

**MINNESOTA
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

CONTAMINATION CLEANUP GRANT PROGRAM

06 - 0058

FY 2006/07 GRANT CYCLE I 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 2005):

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. For this grant cycle, there was an additional \$1,424,333, due to funds reverted back to the cleanup program from the Northwest Quadrant Project in New Brighton and other cleanup projects. This results in the following amount available for grant awards during this grant cycle (I):

General Fund	\$2,186,001
Remediation Fund	\$ 350,000
<u>Petro Fund</u>	<u>\$3,042,695</u>
TOTAL	\$5,578,696

B. Projects Funded

DEED received 25 grant applications (17 Contamination Cleanup Grants and 8 Contamination Investigation Grants) in the November 2005, CCGP grant cycle. Of these, the following projects were awarded grants:

<u>Cleanup Grants:</u>	
Roseville, Twin Lakes	\$1,300,000
Minneapolis CPED, Humboldt Industrial Park	243,000
Minneapolis CPED, Washington Court	84,350
St. Paul Port Authority, Globe Building Materials	1,200,000

Duluth, Cirrus Production Facility and Hangar	377,099
Columbia Heights, Industrial Park Phase III	798,326
South St. Paul, Armour Gates	500,000
Goodview, Brom Machine and Foundry	155,490
Slayton, Center for Regional Development	7,986
Montrose, Fitzsimmons Service Site	787,445

Investigation Grants:

Minneapolis CPED, Washington Business Center	\$11,287
Winona, McConnon Facility	46,500
Columbia Heights, 39 th and Central Avenue	47,059
Rochester, Castlevew Apartments	5,325
Mora, Feed Mill	14,829

TOTAL	\$5,578,696
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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, Goodview, Slayton and Montrose, and investigation applications submitted by Winona, Rochester and Mora. The award amounts for these applications totaled \$1,394,674, which is equal to 25% of the available funds.

II. Supporting Information on Each Grant Award

Cleanup Awards:

City of Roseville – *Twin Lakes*
\$1,300,000

The City of Roseville was awarded \$1,300,000 to clean this 45.5-acre site, contaminated by use as a trucking terminal. Contamination includes both petroleum and non-petroleum in the soil and water. The redevelopment plan is 540 residential units and 246,000 square feet of commercial use. The project is expected to create 319 FTE jobs and generate \$1,768,312 in new taxes annually.

City of Minneapolis Community Planning and Economic Development – *Humboldt Industrial Park*
\$243,000

The City of Minneapolis CPED was awarded \$243,000 to clean this 10-acre vacant site contaminated by fill soil. Contamination includes DROs and PAHs. The development plan includes a 125,000 square foot office warehouse building with several potential tenants. The project is expected to create 44 FTE jobs, preserve 88 FTE jobs, and generate \$159,027 in new taxes annually.

City of Minneapolis Community Planning and Economic Development – *Washington Court Apartments*
\$84,350

The City of Minneapolis CPED was awarded \$84,350 to clean this 1.68-acre vacant site that was contaminated by fill soil. Contamination includes lead and PAHs. The development will be a 38-unit affordable apartment building. The project is expected to create 2 FTE jobs and generate \$31,110 in new taxes annually.

St. Paul Port Authority – *Globe Building Materials*
\$1,200,000

The St. Paul Port Authority was awarded \$1,200,000 to clean a 5.87-acre site contaminated by a roofing shingle and tar paper manufacturer (Globe). Contamination includes DROs, PAHs, petroleum VOCs, lead, mercury, and GROs. The MPCA ranked this project #1 in terms of the contamination level and cleanup plan proposed. The redevelopment plan includes 84,000 square feet of commercial/industrial space. The project is expected to create 68 FTE jobs, preserve 158 FTE jobs, and generate \$77,001 in new taxes annually.

City of Duluth – *Cirrus Production Facility and Hangar*
\$377,099

The City of Duluth was awarded \$377,099 to clean this 3.91-acre site, formerly used as an Air Force and Minnesota Air National Guard Facility. Contamination includes DROs and VOCs. The redevelopment plan includes an expansion of the existing production facility and a 15,000 sq. ft. hangar. The project is expected to create 220 FTE jobs, preserve 711 FTE jobs, and generate \$88,421 in new taxes annually.

City of Columbia Heights – *Industrial Park, Phase III*
\$798,326

The City of Columbia Heights was awarded \$798,326 to clean this 6.29-acre site contaminated by local foundries. Contamination includes foundry sand, slag, metal shavings, ash and dowtherm-A. The redevelopment plan is 260 owner-occupied loft and townhome units. Ten percent of the units will be affordable. The project is expected to create 4.5 FTE jobs and generate \$682,161 in new taxes annually.

South St. Paul HRA – *Armour Gates*
\$500,000

The South St. Paul HRA was awarded \$500,000 to clean this 3.87-acre site, contaminated through use as an animal processing facility. Contamination includes petroleum and arsenic. The redevelopment plan includes two new commercial/light industrial buildings with a combined size of 46,750 square feet. The project is expected to create 80 new jobs and generate \$189,500 in new taxes annually.

City of Goodview – *Brom Machine and Foundry*
\$155,490

The City of Goodview was awarded \$155,490 to clean this 7.61-acre site, formerly used as a foundry. Contamination includes metals, VOCs, DROs and PAHs. The redevelopment plan includes 16 single-family houses and a 2400 sq. ft. commercial/office building. The project is expected to create four new FTE jobs and generate \$49,800 in additional taxes annually.

City of Slayton Economic Development Authority – *Center for Regional Development*
\$7,986

The City of Slayton was awarded \$7,986 to clean this .75-acre site, contaminated by use as a rail yard and elevator. Contamination includes DROs. The redevelopment plan includes the expansion of an existing office building owned by the EDA. The project is expected to create 4 FTE jobs and preserve 13 FTE jobs. No taxes will be generated because the building will be publicly owned.

City of Montrose – *Fitzsimmons Service Site*
\$787,445

The City of Montrose was awarded \$787,445 to clean this 41-acre site, which previously housed a roofing company and an emergency railroad cleanup service company. Contamination includes DROs, asbestos, and metals from burial of shingles, tar, tin, railroad ties and petroleum products. The redevelopment plan is 114 single-family homes. All units are market rate as the city has an adequate stock of affordable housing and has identified as a priority its need for mid-level housing. The project is expected to generate \$244,654 in new taxes annually.

Investigation Awards:

City of Minneapolis Community Planning and Economic Development – *Washington Business Center*
\$11,287

The City of Minneapolis CPED was awarded \$11,287 to investigate possible contamination on this .51-acre site formerly used as office and warehouse. Suspected contamination is petroleum. The redevelopment plan involves the renovation of a 1920s warehouse building and former rail access. The remodeled building will contain retail, commercial and living space. The project is expected to create 41 FTE jobs, preserve 12 FTE jobs, and generate \$428,560 in new taxes annually.

City of Winona – *McConnon Facility*

\$46,500

The City of Winona was awarded \$46,500 to investigate possible contamination on this 16.5-acre site, formerly used as a demolition landfill and chemical manufacturing plant. Suspected contamination includes DROs, GROs, PAHs, PVOCs and VOCs. The redevelopment plan includes high tech composite manufacturing, an intermodal distribution terminal, and a business incubator building. The project is expected to create 89 jobs, preserve 14 jobs, and generate \$104,842 in new taxes annually.

City of Columbia Heights – *39th and Central Avenue*

\$47,059

The City of Columbia Heights was awarded \$47,059 to investigate possible contamination on this 3.89-acre site occupied by a former Burger King, a bowling alley and a rental center. Portions of the site were used as a dump in the 1920s and 1930s. Suspected contamination includes DROs, GROs, VOCs, SVOCs and metals. The redevelopment plan includes 30 urban rowhomes, 11 townhomes and some office and retail space. The project is expected to create 33 FTE jobs and generate \$231,701 in new taxes annually.

City of Rochester – *Castleview Apartments*

\$5,325

The City of Rochester was awarded \$5,325 to investigate possible contamination on a .55-acre site formerly used as a gas station, auto repair shop, junkyard and paint shop. Suspected contamination includes DRO and GRO. The redevelopment plan is 30 affordable transitional housing units, along with supporting social services. The project is expected to create 8 FTE jobs and generate \$14,000 in new taxes annually.

City of Mora – *Mora Feedmill*

\$14,829

The City of Mora was awarded \$14,829 to investigate possible contamination on this 1.03-acre site, formerly used by a feed mill, offices and possibly a dry cleaner. The redevelopment plan includes a commercial/residential building with 25 housing units. The project is expected to create 15 FTE jobs and generate \$45,354 in new taxes annually.