

MINNESOTA  
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

CONTAMINATION CLEANUP GRANT PROGRAM

05 - 0038

FY 2004/05 GRANT CYCLE III REPORT

Minnesota Statutes § 116J.555, Subdivision 2(b) requires the Department of Employment and Economic Development (DEED) 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. 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**

A. Funding for New Projects (November 2004):

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. This results in the following amount available for grant awards during this grant cycle (III):

General Fund	\$ 648,000
Environmental Fund	\$ 350,000
<u>Petro Fund</u>	<u>\$3,010,000</u>
TOTAL	\$4,008,000

B. Projects Funded

DEED received 28 grant applications (16 Contamination Cleanup Grants and 12 Contamination Investigation Grants) in the November 2004, CCGP grant cycle. Of these, the following projects were awarded grants:

<u>Cleanup:</u>	
Minneapolis CPED, Riverview Homes	\$477,228
Columbia Heights, Industrial Park	582,897
Minneapolis CPED, Hiawatha Commons	267,375
Duluth EDA, True Ride Redevelopment	54,000
St. Paul PED, Llewellyn	919,560
Princeton, Princeton Dump Site	508,500

St. Paul PED, St. Paul River Bluff	246,645
Dakota County CDA, Meadowlark Site	246,250
Moorhead, West 4 <sup>th</sup> Street & N. Parking Lot	595,564

Investigation:

Blaine, Lee's Auto Wrecking	\$38,393
St. Francis, Highway 47 Auto Parts	26,588
Duluth EDA, Clyde Industrial Park	45,000

TOTAL \$4,008,000

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 for cleanup applications submitted by Duluth, Moorhead and Princeton, and an investigation application submitted by Duluth. The award amounts for these applications totaled \$1,203,064, which is equal to 30% of the available funds.

**II. Supporting Information on Each Grant Award**

Cleanup Awards:

Minneapolis CPED – *Riverview Homes*  
\$477,228

The city of Minneapolis will use grant funds to fund contamination cleanup for 3.84 acres located at West River Parkway and 22<sup>nd</sup> Avenue North, along the Mississippi River, currently owned by JADT Development. Portions of the site were used as paint manufacturing, rail maintenance areas, a foundry, coal storage, fuel tank storage and other railroad-related operations. The site is contaminated with VOCs, SVOCs, DRO, GRO, RCRA metals and asbestos-containing materials in the soil. A private developer, JADT Development, plans to implement the Response Action Plan for the cleanup of the site and develop two phases of affordable and market-rate housing. There will be 59 market-rate townhome units and 90 affordable senior units. The project will create approximately 17 new jobs, and increase the local tax base by \$330,000.

Columbia Heights – *Industrial Park*  
\$582,897

The city of Columbia Heights will use grant funds to clean an 8.85-acre site located at 3800 Fifth Street, which is occupied by six dilapidated buildings. Past uses include a foundry, a machine shop, an auto repair facility, and a chemical manufacturing operation. Soils on the site are contaminated with linseed oil, petroleum, foundry waste (metals), and chlorinated solvents. Shafer Richardson, a local real estate developer, owns the site and plans to build 124 townhomes. The project will create approximately 6 new full-time jobs and a local tax base increase of \$297,538.

Minneapolis CPED – *Hiawatha Commons*  
\$267,375

The city of Minneapolis will use grant funds to clean a 1.77-acre site located on East 28<sup>th</sup> Street and Minnehaha Avenue South. From approximately 1885 through the 1970's, the site was part of a large industrial facility that included plating, casing, cleaning and grinding types of operations. This site is contaminated with SVOCs, DRO and various metals. Hiawatha Housing LP plans to develop a mixed-use project containing 64 affordable housing units and 16 low-end market rate units with 13,000 square feet of first floor commercial/retail space. The project will create approximately 45.5 new jobs, and increase the local tax base by \$105,000.

Duluth EDA – *TrueRide Redevelopment*  
\$54,000

The Duluth EDA will use \$54,000 in cleanup funds for this 4.8-acre former Polaris/Wilbert Vault property. The TrueRide Company will expand on the site after cleanup of petroleum, asbestos and tar on the site. The total project cost for this site is \$338,000. The DEED request and grant award amount is only to cover cost over-runs that were encountered as cleanup commenced. TrueRide will create 9 new jobs, retain 30 jobs, and increase the tax base by \$16,487 with this project. This site is also in a Job Zone.

St. Paul PED – *Llewellyn Site*  
\$919,560

The city of St. Paul PED will use grant funds for the cleanup of a 1.6-acre site located at 84 Wabasha Street South. The site was formerly home to a lumberyard, print shop, an iron and metalworks company, a Coca-Cola bottling plant that was built in 1941 and operated until the 1980s, and Llewellyn Publishing has occupied the site since 1991. Contaminants on the site include lead, mercury, other metals and PAHs. Sherman Associates will be purchasing the property from Llewellyn and plans to build a 114-unit condominium development. The project will create approximately 6 new jobs and increase the local tax base by \$1,074,366.

Princeton – *Princeton Dump Site*  
\$508,500

The city of Princeton requested \$508,500 in cleanup funds for this 22-acre site located at Highway 169 and State Highway 95. The site has been used as the Princeton Dump prior to 1965 and up until the early 1980's. Soil and groundwater contamination include metals, pesticides, PCBs and petroleum compounds. A private developer, Thousand Acres Development, plans to implement the Response Action Plan for the cleanup of the site and develop fourteen lots of industrial sites with building pads of 15,000 square feet each. This project will create 41 FTE jobs and increase the local tax base by \$113,405.

St. Paul PED – *St. Paul River Bluff*  
\$246,645

The city of St. Paul requested \$246,645 in cleanup funds for this 22-acre site at the intersection of West 7<sup>th</sup> Street and Otto. Home to a limestone quarry in the 1930's, a petroleum bulk storage facility operated on the site from 1937 until 1995. Contaminants on the site are petro-hydrocarbons and lead. The city and Koch performed the soil cleanup work at the site, but vapor controls for the new construction are still needed. The city of St. Paul will sell the site to a private developer in 2005, who plans to build approximately 173 units of ownership and rental housing and commercial/retail space. The project will create approximately 10 new FTE jobs and increase the local tax base by \$859,516.

Dakota County CDA– *Meadowlark Site*  
\$246,250

The Dakota County CDA requested funds to clean up a 7.08-acre site located at 8500 210<sup>th</sup> Street in Lakeville that contains a demolished farm homestead, and has been used for warehouses, as storage for railroad ties, and a dump for demolition debris. The site is contaminated with metals, VOCs, PAHs, petroleum compounds and methane. The Dakota County CDA plans to develop the site as 42 units of affordable 2-3 bedroom family townhomes. This project will create 1 new job and county will receive payment in lieu of taxes in the amount of \$14,000 annually.

Moorhead – *West 4<sup>th</sup> Street and N. Parking Lot*  
\$595,564

The city of Moorhead will use grant funds to clean a 1.84-acre site on West 4<sup>th</sup> Street in its gateway downtown redevelopment area. This site was formerly a foundry and later a paint shop, and currently includes parking space, vacant land, and a few commercial buildings which house a bar, a beauty school and a coffee shop. Contaminants on the site include petroleum, metals and chlorinated VOCs. The city plans to own all the properties included in the site by the end of 2004 and issue an RFP to developers in 2005 for mixed-use development proposals. The city estimates that redevelopment of the site will create 41 FTE jobs and increase the local tax base by \$113,405.

Investigation Awards:

Blaine – *Lee's Wrecking Site*  
\$38,393

The city of Blaine requested investigation funds for this 7.65-acre site located at 11808 Central Avenue NE. The site was used as an automobile scrap yard beginning in 1966, (possibly earlier) until 1998, and presently contains a dilapidated office/warehouse building and a salvage yard area. The investigation will document the levels of

petroleum, VOC, metal, and pesticide contamination on the site and the City anticipates a Response Action Plan will be completed by March 2005. The proposed redevelopment of the site will be four office condominium buildings each containing three 5000 square-foot units with parking and green space. It is estimated that the development will generate increased property taxes of \$112,827 and create 82 new FTE jobs.

St. Francis – *Highway 47 Auto Parts*  
\$26,588

The city of St. Francis plans to investigate and develop a RAP for the 6.35-acre site located on Highway 47 and owned by the city of St. Francis. The site has been used as a salvage yard for the past 20 years and likely contains contaminants from related activities. The proposed final development of the investigated site will be two commercial/industrial sites with four warehouse/office condo units on each. It is estimated that increased property taxes of \$52,000 will be generated and approximately 64 new jobs will be created.

Duluth EDA– *Clyde Industrial Park*  
\$45,000

The Duluth EDA plans to complete a Phase I and Phase II investigation and Response Action Plan for the 10.1-acre Industrial Park. Suspected contamination would be due to long use as a foundry and heavy machining site. The investigation will document how much contamination has been released into the soil or groundwater and prescribe a cleanup plan. The area will be renovated to use as office, commercial arts, and possibly other commercial/retail activities. The redevelopment of the site is expected to create 132 new jobs and increase the tax base by \$158,716.