



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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**MINNESOTA
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

CONTAMINATION CLEANUP GRANT PROGRAM

FY 2010/11 GRANT CYCLE III REPORT

Minnesota Statute 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). As of January 2011, this report is being submitted to the Committee Chairs of the House Committee on Environment, Energy & Natural Resources Policy & Finance and the Senate Committee on Environmental and Natural Resources Budget & Policy. 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 (November 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. During this biennium the program received funding reductions. A total of \$5M (\$2.5M in FY 10 and \$2.5M in FY 2011) was cut from the Petrofund appropriation and an annual reduction of \$314,000 was applied to the General Fund account for the program.

B. Projects Funded

DEED staff reviewed 14 grant applications (13 Contamination Cleanup Grants and 1 Contamination Investigation Grant) in the November 2010 CCGP grant cycle. Of these, the following projects were awarded grants:

Cleanup Grants:

Cloquet, Woodward/Vork Property	\$787,904
Duluth, Duluth Spring	418,158
Duluth EDA, Atlas Industrial Park	482,281
Hibbing, Habitat for Humanity	234,900
Minneapolis, American Swedish Institute	99,810
St. Paul PED, Hazelden Campus Expansion	534,562
St. Paul PED, Schmidt Brewery Site	770,064
St. Paul Port Authority, Total Tool Supply	699,575
Scott County CDA, Senior Housing	<u>295,004</u>
TOTAL Cleanup:	\$4,322,258

Investigation Grant:

St. Paul Port Authority, Viking Drill and Tool \$50,000

COMBINED TOTAL: \$4,372,258

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. Contamination cleanup applications submitted by the cities of Hibbing, Duluth and Cloquet were funded, which exceeds the required allocation at 44%.

II. Supporting Information on Each Grant Award

Cleanup Awards:

Cloquet, Woodward/Vork Property \$787,904

The city of Cloquet is awarded \$787,904 in cleanup funds for this 1.14-acre site contaminated with diesel range organics, polychlorinated biphenyls and benzo(a)pyrene. Previous uses include wood storage for paper mills and the back lot of an auto dealership. The site will be redeveloped with a 40,000 square foot County Community Services Center that will retain 142 jobs. The remaining costs will be paid by the City of Cloquet and Carlton County.

Duluth, Duluth Spring Site \$418,158

The city of Duluth is awarded \$418,158 in cleanup funds for this 0.52-acre site contaminated with lead, benzo(a)pyrenes and diesel range organics. Formerly used for the manufacturing of leaf springs and other industrial uses, site redevelopment will include demolition of the existing building and construction of a new 14,500 square foot building that will house a restaurant, brewery and retail space. The redevelopment is expected to create 30 new jobs and increase the tax base by \$62,875. The remaining cleanup activities will be paid for by the developer.

Duluth EDA, Atlas Industrial Park \$482,281

The Duluth Economic Development Authority is awarded \$482,281 in cleanup funds for this 16.1-acre site contaminated with lead, arsenic, benzo(a)pyrenes and high pH soils. Formerly used as the Universal Atlas Cement Plant, site redevelopment will include construction of 65,000 square feet of industrial space in two new buildings and installation of a new public road and utilities. The redevelopment is expected to create 77 new jobs, retain 20 jobs and increase the tax base by \$292,900. The remaining cleanup activities will be paid for by the Duluth Economic Development Authority.

Hibbing, Habitat for Humanity \$234,900

The city of Hibbing is awarded \$234,900 in cleanup funding for a 1.6-acre site contaminated with lead in the soil from demolition of a former school. The site will be redeveloped into 8 affordable, Habitat for Humanity homes. Redevelopment will increase the tax base by \$2,952. The matching funds are provided by an Iron Range Resources Redevelopment Grant.

Minneapolis, American Swedish Institute \$99,810

The city of Minneapolis is awarded \$99,810 in cleanup funds for this 3.3-acre site contaminated with diesel range organics. Formerly used for residential purposes, site redevelopment will include renovation of the existing American Swedish Institute building and construction of a 34,000 square foot addition for the Nelson Cultural Center. The redevelopment is expected to create 11 new jobs and retain 29 jobs. The remaining cleanup activities will be paid for by Hennepin County, Met Council and the American Swedish Institute.

St. Paul, Hazelden Campus Expansion \$534,562

The city of St. Paul is awarded \$534,562 in cleanup funds for this 3.99-acre site contaminated with lead, benzo(a)pyrenes, and diesel range organics. Formerly used for numerous industrial purposes and most recently the site of a roofing contractor, site redevelopment will include demolition of the existing buildings and construction of a 25,000 square foot addition to the Hazelden St. Paul campus. The redevelopment is expected to create 27 new jobs. The remaining cleanup activities will be paid for by Ramsey County, Met Council and Hazelden.

St. Paul PED, Schmidt Brewery Site \$770,064

The city of St. Paul is awarded \$770,064 in cleanup funds for this 6.02-acre site. Former uses include breweries and an ethonol plant. Contaminants include lead, arsenic, mercury, diesel range organics, and benzo(a)pyrenes. The site will be redeveloped into 116 units of affordable housing, and 20,000 square feet of office and restaurant space. The tax base will increase by \$475,055 and 68 new jobs will be created by this development. Matching funds will be from the Met Council and the developers for the site.

St. Paul Port Authority, Total Tool Supply \$699,575

The St. Paul Port Authority is awarded \$699,575 in cleanup funds for this 2.79-acre site contaminated with lead. Formerly the site of a battery manufacturer, the site will be redeveloped as an expansion of Total Tool Supply, Inc. with a 10,350 square foot warehouse and a 7,200 square foot storage building. The project is projected to increase the tax base by \$43,253, create 22 new jobs and retain 47 jobs. The remaining costs will be paid by the Met Council, Ramsey County and Total Tool Supply, Inc.

Scott County CDA, Senior Housing \$295,004

The Scott County CDA is awarded \$295,004 in cleanup funds for this 6.25-acre site contaminated with lead, arsenic and diesel range organics. This former dump site will be redeveloped with a 90,918 square foot four story building which will include 49 units of senior housing and a community library. This project is projected to increase the tax base \$22,031, create 2 new jobs and retain 2 jobs. The remaining costs will be paid by the Met Council, Scott County and the city of Elko New Market.

Investigation Grant:

St. Paul Port Authority, Viking Drill and Tool \$50,000

The St. Paul Port Authority is awarded \$50,000 in investigation funds for this 5.23-acre site, which was once part of the State Street Dump. The site will be redeveloped as an expansion of Viking Drill and Tool with a new 35,500 square foot facility. The project is projected to increase the tax base by \$41,772, create 42 new jobs and retain 164 jobs. The remaining costs will be paid by Viking Tool.

Overall, this cycle yielded better than average results for Greater Minnesota and also benefitted several substantial Metro Area projects.