

MINNESOTA
DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT
CONTAMINATION CLEANUP GRANT PROGRAM

FY 2002/03 GRANT CYCLE IV REPORT

Minnesota Statutes § 116J.555, Subdivision 2(b) requires the Department of Trade and Economic Development (DTED) to report to the Environment and Natural Resources Committees of the Senate and the House of Representatives, the finance division of the Senate Committee on the Environment and Natural Resources, and the House of Representatives Committee on the Environment and Natural Resources Finance regarding grants awarded under the Contamination Cleanup Grant Program (CCGP). This report must be submitted for each semi-annual grant cycle 30 days after grants are awarded.

DTED received 13 grant applications (10 Contamination Cleanup Grants and 3 Contamination Investigation Grants) in the May 2003, CCGP grant cycle. This report fulfills the reporting requirement by both informing the committees of the new projects funded and providing supporting information on each grant award.

I. New Projects Funded

Complying with legislative intent and past practice, the total funding available for this grant cycle was determined by taking the total available funding for the biennium (after reduction for administrative costs) and dividing that amount equally between the four semi-annual grant cycles to be conducted during the biennium. Some additional dollars were made available during this grant cycle through cost savings on previously awarded grants. However, the amount of funding available this cycle was less than previous cycles due to a 2003 budget reduction. This results in the following amount available for grant awards during this grant cycle (IV):

A. Funding for New Projects (May 2003):

General Fund	\$0
Environmental Fund	\$0
<u>Petro Fund</u>	<u>\$3,108,824</u>
TOTAL	\$3,108,842

B. Projects Funded

<u>Cleanup:</u>	
St. Louis Park, ConAgra Site	\$1,086,207
Hennepin Co., Despatch Laundry Site	620,057

St. Paul Port Authority, Westminster Junction	214,844
Mpls. Comm. Dev. Agency (MCDA), Heritage Park	539,794
Minneapolis, Walker Art Center	300,000
Monticello, Ruff Auto Site	222,940

Investigation:

Columbia Heights, Industrial Area	50,000
New Brighton, Darling/Mengelkoch	50,000
<u>MCDA, Karamu East</u>	<u>25,000</u>
TOTAL	\$3,108,842

Per Minnesota Statutes § 116J.555, Subdivision 1(b)(6), at least 25% of the total funds available for each cycle shall be awarded in grants to projects in Greater Minnesota if eligible applications are received. During this grant cycle, we awarded funds to 1 of 1 greater Minnesota applications received. Due to lack of applications from Greater Minnesota, we were not able to spend 25% of the total funds available for the cycle in Greater Minnesota.

II. Supporting Information on Each Grant Award

Cleanup Awards:

St. Louis Park EDA - *ConAgra Site*
\$1,086,207

The city of St. Louis Park EDA requested funds to clean contamination at a 6-acre site in the city of St. Louis Park. The site was used as a brickyard starting in 1931, a lithium manufacturing facility starting in 1942, and a food processing manufacturing facility starting in 1960. The site has been vacant since 1998 and many interested developers have walked away from the site because of the severe and unusual contamination issues. Once clean, the site will be developed with 78,260 square feet of industrial space and is expected to create 78 jobs, retain 78 jobs, and increase the tax base by \$111,488.

Hennepin County - *Despatch Laundry*
\$620,057

Hennepin County requested funds to clean a .67-acre site in the Whittier neighborhood in South Minneapolis that had been used as a dry cleaning facility, and a gas station. The severely contaminated superfund site, which has been tax forfeit since 1994, is currently not scheduled to receive Superfund funding related to the soil contamination and needs additional funds to clean the property so that redevelopment can occur. Once clean, the site will be developed with fifteen owner-occupied housing units (three of which will be affordable) and 4,500 square feet of commercial space. Redevelopment is expected to create 18 jobs and increase the tax base by \$63,750.

RECEIVED

FEB 18 2004

St. Paul Port Authority - *Westminster Junction*
\$214,844

LEGISLATIVE REFERENCE LIBRARY
STATE OFFICE BUILDING
ST. PAUL, MN 55155

The St. Paul Port Authority requested funds for additional cleanup costs at a 35-acre site in St. Paul's Payne-Phalen neighborhood. Among other uses, the site has been used as railroad property and a waste transfer station. The Port authority plans to excavate soils contaminated with DRO, VOC, PAH, PCB, metals and other contaminants and place the contamination under the new adjacent Phalen Boulevard, which will be under construction during the Summer of 2003. The road will be used as a cap to contain the contamination from any exposure pathways to humans or the environment. Using the road cap as a remedy will be a substantial cost-saving measure (as opposed to trucking the contamination off-site). Once cleaned, the Port plans to sell the land to seven light industrial users to build 305,500 square feet of building space. It is anticipated that this development will create 250 jobs and retain 250 existing jobs. This development should increase the city's tax base by \$333,974.

MCDA - *Heritage Park*
\$539,794

The MCDA requested funds for soil cleanup activities on a 40-acre site located both north and south of Olson Memorial Highway. Much of the site had been used as public housing that was deteriorated. In spring 2002, DTED granted \$250,000 toward cleanup of a 2.1-acre parcel of land that formerly housed a public heating facility. The MCDA is now seeking additional funds for the larger redevelopment area. Additional funds will be used for contamination testing and issues that arise during the development of the site. It is expected that contamination will be encountered during development and that the contamination is a result of the site being used by unknown origins to dispose of fill/as a dumping ground. The site is being developed with 360 owner-occupied housing units and 95 rental units both at various levels of affordability. The development will create 19 jobs and will increase the tax base by \$1,663,117.

City of Minneapolis - *Walker Art Center*
\$300,000

The city of Minneapolis requested funds to pay for a portion of the cleanup on a 2.91-acre site at 1750 Hennepin Avenue in the Lowry Hill neighborhood of Minneapolis. The site housed an insurance company on which three petroleum tank leak-sites were found. Cleanup required excavation and removal of contaminated soils, and installation of a vapor barrier beneath the new building. The city of Minneapolis plans to construct and lease the space from The Walker for an underground public parking garage on this site, and the Walker will expand its museum and sculpture garden space in the floors above the garage. The Walker expansion will create 15 new jobs. The development is expected to create a \$543,475 increase in city funds through a contractual annual fee.

City of Monticello - *Ruff Auto*
\$222,940

The City of Monticello was awarded a \$222,940 grant to clean up the Ruff Auto site, a 7-acre site located on the corner of Elm and Sixth Streets near downtown Monticello. The site was a former auto salvage yard that left moderate soil contamination of DROs and lead-impacted soils across 75% of the site. Remediation consists of the excavation and disposal of 4.3 acres of contaminated surface soils. DKM, a private developer, will construct 52-56 mid-density, market rate single family homes that will be sold to individual homeowners. The project will create approximately 2 new jobs and increase the local tax base by \$98,022.

Investigation Awards:

City of Columbia Heights - *Industrial Area*
\$50,000

The City of Columbia Heights requested funds for the costs of the Phase II investigation and RAP development for a 28.74-acre site located between University Avenue and Jefferson St. and between 38th. and 40th Avenues. Likely contamination resulted from previous site uses as a foundry, foundry dump, ceramic insulation manufacturer and various other heavy industrial uses where leaking underground storage tanks and ASTs and lead contamination have been reported. Contamination consists of DROs, GROs, lead, PCBs, heavy metals, and VOCs. The final development of the site will be an industrial/commercial development slated to employ 90 new employees. The residential phases of the development will construct 127 units of housing, a portion of which is affordable. The project will increase the local tax base in the amount of \$706,737.

City of New Brighton - *Darling/Mengelkoch*
\$50,000

The city of New Brighton requested funds to complete contamination investigation and RAP development at two former rendering sites in the city's Northwest Quadrant area. Ryan Companies plans to purchase the site and develop approximately 60,000 square feet of tech-flex or light industrial space. This development is expected to create approximately 120 jobs and increase the city's tax base by \$86,584.

MCDA - *Karamu East*
\$25,000

The MCDA requested funds to investigate for contaminants at a 1.035-acre site at the intersection of Plymouth and Penn Avenues in Minneapolis. Starting in 1923 the site was used as a gas station. In 1976, Minneapolis purchased the property and has since been trying to create a vital site. Minneapolis eventually sold the property to a failed business venture and repurchased the property again in 1992. In 1994, the buildings were razed. Once the site has been investigated and cleaned (if necessary), the MCDA will sell the

property to a nonprofit neighborhood developer, the Northside Residents Redevelopment Council (NRRC). NRRC plans to develop 35 owner-occupied units for seniors and 10,000 square feet of commercial/retail space. The development is expected to create 30 jobs and increase the tax base by \$73,340.