

**MINNESOTA
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

CONTAMINATION CLEANUP GRANT PROGRAM

05 - 0442

FY 2004/05 GRANT CYCLE IV 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 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. This results in the following amount available for grant awards during this grant cycle (IV):

General Fund	\$ 646,693
Environmental Fund	\$ 350,000
<u>Petro Fund</u>	<u>\$3,931,671</u>
TOTAL	\$4,928,364

B. Projects Funded

DEED received 23 grant applications (11 Contamination Cleanup Grants and 12 Contamination Investigation Grants) in the May 2005, CCGP grant cycle. Of these, the following projects were awarded grants:

Cleanup Grants:

Blaine, Lee's Wrecking	\$678,614
Mound, Lost Lake Dump	1,476,985
St. Paul PED, Timbercraft Homes	129,000
Little Canada, The Village	140,334
St. Louis Park, National Lead	1,904,456
Milaca, United Country Real Estate	32,206

Winona, Gorman Site	426,750
<u>Investigation Grants:</u>	
Duluth EDA, Cirrus Airport Production Facility	\$45,068
Duluth EDA, Cirrus Airport 102 Site	43,378
Mora, Land O'Lakes	9,000
Goodview, Brom Machine and Foundry	42,573
 TOTAL	 \$4,928,364

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 Milaca and Winona, and investigation applications submitted by Duluth (two), Mora and Goodview. The award amounts for these applications totaled \$598,975, which is equal to 12% of the available funds. Due to lack of applications from Greater Minnesota, we were not able to spend 25% of the total funds available for the cycle in Greater Minnesota.

II. Supporting Information on Each Grant Award

Cleanup Awards:

City of Blaine – *Lee's Auto Wrecking Site*
\$678,614

The city of Blaine requested \$678,614 in cleanup funds for this 7.65-acre site located at 11808 Central Avenue NE that was used as an automobile scrap yard between 1966 and 1998. Today it contains a dilapidated office/warehouse building and a salvage yard area contaminated with petroleum, hydrocarbons, metals and PCBs. This site is part of the larger Blaine Retail - Concept Review redevelopment project and will contain medical offices and a dental clinic. 46 new jobs will be created and the tax base will be increased by \$296,019.

City of Mound – *Lost Lake Dump Site*
\$1,476,985

The city of Mound requested \$1,476,985 in cleanup funds for this 4.3-acre parcel located at 5385 and 5377 Shoreline Drive which is a former municipal dump, service station and wetland that was filled in with debris material. The site is currently vacant with dump-related contaminants, PAHs and petroleum. Development on the site will consist of 37 townhomes and a commercial/retail building. The redevelopment of this site is expected to create 48 new jobs and increase the local tax base by \$231,723.

City of St. Paul Department of Planning and Economic Development – *Timbercraft Homes*
\$129,000

The city of St. Paul PED will use grant funds to clean a 0.29-acre site at 207 North Dale Street. A vacant lot since 1982, past uses on this site include at least one filling station and a cab company that left the site contaminated with petroleum and PVOCs. 9 market-rate townhomes/condos will be built on the site and increase the local tax base by \$33,168.

City of Little Canada – *The Village at Little Canada Site*
\$140,334

The city of Little Canada will use the \$140,334 grant to clean up this 0.51-acre site at 2822 Rice Street. A gas station was located at site from 1958 until 1990. Known contaminants include petroleum and benzene. A private developer, Sherman Associates, plans to clean up the site and construct a 26,000 s.f. two-story commercial building that this part of the larger "Village at Little Canada" mixed-use redevelopment project. This component will create 50-75 new full-time jobs and increase the local tax base by \$50,734.

St. Louis Park Economic Development Authority – *National Lead Site*
\$1,904,456

The St. Louis Park EDA requested funds to clean this 11.6-acre site contaminated with lead, cadmium, arsenic, naphthalene and PAHs. The site was formerly home to lead smelting operations and it has been listed on both the state and federal Superfund lists. A private developer plans to build a 99,000 sq. ft. multi-tenant industrial building on the site. The redevelopment is expected to create over 150 jobs and increase the local tax base by \$145,165.

City of Milaca – *United Country Real Estate Site*
\$32,206

The city of Milaca requested \$32,206 in cleanup funds to remediate a 0.45 acre site at 410 Central Avenue. The site was a gas and service station for many decades and an auto repair shop and used car sales lot from the 1990's until 2004. The current owners purchased the property in 2004 and demolished the existing structures with plans to build a new office building for their company, United Country Real Estate. Contaminations encountered when contractors began work on the new building included GRO, DRO, BTEX and PAHs. The cleanup will enable construction of the new office building, create 3 new full-time realtor jobs, retain 5 full-time jobs, and increase the local tax base by \$3,574.

City of Winona – *Gorman Company Site*
\$426,750

The city of Winona requested \$426,750 to clean this 8.35-acre former metal foundry site that has been vacant since 2002. Contamination on the site consists of piles of foundry sand and waste and some lead. Severson Oil will move their headquarters to this site and refurbish the existing building as well as add another building to provide additional office space. This project will create 7 new jobs, retain 30 jobs, and increase the local tax base by \$29,534.

Investigation Awards:

Duluth Economic Development Authority – *Cirrus Production Facility Site*
\$45,068

The Duluth Economic Development Authority requested \$45,068 in investigation funds to complete contamination investigation and RAP development activities for this 2.3-acre site which contains parcels on the east and west sides of Cirrus Design Corporation's production facility at the Duluth International Airport. The site was part of former production and operations facilities used by the Air National Guard and the U.S. Air Force. Cirrus plans to construct a 98,000 s.f. expansion to the production facility that will create 215 new jobs and increase local tax base by \$100,020.

Duluth Economic Development Authority – *Cirrus Airport 102 Site*
\$43,378

The Duluth Economic Development Authority requested \$43,378 in DEED funds to undertake contamination investigation efforts and prepare a Development Response Action Plan for this 1.6-acre site located on the south side of the Duluth International Airport. The site was formerly home to an operations and administration building of the U.S. Air Force from 1952 until 1977. The building was demolished in 1999. The parcel is part of a proposed expansion by Cirrus Design Corporation, a manufacturer of FAA-certified small aircraft. Cirrus plans to build a 50,000 s.f. airplane hangar at this location. The project will create five new jobs and increase local tax base by \$52,960. With the adjacent production facility expansion, 764 existing jobs will be retained.

City of Mora – *Land-O-Lakes Site*
\$9,000

The city of Mora requested \$9,000 in investigation funds for this 2.3-acre site with potential contamination from storage tanks. A dairy processing facility operated at the site since the 1940's. The new plan for the site includes a 15,000 s.f. bank and office building which will create 7 new jobs, retain 28 jobs, and increase the local tax base by \$41,800.

City of Goodview – *Brom Machine & Foundry Site*
\$42,573

The city of Goodview requested \$50,000 of DEED funds to investigate a 9.24-acre site located at 3565 West 6th Street. The Brom Foundry operated on the site, which is adjacent to residential housing, from 1932-2004. The soil and groundwater may be impacted by metals, VOCs, petroleum and PAHs. Redevelopment plans propose a mix of single family homes and a single story office building, that will result in an anticipated local tax base increase of \$56,700. The application was partially funded in the amount of \$42,573 due to a limited amount of investigation dollars.