



# 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 2012 GRANT CYCLE I 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 2012, this report is being submitted to the Committee Chairs of the House Committee on Environment Energy and Natural Resources Policy and Finance and the Senate Committee on Environment and Natural Resources. 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. Additional committees receiving a copy of this report are the House Committee on Jobs and Economic Development Finance and the Senate Committees on Jobs and Economic Growth and Jobs and Economic Development Finance.

\* Please note that the current committee structure is: Senate Environment and Natural Resources Committee, Senate Finance Committee, House Environment, Energy and Natural Resources Policy and Finance Committee, and House Ways and Means Committee.

**I. New Projects Funded**

**A. Funding for New Projects (November 2011):**

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 24 grant applications (16 Contamination Cleanup Grants and 8 Contamination Investigation Grants) in the November 2011 CCGP grant cycle. Of these, the following projects were awarded grants:

**Investigation Grants:**

Brooklyn Center EDA, Lifetime Site	\$50,000
Columbia Heights, 3930 University	\$23,724
Fairmont, Bank Midwest	\$33,660
Minneapolis, GAV Development	\$41,250
<b>TOTAL Investigation</b>	<b>\$148,634</b>

### Cleanup Grants:

Duluth, Atlas Industrial Park	\$265,072
Duluth, Rohlfing of Duluth	\$357,811
St. Louis Park EDA, Ellipse II	\$346,690
St. Paul Port Authority, Forest & E 7 <sup>th</sup>	\$1,834,875
Minneapolis, Hobbs Bar-B-Que	\$129,826
Minneapolis, 1100 2 <sup>nd</sup> St. S	\$130,052
Minneapolis, 700 Central	\$599,880
Minneapolis, 222 Hennepin	\$436,881
Minneapolis, WB Equities	\$211,302
Minneapolis, Pillsbury Lofts	\$284,112
Minneapolis, Seward Commons Phase II	\$200,000
Minneapolis Housing Authority, Heritage Park Senior Living	\$310,875

**TOTAL Cleanup:** **\$5,107,376**

**COMBINED TOTAL:** **\$5,256,010**

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 and investigation applications submitted by the cities of Duluth and Fairmont were funded, representing three of the five Greater Minnesota applications. The total awards to Greater Minnesota represent only 12% of available grant funds. The other two Greater Minnesota applications from Preston and Hinckley were not funded because they did not meet the minimum scoring criteria.

## **II. Supporting Information on Each Grant Award**

### **Investigation Grants:**

**Brooklyn Center EDA – Lifetime Site** **\$50,000**

The Brooklyn Center EDA is awarded \$50,000 in investigation funds for this 8.39-acre site suspected to be contaminated with petroleum. Formerly the site of a health club, the site will be redeveloped with a 125,000 s.f. multi-tenant light industrial building. The new development will create 25 new jobs, retain 181 jobs and increase the tax base \$299,800. The remaining investigation activities will be paid for by the developer.

**Columbia Heights, 3930 University** **\$23,724**

The city of Columbia Heights is awarded \$23,724 in investigation funds for this 1.1-acre site. Formerly the site of an electrical supply company, the site is expected to be developed into commercial use. The new development could create up to 20 new jobs, and increase the tax base by \$70,000. The remaining investigation activities will be paid for by the Columbia Heights EDA.

**Fairmont, Bank Midwest** **\$33,660**

The city of Fairmont is awarded \$33,660 in investigation funds for this 1.42-acre site that is contaminated primarily with petroleum and hydrocarbons from treated wood pavers buried at the site. The site was formerly used as a VFW Hall. The site will be redeveloped by Bank Midwest

who will relocate to the site. The redevelopment is expected to retain 28 employees and increase the tax base by \$64,356. The remainder of the investigation will be paid for by the developer.

**Minneapolis, GAV Development**

\$41,250

The city of Minneapolis is awarded \$41,250 in investigation funds for this 0.3-acre former filling station site. Suspected contaminants include petroleum. The proposed development is 10,000 s.f. of commercial office space that is expected to result in 20 new jobs, and increase the tax base by \$55,000. The developer will pay for the remaining investigation costs.

**Cleanup Grants:**

**Duluth, Atlas Industrial Park**

\$265,072

The Duluth EDA (DEDA) is awarded \$265,072 in supplemental cleanup funding for this 16-acre site contaminated with high pH. Formerly the site of Universal Atlas Cement, the site is expected to be redeveloped into a 25,000 s.f. expansion of the Ikonics facility and a 40,000 s.f. building for a future tenant. The new development should create 69 new jobs, retain 21 jobs and increase the tax base by \$307,696. The remaining cleanup activities will be paid for by DEDA.

**Duluth, Rohlfsing of Duluth**

\$357,811

The city of Duluth is awarded \$357,811 in cleanup funding for this 0.6-acre site contaminated primarily with petroleum. Formerly the site of various gas stations and auto repair facilities, the site will be redeveloped with a 12,000 s.f. warehouse addition to the Rohlfsing Distribution Center. The new development will create 3 new jobs, retain 19 jobs and increase the tax base by \$26,398. The remaining cleanup activities will be paid for by Rohlfsing.

**St. Louis Park EDA, Ellipse II**

\$346,690

The St. Louis Park EDA is awarded \$346,690 in cleanup funds for this .72-acre site contaminated with petroleum and other contaminants. Formerly the site of a restaurant, hotel and gas station, the site will be redeveloped with a 5 story, 58 unit apartment building. The new development will create 4 new jobs and increase the tax base \$87,000. The remaining cleanup activities will be paid for by the Metropolitan Council, Hennepin County and the developer.

**St. Paul Port Authority, Forest & East 7<sup>th</sup> Street**

\$1,834,875

The St. Paul Port Authority is awarded supplemental cleanup funding in the amount of \$1,834,875 for this 30.56-acre site contaminated with various metals and organics. Formerly the site of 3M, the site is expected to be redeveloped into a business park for future tenants. The new development should create at least 98 new jobs, retain 787 jobs and increase the tax base by \$1,810,000. The remaining cleanup activities will be paid for by the St. Paul Port Authority.

**Minneapolis, Hobbs Bar-B-Que**

\$129,826

The city of Minneapolis is awarded \$129,826 in cleanup funds for this .36-acre site contaminated with petroleum and metals. Past uses of the site included a gasoline service station and small junk yard. The redevelopment will include reuse of the building, which will also include a small expansion of the footprint. The new business will be a restaurant. The redevelopment is expected to create 6 new jobs and increase the tax base by \$29,760. The developer will pay for the remaining cleanup activities.

**Minneapolis, 1100 2nd Street South****\$130,052**

The city of Minneapolis is awarded \$130,052 in cleanup funds for this .22-acre site contaminated with petroleum and other chemicals. Formerly the site for bulk fuel storage, the site will be redeveloped with a 5,200 s.f. manufacturing facility for Izzy's Ice Cream. The new development will create 13 new jobs, retain 10 jobs and increase the tax base \$24,765. The remaining cleanup activities will be paid for by the Metropolitan Council, Hennepin County and the developer.

**Minneapolis, 700 Central****\$599,880**

The city of Minneapolis is awarded \$599,880 in cleanup funds for this .95-acre site contaminated with petroleum and metals. The site was used for retail, a maintenance shop, and storage. The redevelopment will include reuse of both buildings into 105 apartments, retail, restaurant, and basement parking. The redevelopment is expected to create 20 new jobs and increase the tax base by \$374,798. The developer and Hennepin County will pay for the remaining cleanup activities.

**Minneapolis, 222 Hennepin****\$436,881**

The city of Minneapolis is awarded \$436,881 in cleanup funds for this 2.5-acre site contaminated with petroleum and heavy metals. Formerly an automobile sales and service site, the redevelopment will include demolishing most of the structure then constructing 286 apartments and a 40,000 s.f. grocery on the site. The redevelopment is expected to create 109 new jobs and increase the tax base by \$1,161,979. The developer and Metropolitan Council will pay for the remaining cleanup activities.

**Minneapolis, WB Equities****\$211,302**

The city of Minneapolis is awarded \$211,302 in cleanup funds for this 1.76-acre site contaminated with petroleum and other contaminants. Formerly the site of a variety of commercial and industrial uses, the site will be redeveloped with a 31,600 s.f. building for Hennepin County Human Services and Public Health Departments. The new development will create 2 new jobs, retain 200 jobs and increase the tax base by \$216,903. The remaining cleanup activities will be paid for by the Metropolitan Council, Hennepin County and the developer.

**Minneapolis, Pillsbury Lofts****\$284,112**

The city of Minneapolis is awarded \$284,112 in cleanup funding for this 3.65-acre site contaminated with various metals, petroleum and pesticides. Formerly the site of the Pillsbury Flour Mills, the site is expected to be redeveloped into 225 units of market rate live/work housing with 30,000 s.f. of shared art space. The new development should create 4 new jobs, and increase the tax base by \$179,182. The remaining cleanup activities will be paid for by the developer.

**Minneapolis, Seward Commons Phase II****\$200,000**

The city of Minneapolis is awarded \$200,000 in cleanup funding for this .55-acre site contaminated primarily with petroleum. Most recently the site of a machining shop, the site is expected to be redeveloped into 60 units of affordable senior housing. The new development should create 2 new jobs, and increase the tax base by \$43,938. The remaining cleanup activities will be paid for by the developer and Hennepin County.

**Minneapolis Public Housing Authority, Heritage Park Senior Living** \$310,875

The Minneapolis Public Housing Authority (MPHA) is awarded \$310,875 in cleanup funds for this 2.3-acre site contaminated with buried asbestos and various metals. The past use of the site was public housing and will be redeveloped into 48 units assisted living for low income seniors and a 69,203 s.f. senior health and wellness service center. The redevelopment will result in 42 new jobs, 4 retained jobs and a tax base increase of \$4,600. The remaining cleanup will be paid by MPHA.

These sixteen Contamination Cleanup and Investigation grant awards will enable the redevelopment of sites which would not otherwise be revitalized. They will save and create jobs, while increasing the tax base of formerly non-productive sites. They also represent the combined skills of many funders to put together financing packages for contaminated sites.