



Contamination Cleanup and Investigation Grants Program

Cycle Report to the Legislature
as required by Minnesota Statute 116J.555, Subd. 2(b)

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Author: Kristin Lukes, Brownfields and Redevelopment Director
Minnesota Department of Employment and Economic Development

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MINNESOTA
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT
CONTAMINATION CLEANUP GRANT PROGRAM

FY 2010/11 GRANT CYCLE II 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 (May 2010):

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.

B. Projects Funded

DEED staff reviewed 16 grant applications (12 Contamination Cleanup Grants and 4 Contamination Investigation Grants) in the May 2010, CCGP grant cycle. Of these, the following projects were awarded grants:

Cleanup Grants:

Grand Rapids EDA – Itasca Eco-Industrial Park	\$56,250
City of Minneapolis – 600 Kasota Avenue	\$727,050
City of Minneapolis – 3100 Excelsior	\$350,000
City of Minneapolis – Linden Hills Development	\$323,133
City of Moorhead – Armory Site	\$157,962
City of St. Paul – 778 Smith Avenue	\$32,931
St. Paul Port Authority – Forest and East 7 th , Parcels 1, 2, 3, 4 and 6	\$950,000
St. Paul Port Authority – Pelham Business Center	\$600,000
South St. Paul HRA – 455 Hardman Avenue	\$387,773

Investigation Grants:

Brooklyn Center EDA – Howe Fertilizer Site	\$50,000
Duluth EDA – Bayfront Pier B	\$46,500
City of Hibbing – Habitat for Humanity	\$45,000
City of Roseville – Twin Lakes PIK Site	<u>\$50,000</u>
TOTAL	\$3,776,599

A statutory requirement indicates that unless sufficient applications are not received for qualified sites outside of the metropolitan area, at least 35% of the money provided as grants should be made to projects in Greater Minnesota. We funded cleanup applications submitted by the city of Moorhead and the Grand Rapids EDA and two investigation applications submitted by the city of Hibbing and the Duluth EDA which represents 8% of the total amount proposed for grant awards. The minimum of 35% awarded to Greater Minnesota was not met because sufficient applications were not received from Greater Minnesota.

II. Supporting Information on Each Grant Award

Cleanup Awards:

**Grand Rapids EDA – Itasca Eco-Industrial Park
\$56,250 Cleanup Grant**

The Grand Rapids EDA received \$56,250 in cleanup funds for this 223-acre former oriented strand board manufacturing facility contaminated with petroleum, polychlorinated biphenyls, metals, volatile organic compounds and caustic soda. The site will be redeveloped into an Eco-Industrial Park which is projected to create 70 new jobs and increase the tax base by \$110,430.

**City of Minneapolis – 600 Kasota Ave
\$727,050 Cleanup Grant**

The city of Minneapolis received \$727,050 in cleanup funds for this 5.34-acre site contaminated with arsenic and benzo(a)pyrenes. Formerly used as a municipal ash dump and later for commercial/industrial uses, site redevelopment will include reuse of the existing building and construction of a 15,000 square foot addition to allow for the expansion of the New French Bakery. The redevelopment is expected to create 54 new jobs, retain 40 jobs and increase the tax base by \$117,484.

**City of Minneapolis – 3100 Excelsior
\$350,000 Cleanup Grant**

The city of Minneapolis received \$350,000 in cleanup funds for this 0.46-acre site contaminated with arsenic, mercury, lead, benzo(a)pyrenes, trichloroethylene and perchloroethylene. Most recently used as a garden nursery and retail flower shop, site redevelopment will include renovating a portion of the existing building and constructing a 2,000 square foot addition. The building will be used for commercial purposes. The redevelopment is expected to create 14 new jobs, retain 6 jobs and increase the tax base by \$39,436.

City of Minneapolis – Linden Hills Development

\$323,133 Cleanup Grant

The city of Minneapolis received \$323,133 in cleanup funds for this 0.87-acre site contaminated with lead, gasoline range organics and diesel range organics. Formerly used for various commercial uses and currently the site of a restaurant and office building, the site will be redeveloped with a five-story building that will include commercial space on the first two floors and will have condominiums on the third through fifth floor. The new development is expected to create 38 new jobs, retain 15 jobs and increase the tax base by \$461,407.

City of Moorhead – Armory Site

\$157,962 Cleanup Grant

The city of Moorhead received \$157,962 in cleanup funds for this 1-acre former Armory site contaminated with diesel range organics, gasoline range organics, petroleum volatile organic compounds and arsenic. The site will be redeveloped as 27 affordable apartment units and is expected to create one new job and increase the tax base by \$13,996.

City of St. Paul – 778 Smith Avenue

\$32,931 Cleanup Grant

The city of St. Paul received \$32,931 in cleanup funds for this 0.20-acre former gas station site. Contamination includes gasoline range organics in soil. The proposed development includes an 1800 square foot deli. This development is expected to result in 5 new jobs and a tax increase of \$11,285.

St. Paul Port Authority – Forest and East 7th Street, Parcels 1, 2, 3, 4 and 6

\$950,000 Cleanup Grant

The St. Paul Port Authority received \$950,000 in cleanup funds for this 30.56-acre site contaminated with benzo(a)pyrene, diesel range organics, gasoline range organics and arsenic. Formerly the site of residences, a lumber yard, fuel, coal and ice companies, automotive businesses, a dry cleaner and later used by 3M for factories, labs and offices, the site will be redeveloped as 452,200 square feet of light industrial, commercial and office space. The new development is anticipated to create 508 new jobs, retain 254 jobs and result in a tax increase of \$1,221,834.

St. Paul Port Authority – Pelham Business Center

\$600,000 Cleanup Grant

The St. Paul Port Authority received \$600,000 in cleanup funds for a 5.21-acre site contaminated with petroleum, gasoline range organics, benzo(a)pyrenes, and diesel range organics. The site was formerly used as a truck terminal and will be redeveloped into 80,000 square feet of commercial / industrial. The redevelopment is expected to create 216 jobs and increase the tax base by \$144,000.

South St. Paul HRA – 455 Hardman Avenue

\$387,773 Cleanup Grant

The South St. Paul Housing and Redevelopment Authority received \$387,773 in cleanup funds for a 4.64-acre site contaminated with petroleum, benzo(a)pyrenes, and arsenic. The site was formerly part of the stockyards and will be redeveloped into 66,700 square feet of office/warehouse space. The redevelopment is expected to create 67 new jobs and increase the tax base by \$250,000.

Investigation Grants:

Brooklyn Center EDA – Howe Fertilizer Site

\$50,000 Investigation Grant

The Brooklyn Center EDA received \$50,000 in investigation funds for this 5.1-acre former agriculture chemical manufacturing site. Suspected contaminants include diesel range organics, polynuclear aromatic hydrocarbons and metals. The proposed development includes a 60,000 square foot multi-tenant light industrial building that is expected to result in 8 new jobs, 70 retained jobs and a tax base increase of \$111,598.

Duluth EDA – Bayfront Pier B

\$46,500 Investigation Grant

The Duluth Economic Development Authority received \$46,500 in investigation funds for this 5.6-acre site formerly used as a bulk cement products shipping, storage and packaging facility and for other various industrial uses. Suspected contaminants include volatile organic compounds, metals, polynuclear aromatic hydrocarbons, petroleum and polychlorinated biphenyls. The proposed development includes a hotel and restaurant complex and retail space. This development is expected to result in 100 new jobs and a tax base increase of \$954,632.

City of Hibbing – Habitat for Humanity

\$45,000 Investigation Grant

The city of Hibbing received \$45,000 in investigation funds for a 1.58-acre site which was a school destroyed by fire in the 1970s. Suspected contamination results from demolition fill that may contain asbestos and lead-based paint. The site will be redeveloped into six affordable housing units. The redevelopment is expected to increase the tax base by \$2,952.

City of Roseville – Twin Lakes PIK Site

\$50,000 Investigation Grant

The city of Roseville received \$50,000 in investigation funds for a 25.63-acre site contaminated with petroleum, chlorinated solvents, polynuclear aromatic hydrocarbons, and metals. The site was formerly used as a truck terminal and will be redeveloped into 400,000 square feet of office and mixed-use. The redevelopment is expected to increase the tax base by \$631,000.