

MINNESOTA  
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

CONTAMINATION CLEANUP GRANT PROGRAM

07 - 0561

FY 2006/07 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 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. For this grant cycle, there was an additional \$1,331,297 in unspent funds which were reverted from previously funded projects. These funds include \$1,281,825 in funds reverted for the Roseville Twin Lakes project because the project will not be moving forward at this time. This results in the following amount available for grant awards during this grant cycle:

General Fund	\$ 1,997,812
Remediation Fund	\$ 0
<u>Petro Fund</u>	<u>\$ 3,360,064</u>
TOTAL	\$ 5,357,876

**B. Projects Funded**

DEED reviewed 14 grant applications (12 Contamination Cleanup Grants and 2 Contamination Investigation Grants) in the May 2007, CCGP grant cycle. Of these, the following projects were awarded grants:

<u>Cleanup Grants:</u>	
Chaska, Block 6 Redevelopment	\$500,000
Dakota County CDA, Meadowlark Site	\$25,000
Hopkins, Excelsior Crossing	\$1,230,487
Minneapolis, Coloplast Headquarters	\$890,000
Minneapolis, Crown Iron Site	\$698,850

Minneapolis, Longfellow Station	\$265,000
Plymouth, Bassett Creek Office Centre	\$297,812
St. Paul PED, 430 South Robert Street	\$158,625
St. Paul PED, Hospital Linen Site	\$545,000
St. Paul PED, Winnepeg Apartments Site	\$108,644

Investigation Grants:

St. Paul PED, Carlton Place Lofts Phase II	\$50,000
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TOTAL	\$4,769,418
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Due to a lack in eligible petroleum costs during the May 2007 grant round, \$588,458 from the petrofund account shall be carried over for use during the November 2007 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, no eligible grant applications were received from Greater Minnesota. 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 Chaska - Block 6 Redevelopment*

**\$500,000 Cleanup Grant**

The Chaska EDA is awarded \$500,000 in cleanup funding for this 1.87-acre downtown Chaska site occupied by a service station, farm & garden store and a truck body shop. The site is contaminated with GRO, DRO and arsenic. When clean, the site will be developed with a multi-level, mixed-use building with 40 units of rental housing and 14,500 square feet of commercial space. 88 new FTE jobs will be created and the project will generate \$41,390 in new taxes annually.

*Dakota County CDA - Meadowlark Site*

**\$25,000 Cleanup Grant**

The Dakota County CDA is awarded an additional \$25,000 to clean this site in Lakeville. In January 2005 the site received a cleanup award of \$246,250. The June 2007 award amount to be rolled into the prior grant. The Dakota County CDA has been awarded a total of \$271,250 to cleanup a 7.04 acre site located at 8500 210th Street in Lakeville. The site contains a demolished farm homestead and has been used for warehouses and as storage for railroad ties and a dump for demo debris. The site is contaminated with metals, VOCs, PAHs, petroleum compounds and methane. The Dakota County CDA plans to develop the site as 40 units of affordable, 2-3 bedroom family townhomes. The county will receive payment in lieu of taxes in the amount of \$14,000 annually.

City of Hopkins - *Excelsior Crossing*

**\$1,230,487 Cleanup Grant**

The city of Hopkins is awarded \$1,230,487 in additional cleanup funding for the cleanup of contaminants on this already awarded site. June 2007 award to be rolled into prior grant. The City of Hopkins was awarded a total of \$2,174,477 to clean this 32-acre site used formerly as a grocery distribution warehouse and a filling station. Contamination includes DROs, PAHs, PVOCs and SVOCs. Impacted soil will be excavated and disposed off-site. The three phase redevelopment plan calls for two seven-story office buildings, a five-story office building and a one-story commercial/retail building totaling 752,000 square feet. 945 new FTE jobs will be created and another 2025 FTE jobs will be retained. The property taxes will increase by \$1,948,214 annually.

City of Minneapolis - *Coloplast Headquarters*

**\$890,000 Cleanup Grant**

The City of Minneapolis is awarded \$890,000 in cleanup funding for this 5.41-acre site composed of 3 parcels on West River Road. Primary contaminants are arsenic, PAHs and vinyl chlorides originating from past use, contaminated fill debris and possibly adjacent parcels. The cleanup plan is to excavate the amount needed for development plus a buffer, with disposal at an approved facility. The redevelopment plan includes demolition of two of the three existing structures and construction of a 6-story, class A office building to be connected to the third existing building. The project will create 142 new FTE jobs, retain 246 FTE jobs and increase the property taxes by \$217,256 annually.

City of Minneapolis - *Crown Iron Site*

**\$698,850 Cleanup Grant**

The City of Minneapolis is awarded \$698,850 to clean up this 5.6 acre site in Minneapolis. Soils impacted by petroleum, chlorinated solvents and metals will be excavated and disposed. The site will then be capped with a bituminous parking area. The redevelopment plan consists of refurbishing seven buildings to include 75,000 square feet of commercial/industrial space and 32 affordable apartment units. 100 new FTE jobs will be created, 71 FTE jobs will be retained and the property taxes are expected to increase by \$415,906 annually.

City of Minneapolis - *Longfellow Station*

**\$265,000 Cleanup Grant**

The City of Minneapolis is awarded \$265,000 in cleanup funding for this 3.6-acre site. Past use as a feed processing facility and a filling station resulted in the soil being contaminated with arsenic, DRO, GRO, PVOCs and PAHs. The cleanup plan is excavation and off-site disposal. The redevelopment plan includes 300 housing units and 40,000 to 47,000 square feet of commercial space. 110 to 115 units of the housing will be affordable. This project will create 150 new FTE jobs and increase the property taxes by \$2,767,527 annually.

City of Plymouth - *Bassett Creek Office Centre*

**\$297,812 Cleanup Grant**

The City of Plymouth is awarded \$297,812 in cleanup funds for a 13.38-acre site. The site was formerly a golf driving range and was contaminated by demolition debris from an off-site source. The primary contaminant is asbestos containing materials in the

buried debris. The cleanup plan includes excavation of debris, with some debris being disposed of at an approved landfill and some debris being consolidated underneath the parking lot or in green space. The new development will include a 150,000 square foot office building; this will result in 400 new FTE jobs, 200 retained FTE jobs and a tax increase of \$421,947.

*St. Paul PED - 430 South Robert Street*

**\$158,625 Cleanup Grant**

St. Paul PED is awarded \$158,625 in cleanup funding for this 0.29-acre site impacted by GRO, DRO and BTEX in soil and groundwater as a result of past use as a gas station. The cleanup plan includes excavation and off-site disposal of impacted soil. The redevelopment plan is construction of two connected slab on grade, single-story buildings for 2 office/retail tenants. This project will create 10 new FTE jobs and increase the tax base by \$11,723 annually.

*St. Paul PED - Carleton Place Lofts Phase II*

**\$50,000 Investigation Grant**

St. Paul PED is awarded \$50,000 in investigation costs for this 1.77-acre parcel. The site has a history of industrial and commercial use, including gas stations, but is currently vacant. Preliminary investigation shows contamination with petroleum, PAHs and PCBs. The redevelopment plan includes a mixed use, multi-story building that will include 120 to 140 rental units and 45,000 square feet of retail space at University and Hampden Avenues. 9.5 new FTE jobs will be created and the project will generate \$248,000 in new taxes annually.

*St. Paul PED - Hospital Linen Site*

**\$545,000 Cleanup Grant**

St. Paul PED is awarded \$545,000 in clean up funds to pay for contaminated soil excavation and removal on this 2.6-acre site near Metro State University. The soil and groundwater on the site is contaminated by past use as an on-site drycleaner and contaminated fill. Contaminants include PAH, metals and PCE. The cleanup plan consists of excavation and off-site disposal of contaminated soil and the installation of vapor barrier and passive venting systems for each building in the development. The redevelopment plan includes construction of 60 new ownership housing units, including 42 affordable units. Additionally, 10,000 square feet of ownership commercial space will be included in the project. The development will result in 30 new FTE jobs and a property tax increase of \$83,728 annually.

*St. Paul PED - Winnepeg Apartments Site*

**\$108,644 Cleanup Grant**

St. Paul PED is awarded \$108,644 in cleanup funding for this 0.51-acre site contaminated by past use as a gas station. Contamination includes GRO, BTEX and organic vapors. The cleanup plan includes excavation and off-site disposal of contaminated soil and the installation of a passive venting system and a vapor barrier beneath the building. The redevelopment calls for a 3-story building with 28 affordable apartments, indoor parking and 3,000 square feet of retail space. 8 new FTE jobs will be created and the project will generate \$72,728 in new property taxes annually.