

**MINNESOTA  
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

**CONTAMINATION CLEANUP GRANT PROGRAM**

**FY 2008/09 GRANT CYCLE I REPORT**

08 - 0112

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 (Nov. 2007):**

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. Funds available were substantially higher than usual due to past awards being reverted back into our accounts. The following amounts were available for grant awards during this grant cycle:

General Fund	\$1,411,687
Remediation Fund	737,243
<u>Petro Fund</u>	<u>3,010,000</u>
TOTAL	\$5,158,930

**B. Projects Funded**

DEED staff reviewed 19 grant applications (13 Contamination Cleanup Grants and 6 Contamination Investigation Grants) in the November 2007, CCGP grant cycle. Of these, the following projects were awarded grants:

**Cleanup Grants:**

City of Rochester, Minnesota Bio Business Center	\$769,974
City of Hopkins, Town and Country Dodge	\$112,500
City of Bloomington HRA, The Corners	\$256,500
City of Minneapolis CPED, Open Arms of Minnesota	\$45,652
City of St. Paul PED, Total Tool Supply	\$711,250
City of Plymouth, Bassett Creek Office Centre	\$549,706

City of St. Paul PED, River Bluff Phase 1A and 1B	\$124,347
City of Bloomington HRA, Penn American District	\$100,192
City of Minneapolis CPED, Harrison Commons	\$168,750
City of St. Louis Park, Erv's Garage	\$118,000

Investigation Grants:

City of Eagan, Cedar Grove Redevelopment	\$50,000
City of St. Paul, Schmidt (Landmark) Brewery	\$50,000
City of Duluth, IKONICS Expansion	\$45,500

TOTAL \$3,102,371

A total of \$2,056,559 from the petrofund account shall be carried over for use during the May 2008 grant round.

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 26% (\$815,474) of the grant funds were awarded to Greater Minnesota, which fulfills this requirement.

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

Cleanup Awards:

**City of Rochester – Minnesota Bio Business Center  
\$769,974 Cleanup Grant**

Rochester received \$769,974 to clean up a 0.33-acre site contaminated by volatile organic compounds (VOCs) and polycyclic aromatic hydrocarbons (PAHs). The contamination was caused by a dry-cleaning business and other commercial entities that operated on the site. The Minnesota Bio Business Center, which broke ground in December, will create 133 new jobs, retain 67 others and increase the tax base by \$326,521. The city will provide matching funds.

**City of Hopkins – Town and Country Dodge  
\$112,500 Cleanup Grant**

Hopkins received \$112,500 in cleanup funding for this 6.45-acre former auto dealership that was contaminated with petroleum, metals, asbestos, VOCs and PAHs. The site will be redeveloped as a 34,000-square-foot fitness center, creating 56 new jobs and generating \$334,593 in new taxes annually. The match will be paid by the developer.

**City of Bloomington HRA – The Corners  
\$256,500 Cleanup Grant**

The Bloomington Housing and Redevelopment Authority (HRA) was awarded \$256,500 to clean up this 5.64-acre site that was formerly occupied by a gas station and other commercial entities. The site, which had been contaminated by petroleum products, will be redeveloped for retail, restaurant and office space in three stand-alone buildings. The project is expected to increase the tax base by \$217,129 and will result in 81 new jobs

and four retained jobs. Matching funds will be covered by other local contamination cleanup grants and the developer.

**City of Minneapolis CPED – Open Arms of Minnesota**

**\$45,652 Cleanup Grant**

The city of Minneapolis, through its Community Planning and Economic Development agency, received \$45,652 to clean up this 0.847-acre site. The land, which housed auto-repair and sign-painting businesses, was contaminated with diesel range organics (DROs), arsenic, lead and PAHs. Open Arms of Minnesota is planning a two-story commercial facility on the site, resulting in seven new jobs and the retention of 14 others. The remaining cleanup costs will be paid by Hennepin County, the Metropolitan Council and Open Arms of Minnesota.

**City of St. Paul PED – Total Tool Supply**

**\$711,250 Cleanup Grant**

The city of St. Paul, through its Planning and Economic Development agency (PED), was awarded \$711,250 to clean up a 2.79-acre site that had extensive lead contamination. A building addition and new truck loading docks are planned. This project will create seven new jobs, retain 55 jobs and generate \$22,650 in new taxes annually. Matching costs will be paid by the developer and the Met Council.

**City of Plymouth – Bassett Creek Office Centre**

**\$549,706 Cleanup Grant**

Plymouth received \$549,706 in additional cleanup funding for this 13.38-acre site. The project has received a total of \$847,518 in cleanup funds for this former driving range, which is contaminated with buried asbestos containing demolition debris. The site will be developed into 150,000 square feet of Class A office space. The development will result in 400 new jobs, 200 retained jobs and a tax increase of \$421,947. The remaining cleanup costs will be paid by the Metropolitan Council, Hennepin County and the developer.

**City of St. Paul PED – River Bluff Phase 1A and 1B**

**\$124,347 Cleanup Grant**

The city of St. Paul, through PED, was awarded \$124,347 to clean up a portion of a former petroleum tank farm and gas station purchased by Sholom Home. Sholom Home plans to move an existing nursing home near the State Fairgrounds to this 3.24-acre site. The development will result in 26 new jobs, 123 retained jobs and a tax increase of \$133,522. The remaining cleanup costs will be paid by the Metropolitan Council, Ramsey County and Sholom Home.

**City of Bloomington HRA – Penn American District**

**\$100,192 Cleanup Grant**

The Bloomington HRA received \$100,192 to clean up this 3.95-acre site, which is part of a larger 8.83-acre redevelopment area. Contamination stemmed from past use as a car dealership and car wash. Four one-story commercial buildings are planned for the site, which will create 70 new jobs, 55 retained jobs and an expected tax increase of \$144,497. Matching funds will come from the city and other local contamination cleanup program funding.

**City of Minneapolis CPED – Harrison Commons**

**\$168,750 Cleanup Grant**

The city of Minneapolis, through CPED, was awarded \$168,750 in cleanup funds for this 0.464-acre site contaminated with gasoline range organics (GROs) and VOCs. This former site of a gas station will be redeveloped with a four-story, mixed-use commercial building, including 45 apartments. The new development will create 21 new jobs and result in a tax increase of \$44,708. Remaining cleanup costs will be covered by the Metropolitan Council, Hennepin County and private funds.

**City of St. Louis Park – Erv's Garage**

**\$118,000 Cleanup Grant**

The St. Louis Park Economic Development Authority (EDA) received \$118,000 in cleanup funds for this 0.4-acre-site contaminated by lead, antimony and PAHs. A 4,000-square-foot "green" office building is planned. This project will create 14 new jobs, retain seven jobs and generate \$25,000 in new taxes annually. The match will be paid by the city, developer, Met Council and Hennepin County.

Investigation Grants:

**City of Eagan – Cedar Grove Redevelopment**

**\$50,000 Investigation Grant**

Eagan received \$50,000 in investigation funding for this approximately 65-acre site, a former commercial/retail center at Cedar Avenue and Highway 13 that is suspected of having petroleum, metal, polychlorinated biphenyl (PCB), VOC and fly ash contamination. The site will be redeveloped as residential (20 percent affordable housing) and mixed-use office and retail. The development is expected to create more than 318 new jobs, retain 382 existing jobs and increase the tax base by nearly \$3 million. The city will pay matching funds.

**City of St. Paul – Schmidt (Landmark) Brewery**

**\$50,000 Investigation Grant**

St. Paul was awarded \$50,000 for investigation costs for this 15.5-acre former brewery dating to 1855. Redevelopment plans call for 200 to 600 housing units and commercial and retail space. The project will result in 204 new jobs, 396 retained jobs and an expected tax increase of nearly \$4 million. The developer will provide matching funds.

**City of Duluth – IKONICS Expansion**

**\$45,500 Investigation Grant**

Duluth received \$45,500 in investigation funds for this 14.77-acre site of the former Universal Atlas Cement plant. Suspected contaminants include lead, PAHs, PCBs and petroleum. The first phase of the proposed development includes a 35,000-square-foot manufacturing and warehouse facility for IKONICS, an imaging technology company. This development will result in five new jobs, 72 retained jobs and a tax increase of \$154,925. The remaining investigation costs will be paid by the Duluth EDA and IKONICS.