

**MINNESOTA
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

04 - 0016

CONTAMINATION CLEANUP GRANT PROGRAM

FY 2004/05 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.

DEED received 15 grant applications (10 Contamination Cleanup Grants and 5 Contamination Investigation Grants) in the November 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.

A. Funding for New Projects (May 2003):

General Fund	\$ 665,500
Environmental Fund	\$ 350,000
<u>Petro Fund</u>	<u>\$3,010,000</u>
TOTAL	\$4,025,500

B. Projects Funded

Cleanup:

Minneapolis CPED, Greenleaf Lofts	\$ 166,663
Minneapolis CPED, Karamu West	262,500
Columbia Heights, Industrial Park	1,001,640
St. Paul Port Authority, Dale Street Shops	1,463,322
Moorhead, East 4 th /South Main	1,006,375

Investigation:

Minneapolis CPED, MN Innovation	50,000
New Brighton, NW Quadrant	50,000
Ramsey, St. Anthony Gun Club	<u>25,000</u>
TOTAL	\$4,025,500

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 2 greater Minnesota applications received. We were able to meet our statutory requirement by the award.

II. Supporting Information on Each Grant Award

Cleanup Awards:

Minneapolis Community Planning and Economic Development (CPED) – *Greenleaf Lofts*
Award: \$166,663

CPED requested funds to clean contamination at a half-acre site at 2000 Nicollet Avenue. The site is contaminated with petroleum from its use as a gas station. CPED is currently using the property as a surface parking lot. Once clean, the site will be developed by a private development company into 27 condominiums (counting 6 on-site and 5 off-site affordable units) with 6,800 s.f. of retail including a coffee shop and police station. The development is expected to create 65 jobs, and increase the tax base by \$232,260.

Minneapolis CPED- *Karamu West*
Award: \$262,500

CPED requested funds to clean an .81-acre site on Plymouth and Penn that had been contaminated with petroleum products from its past use as a gas station. The property is currently being used as a surface parking lot. Once clean, the site will be developed with 24 affordable housing units, 5,000 s.f. of retail and 10,000 s.f. of commercial space. The Developer, the Northside Redevelopment Resident's Council will be the main commercial tenant. Redevelopment is expected to create 24 jobs, retain 19 current positions and increase the tax base by \$99,355.

City of Columbia Heights – *Industrial Park*
Award: \$1,001,640

The City of Columbia Heights requested funds for cleanup costs at a 15-acre site near University and 39th. Among other uses, the site has been used as various foundries, machine shops, chemical manufacturers and auto repair. The city plans to excavate and dispose of soils contaminated with petroleum, chlorinated solvents and lead. Once cleaned, the developer, Shafer Richardson, will build 226 housing units (including affordable units) and 13,000 s.f. of retail space that may include tenants such as a video store, flower shop, bakery, coffee shop or dentist office. It is anticipated that this development will create 35 housing and retail-related jobs. This development should increase the city's tax base by \$754,542.

St. Paul Port Authority – *Dale Street Shops*
Award: \$1,463,322

The Port Authority requested funds for soil cleanup activities on a 13-acre site located at 500 Minnehaha Avenue, adjacent to the Maxson Steel cleanup site. The railroad site was previously used for railroad repair, maintenance and storage, bulk petroleum storage, asphalt plant and other heavy industrial uses. Once the soil contaminated with petroleum, lead and other contaminants is removed or contained, 9 acres of the site will be developed into retail/commercial including a large, known grocery chain, with supporting retail. The development is expected to create at least 225 jobs increase the tax base by \$266,900.

City of Moorhead – E 4th/S Main

Award: \$1,006,375

The city of Moorhead requested funds to pay for cleanup on a 3.5-acre site at East 4th Street and South Main Street adjacent to the Red River. The site was historically used as drycleaners, a petroleum filling station, and other various businesses and residences. Cleanup requires excavation and removal of contaminated soils. Moorhead has 3 potential developers for a mixed-use project containing 100 units of rental and owner-occupied housing (including at least 10 affordable units), with commercial space on the ground levels. The development is expected to create 65 new and 24 retained jobs, and a \$265,628 increase in tax base.

Investigation Awards:

Minneapolis CPED – MN Innovations

Award: \$50,000

CPED requested funds to investigate a 23-acre site located near Malcolm and 30th Avenue. The site has a long history of industrial uses including foundry operations, auto salvage, linseed oil storage and others. It is expected that heavy metals, petroleum, foundry sands and other contaminants will be found on-site. The Wall Company, a private developer, will construct 4 research and 2 manufacturing facilities totaling 530,000 s.f. The project will create over 600 new jobs and increase the local tax base by \$1,372,300.

City of New Brighton

Award: \$50,000

The city of New Brighton requested funds for contamination investigation and RAP development on two parcels in the city's Northwest Quadrant area. Prior uses as a dump and construction machinery storage and maintenance shop likely has caused petroleum, solvent, and dump-related contamination. The city, along with a private developer, plans to develop the properties into mixed office and commercial (possibly retail). This development could create up to 1100 jobs and increase the city's tax base by over \$500,000.

City of Ramsey – *St. Anthony Gun Club*

Award: \$25,000

The city of Ramsey is requesting funds to investigate a 120-acre shooting range located at 16128 Variolite Street NW. Once the site has been investigated and cleaned (if necessary), a private developer, Bay Hill, plans to construct 159 single-family homes. The development is expected to increase the tax base by \$646,898.