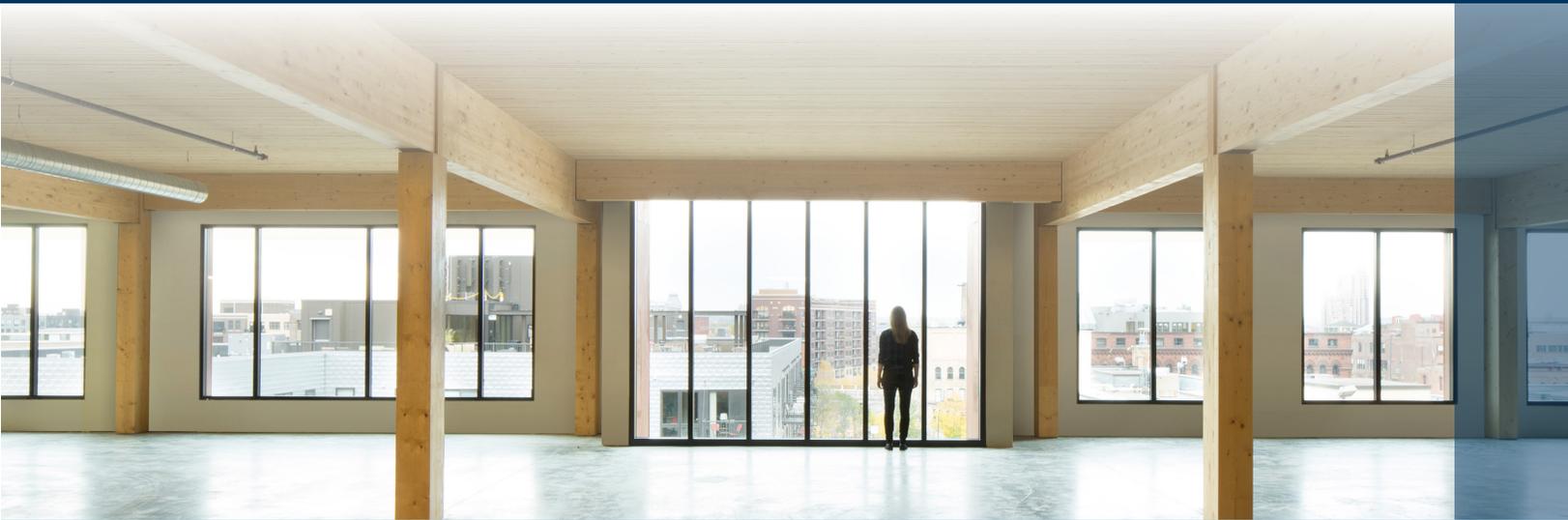




CONTAMINATION CLEANUP AND INVESTIGATION GRANTS PROGRAM



Minn. Stat. §§ 116J.551 – 116J.559

2018 ANNUAL REPORT



EMPLOYMENT AND
ECONOMIC DEVELOPMENT



BACKGROUND

The Contamination Cleanup and Investigation Grants Program is administered by the Department of Employment and Economic Development (DEED) through its Brownfields and Redevelopment unit.

This program helps communities pay for the additional costs of investigation and cleanup on sites with soil and/or groundwater contamination. Grants are awarded to sites when there is a planned redevelopment.

The program was created in 1993, with the first grant round held in 1995.

ELIGIBILITY

- Grants are awarded to local units of government – cities, counties, HRAs, EDAs, and Port Authorities
- Sites can be publicly or privately owned
- Developer cannot be responsible for the contamination
- Project must have a Response Action Plan (RAP) that has been approved by the MPCA
- Expectation that the site will be redeveloped and create economic benefits of job creation or retention, tax base increase, and other benefits to the community

GRANT PROCESS

- Grants are awarded semiannually through a competitive grant process
- Priorities include:
 - reduction or elimination of threat to public health and the environment
 - increase in property tax base
 - social value of the development including job creation
 - probability of cleanup without government funds
 - cleanup costs
 - commitment of local authorities to pay match
- **25% local match is required, 12% of which** must come from an unrestricted source of funds

GRANT OUTCOMES*

- **524 grants totaling over \$177 million** have been awarded statewide
- **Over 3,500 acres** have been investigated or cleaned up
- **Over 48,000 jobs** have been created or retained
- **Over \$123 million** in increased tax base has been realized
- **Over 19,000 housing units** have been built, with over 4,000 being considered affordable
- **Over \$6.89 billion in private investment dollars** have been leveraged (for every grant dollar, more than \$38 in private investment has been leveraged)

GRANT STATUS*

- **Of the 524 grants, 48 are currently in awarded status.** Awarded status signifies a grant that has been awarded and the project has started or is ready to begin.
- **325 grants are currently in closed status.** Closed status means all grant funds have been spent, the development has been completed, and the final benefits have been reported.
- **29 grants are currently in closed, pending monitoring status.** Closed, pending monitoring status indicates a grant that has drawn all of its grant funds, but final review is required by DEED staff.
- **3 grants are in closed, pending RAP approval status.** Closed, pending RAP approval means that investigation of the site is complete. However, RAP preparation and/or RAP approval still need to be completed.
- **4 grants are in closed, pending cleanup or RAP implementation status.** Grants in closed, pending cleanup or RAP implementation status have spent all grant funds and have been monitored by DEED. However, a Certificate of Completion or letter from the MPCA is needed to demonstrate that the cleanup was adequate and appropriate.

- **32 grants are in closed, pending final report status.** Closed, pending final report indicates all grant funds have been spent, DEED has monitored the grant, and the development is underway. However, final benefits achieved still need to be reported to DEED.
- **22 grants are currently in closed, pending development status.** Grants in closed, pending development status have completed the cleanup of the site, but the planned development has yet to be completed.
- **22 grants are in closed, no development status.** These grants have completed cleanup of the site, but did not move forward with development.
- **39 grants are in terminated status.** Terminated grants did not move forward with the cleanup and grant funds were returned to DEED.



INVESTIGATION GRANTS AND CONTAMINATION CLEANUP GRANTS*

- 133 investigation grants totaling over \$4.1 million have been awarded statewide
- 391 cleanup grants totaling over \$173.7 million have been awarded statewide

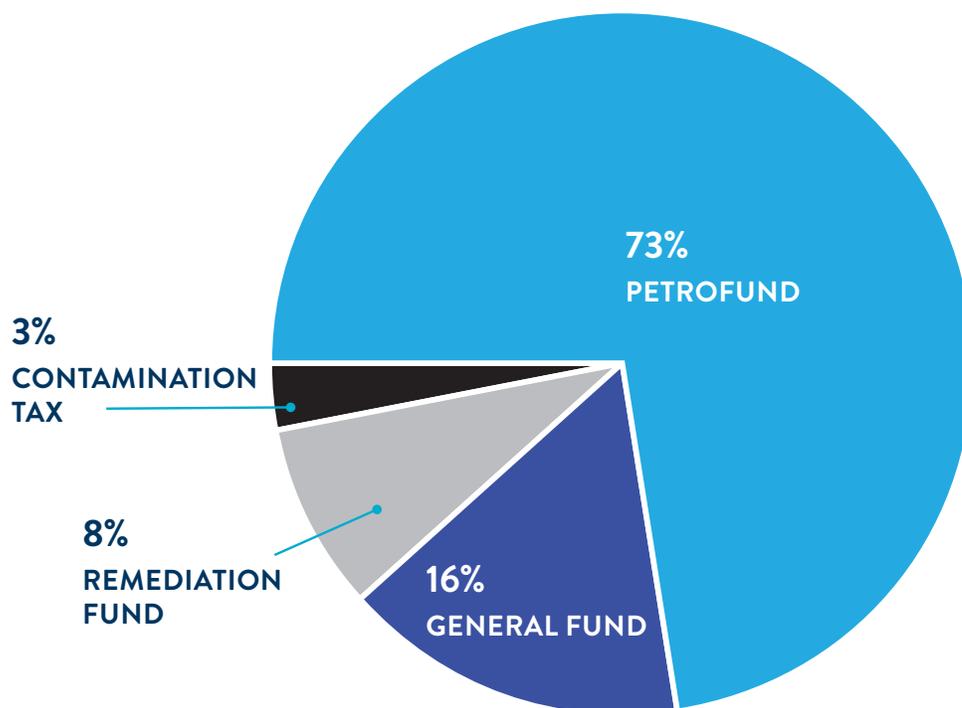
GRANTS TO GREATER MINNESOTA*

Unless sufficient applications are not received for qualifying sites outside of the metropolitan area, at least 35% of the money provided as grants must be made for sites located outside of the metropolitan area. Due to the nature of the program and land availability, more contaminated sites are investigated and cleaned up in the metropolitan area.

- 159 grants totaling over \$30 million have been awarded to local units of government in Greater Minnesota
- 365 grants totaling over \$147 million have been awarded to the local units of government in the metropolitan area

CONTAMINATION CLEANUP AND INVESTIGATION GRANTS PROGRAM FUNDING SOURCES

Total funding for the program is approximately \$8 million per year.



*Data as of September 2018

CASE STUDIES

Case Study – Minneapolis – T3 (Timber, Transit, Technology)

- 1.4-acre site historically used as a railroad passenger station and freight depot.
- Soil contaminants included petroleum, polynuclear aromatic hydrocarbons, arsenic, and mercury.
- DEED funds helped pay for site investigation, response action plan development, environmental oversight and reporting, and the loading, hauling, and disposal of contaminated soil.
- A seven-story, 221,000 square-foot, multi-tenant office building with street-level retail and one-level of underground parking was constructed on the site.
- Economic benefits include the creation and retention of 712 jobs, a \$1,650,000 tax increase, and \$50,000,000 in private investment leveraged.



View of completed multi-tenant office building



Inside view of completed multi-tenant office building

City of Virginia – East Range Clinic Site

- 2.5-acre site previously used by railroad and mining industries, auto repair, a lumber yard, and a health clinic
- Soil contaminants included diesel range organics, lead, polynuclear aromatic hydrocarbons, and volatile organic compounds
- Final development is a 15,000 square-foot showroom and service center, which houses Waschke family Chrysler, Dodge, Jeep and Ram Dealership
- Benefits include the creation of 36 new jobs, a tax increase of \$50,000, and \$1.9 million in private investment leveraged



Waschke family Chrysler, Dodge, Jeep and Ram Dealership

CASE STUDIES

City of Robbinsdale – Terrace Mall Redevelopment

- 10.4-acre site formerly used as a mall, shopping center, and theater
- Theater had been vacant for 17 years prior to grant award, and shopping center had been mostly vacant for 3 years
- Soil contaminants included polynuclear aromatic hydrocarbons, arsenic, diesel range organics, and asbestos
- New development consists of a 90,000 square foot Hy-Vee grocery store, including a pharmacy, municipal liquor store, restaurant, and convenience store
- Benefits include the creation of 363 jobs, a \$299,568 tax increase, and \$20 million in private investment leveraged



Terrace Mall – Before



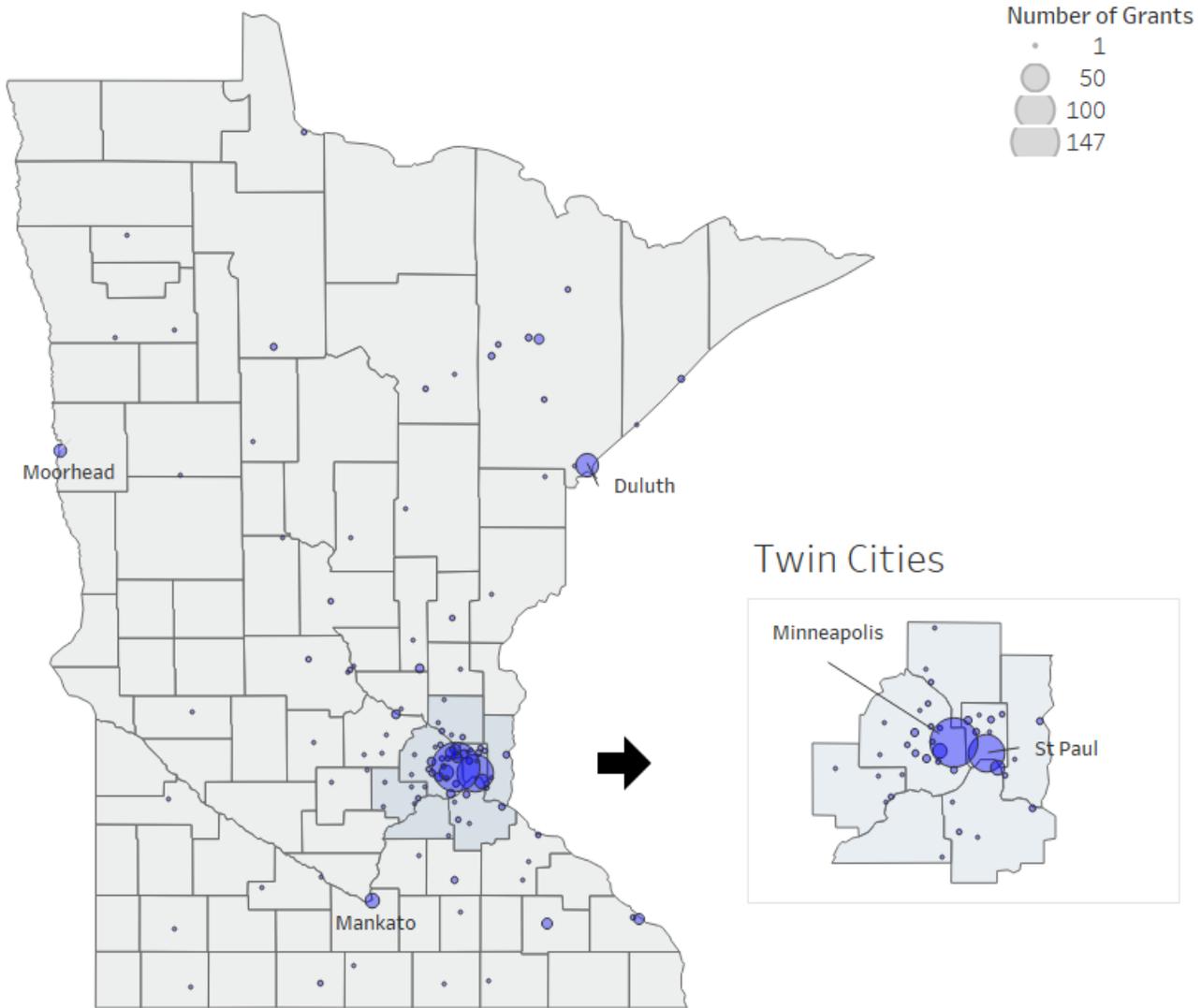
Terrace Mall – After

CONTAMINATION CLEANUP GRANT PROGRAM JANUARY 1995-SEPTEMBER 2018

CLEANUP PROGRAM

Total Grants: 524

Total Award: \$177.9 Million



Source: Community Finance Office
Created by the Economic Analysis Unit,
Policy Division, DEED. October, 2018

GRANTS AWARDED, 2018

DEED awarded four Investigation Grants and 22 Cleanup Grants in fiscal year 2018, totaling \$9,149,639. Seven of those grants were awarded to communities in Greater Minnesota.

Grantee	Project Name	Award Amount
Dakota County CDA	Valley Ridge	\$50,000
Carver, city of	Lenzen Bus Garage	\$14,831
Buffalo, city of	Downtown Redevelopment	\$41,270
Duluth EDA	IPS Cranes	\$50,000
Maple Grove, city of	Hilger Transfer	\$1,000,000
Robbinsdale, city of	Terrace Mall Redevelopment	\$212,840
Bloomington, city of	Minnesota Center	\$567,000
Edina, city of	49.5 France	\$581,063
Minneapolis, city of	Midtown Corner	\$98,800
Winona Port Authority	60 Main	\$456,996
Rochester, city of	Urban on First	\$939,443
Fridley HRA	Northern Stacks VIII	\$432,000
Golden Valley, city of	Global Pointe Senior Cmty	\$315,819
Mankato, city of	507 N Riverfront Drive	\$115,217
Minneapolis, city of	36 Bryant	\$160,651
Minneapolis, city of	Bassett Creek East	\$278,887
Minneapolis, city of	Calhoun Towers	\$77,601
Minneapolis, city of	Sons of Norway	\$741,553
Minneapolis, city of	Superior Plating Phase 2	\$1,223,929
Minneapolis, city of	The Expo	\$664,274
St. Paul, city of	Ain Da Yung Supportive Housing	\$93,813
St. Paul, city of	Metro Deaf School	\$306,800
St. Paul, city of	Snelling and St. Clair	\$99,900
St. Paul Port Authority	Minnesota Chemical Site	\$290,691
Virginia, city of	118 Chestnut Street	\$13,590
Winona, city of	Main Square Community	\$322,671



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