



Mandated Report Cover Sheet

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Estimated cost of producing report: \$803.75

Report Name: Contamination Cleanup and Investigation Grant Program Annual Report

Report Due Date: October 30, 2019

Why is DEED producing this report? (Statutory requirement, task force, etc.): Per Minnesota Statute § 116J.555, Subd. 2 (b) – “The commissioner shall annually report to the committees of the senate and house of representatives with jurisdiction over environment and natural resources finance on the status of the cleanup projects undertaken under grants made under the programs. The commissioner shall include in the annual report information on the cleanup and development activities undertaken for the grants made in that and previous fiscal years. The commissioner shall make this report no later than 120 days after the end of the fiscal year.”

Brief Summary of the report's purpose and contents: To provide updated information on projects funded through the Contamination Cleanup and Investigation Grant Program.

Is there anything controversial in the report? If so, what is controversial? No

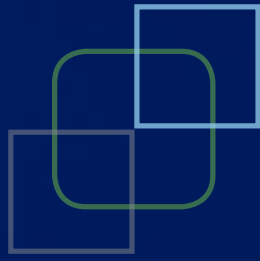
Which stakeholders care about this report and why? Cities, counties, HRAs, EDAs, environmental consultants, those involved with the Petrofund and the general public.

Who supports the report's findings and why? All of the report information is actual program data. Brownfields projects have historically had widespread bi-partisan support due to their positive environmental and economic outcomes.

Who opposes the report's findings and why? There shouldn't be any opposition to the program data, since the results evolve from a competitive process and are subject to careful review.

Is there any newsworthy information in the report? If yes, please explain and brief the Communications Office. Many of the projects funded through our program have received positive attention in the news.

Is there anything else the Commissioner should know? No.



CONTAMINATION CLEANUP AND INVESTIGATION

GRANTS PROGRAM

2019 ANNUAL REPORT



*Allianz Field, St. Paul, MN
Photo Credit: Mortenson*

Minn. Stat. §§ 116J.551 – 116J.559



CONTAMINATION CLEANUP AND INVESTIGATION

GRANTS PROGRAM



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*

- **551 grants totaling almost \$187 million** have been awarded statewide
- **Over 3,600 acres** have been investigated or cleaned up
- **Over 50,000 jobs** have been created or retained
- **Over \$131 million** in increased tax base has been realized
- **Over 20,000 housing units** have been built, with over 4,000 being considered affordable
- **Almost \$7.7 billion in private investment dollars** have been leveraged (for every grant dollar, more than \$37 in private investment has been leveraged)



GRANT STATUS*

- **Of the 551 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.
- **360 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.
- **21 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.
- **1 grant is 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.
- **8 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.
- **28 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.
- **15 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.
- **24 grants are in closed, no development status.** These grants have completed cleanup of the site, but did not move forward with development.
- **46 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*

- 136 investigation grants totaling over \$4.1 million have been awarded statewide
- 415 cleanup grants totaling over \$182.7 million have been awarded statewide

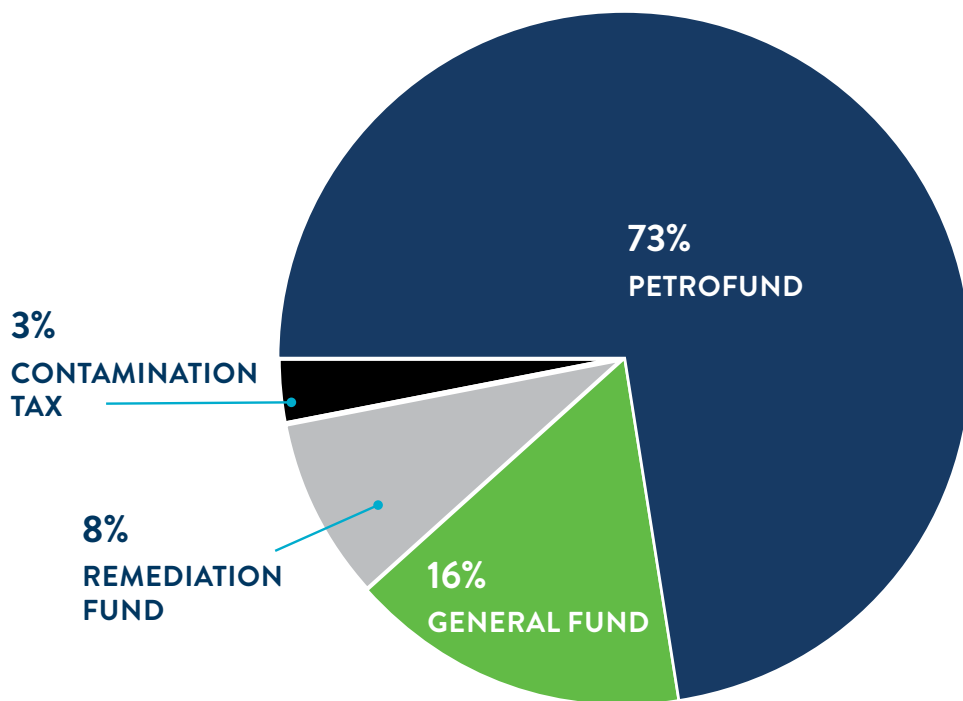
GRANTS TO GREATER MINNESOTA*

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.

- 163 grants totaling almost \$30 million have been awarded to local units of government in Greater Minnesota
- 388 grants totaling over \$187 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 2019

CASE STUDIES

St. Paul Port Authority – Allianz Field

- Approximately 20-acre site historically used for bus storage and maintenance, and various retail uses including a drycleaner.
- Site contaminants included petroleum, polynuclear aromatic hydrocarbons, lead, and tetrachloroethene.
- DEED funds helped pay for site investigation, response action plan development, contaminated soil remediation, lead stabilization, vapor system installation, stormwater system upgrades for no infiltration, well sealing, and environmental oversight and reporting.
- A 346,000 square foot major league soccer stadium with a seating capacity of 19,400 was constructed on the site. It is anticipated that the soccer stadium will spur additional commercial development on and adjacent to the site.
- Economic benefits include the creation of 120 jobs, retention of 105 jobs and \$250,000,000 in private investment leveraged.



St. Paul Port Authority | Allianz Field AFTER

South St. Paul – Bridgepoint Building 4

- 5.2-acre site previously used for meat packing and processing.
- Contaminants in soil and soil vapor included polynuclear aromatic hydrocarbons, diesel range organics, volatile organic compounds, and perchloroethylene.
- DEED funds helped pay for site investigation, response action plan development, excavation and disposal of contaminated soil, the installation of a vapor mitigation system, and oversight and reporting.
- The site was redeveloped with a 60,000 square-foot commercial building that serves as Rihm-Kenworth's corporate headquarters of their full-service truck dealership.
- Economic benefits include the creation of 47 new jobs, retention of 34 jobs, and \$136,000 tax increase, and \$10,673,366 in private investment leveraged.



South St. Paul BEFORE



South St. Paul AFTER

CASE STUDIES

St. Paul – Higher Ground

- 1.82-acre site previously used for residential, auto repair, a firehouse, a gas station, and an office building.
- Contaminants in soil included volatile organic compounds, polynuclear aromatic hydrocarbons, diesel range organics, and metals
- DEED funds helped pay for site investigation, response action plan development, excavation and disposal of contaminated soil, and oversight and reporting.
- The site was redeveloped with a five story, 104,000 square-foot building operated by Catholic Charities in support of homeless individuals. The building can serve up to 471 people per day through a mix of single room housing, smaller residential “pods,” pay-for-stay housing, overnight beds, and food service.



St. Paul Higher Ground BEFORE



St. Paul Higher Ground AFTER

Duluth Economic Development Authority Grand Avenue Estates

- 18.7-acre site historically used for electrical equipment storage and motor repair.
- Site contaminants included petroleum, volatile organic compounds, lead, and mercury.
- DEED funds helped pay for additional investigation/characterization, contaminated soil excavation, transportation, and disposal, and environmental oversight and reporting.
- Two 29-unit apartment buildings with three accompanying garages, and nine patio homes were constructed on the site.
- Economic benefits include the creation of 2 jobs, the construction of 67 housing units, a tax increase of \$168,100, and \$10,000,000 in private investment leveraged.



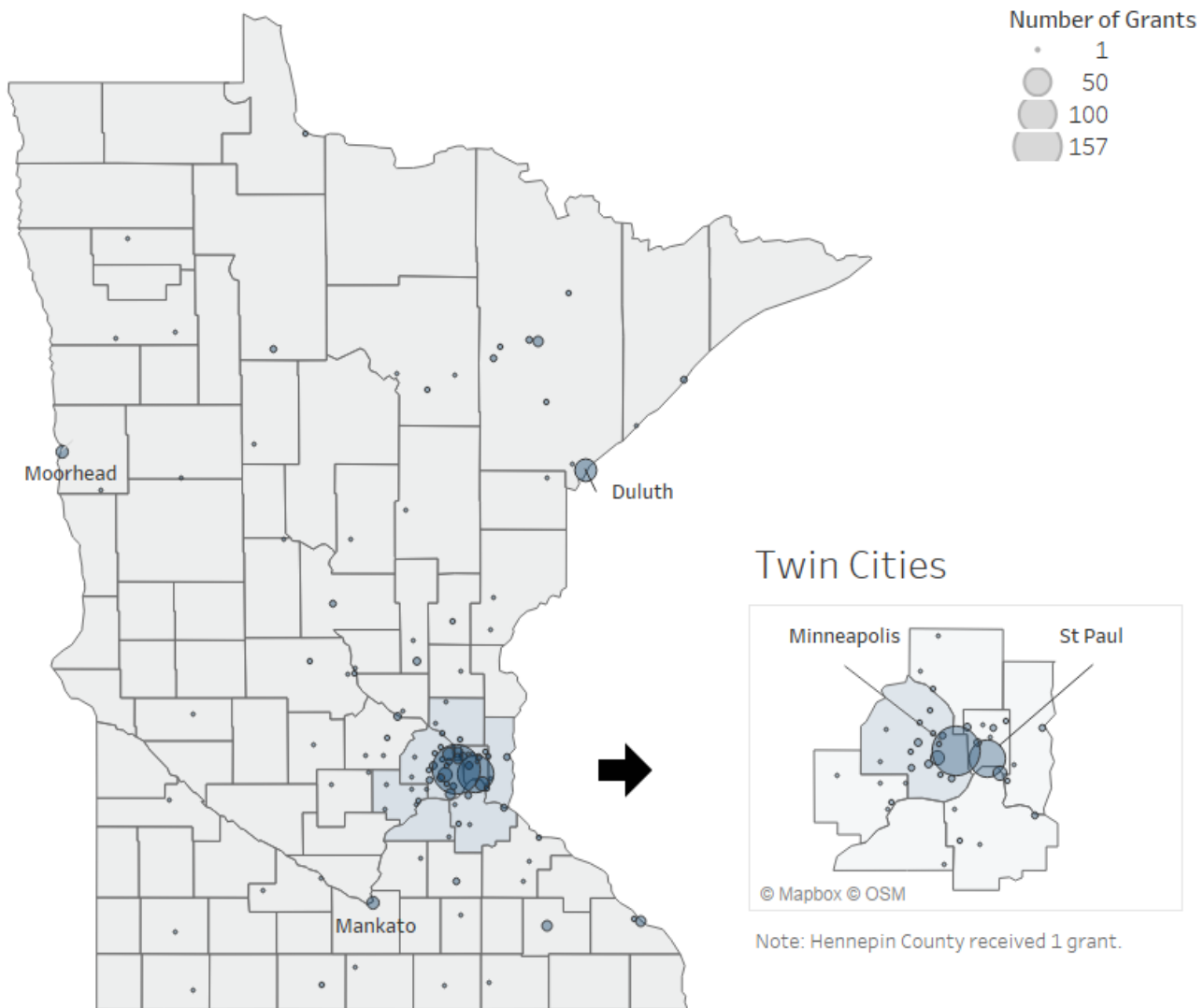
Duluth - Grand Avenue Estates AFTER



CONTAMINATION CLEANUP GRANT PROGRAM

JANUARY 1995-SEPTEMBER 2019

- **Total Grants: 551**
- **Total Award: \$186.9 Million**



Source: Community Finance Office
Created by the Economic Analysis Unit,
Policy Division, DEED. October, 2019



CONTAMINATION CLEANUP GRANT PROGRAM

Grants Awarded – 2019

DEED awarded four Investigation Grants and 27 Cleanup Grants in fiscal year 2019, totaling \$9,085,192. Five of those grants were awarded to communities in Greater Minnesota.

Grantee	Project Name	Award Amount
Barnesville, city of	Braton Excavating Site	\$31,275
Bloomington, city of	Intergenerational Mixed-Use Project	\$1,107,399
Bloomington, city of	Intergenerational Mixed-Use Project	\$86,160
Buffalo, city of	Downtown Redevelopment	\$37,500
Deer River, city of	Salvage Yard	\$45,421
Hennepin County	Upper Post Flats	\$571,752
Little Falls, city of	Former CentraSota Site	\$32,000
Maple Grove, city of	Hilger Transfer Station	\$828,122
Minneapolis, city of	Portland and Washington Mixed-Use	\$427,791
Minneapolis, city of	Keller Building	\$594,525
Minneapolis, city of	RBC Gateway	\$1,092,395
Minneapolis, city of	3120 Excelsior	\$98,996
Minneapolis, city of	Bessemer at Seward Commons	\$328,488
Minneapolis, city of	Leef South Lot	\$163,214
Minneapolis, city of	Capri Theater	\$58,991
Minneapolis, city of	907 Winter St. NE	\$211,214
Minneapolis, city of	Creekside at Van White	\$538,374
Minneapolis, city of	Malcolm Yards Market	\$73,451
Pine City, city of	Airport Road Parcel	\$24,300
Robbinsdale, city of	Parker Station Flats	\$184,438
Roseville EDA	Edison Apartments	\$325,000
South St. Paul EDA	Verderosa Avenue	\$701,250
South St. Paul EDA	Big Heist Beer Co.	\$433,305
St. Paul, city of	O’Gara’s Mixed-Use Redevelopment	\$361,408
St. Paul, city of	Fairview Business Center	\$228,300
St. Paul, city of	North West University Dale	\$237,630
St. Paul, city of	International Institute of MN	\$262,493
Total Award Amount		\$9,085,192