

Once the build is completed, and the transaction has been closed, the Preston Economic Development Authority shall issue the interest reimbursement to the builder. Applicants will be responsible for providing Preston EDA with a copy of closing documents and by supplying the HUD closing statement and/or WARRANTY DEED for the EDA director's review and verification.

In the case of the declaration of a natural disaster within the City of Preston, the Housing Incentive will not apply.

DEFAULT

If an applicant should default on any of the following restrictions, all incentive money received shall immediately be returned to Preston EDA unless otherwise approved by Preston EDA.

1. Constructing a home that was not properly represented in the application package.
2. Using an unlicensed contractor for the construction of the new home.
3. Construction should begin within 6 months of the date the incentive is approved. Appeals must be approved by the EDA board.

APPEAL

If an applicant should default on any of the restrictions, all incentive money shall immediately be paid back to Preston EDA. However, an applicant may appeal to Preston EDA.

PROGRAM BUDGET

The Preston EDA will set aside funding towards the financial incentive package for the entire housing incentive project. There will be a maximum of three (3) new construction builder incentives within the guidelines of its operating budget.

PRESTON NEW CONSTRUCTION BUILDER INCENTIVE PROGRAM APPLICATION
2024 Housing Incentive

Applicant Name: _____

Date application received: _____

Current Address: _____

Current Phone #: _____ Email: _____

Address of NEW HOME: _____

Estimated Closing Date _____ Tax Parcel ID #: _____

Short Legal Description: _____

Type of Home (Check One):

- _____ Traditional "Stick-Built"
- _____ Modular/Permanent Foundation
- _____ Manufactured/Permanent Foundation
- _____ Other (Specify) _____

Residential Status (Check One):

- _____ This will be owner-occupied. If so, is the property currently under contract? YES / NO
- _____ This a spec home

Property will be titled in the name(s) of: _____

I will be residing at this address YES / NO

I am interested in applying for: (Check all that apply)

Building Permit Credit _____ Utility Hook-Up Fee Credit _____ Utility Credits _____

Utility Energy Rebates _____ Interest Reimbursement _____

I, the undersigned, do hereby certify that I understand and agree to all the terms and conditions of the above Housing Incentive Program set forth herein. I further certify that I understand that the Preston Economic Development Authority has the right to reject any applications at their discretion and all such decisions are final.

Signature

Date

Staff Application Checklist for New Homes:

_____ Application form has been filled out in its entirety

_____ Zoning Permit issued/and paid for (if applicable)

Date of Approval _____

Project start date _____

_____ Application forwarded to Utilities, Date _____

_____ EDA approval

Date of CC approval _____

Form updated: 2-2-09, 4-12-10, 2-7-11, 3-2012, 3-14-2013, 2-3-2014, 12-15-2014, 02-2015, 01-2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024