

CONTAMINATION CLEANUP AND INVESTIGATION

GRANTS PROGRAM

2020 ANNUAL REPORT

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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*

- **574 grants totaling almost \$192 million** have been awarded statewide
- **Over 3,700 acres** have been investigated or cleaned up
- **Over 50,000 jobs** have been created or retained
- **Over \$134 million** in increased tax base has been realized
- **Over 22,000 housing units** have been built, with over 6,000 being considered affordable
- **Over \$8.3 billion in private investment dollars** have been leveraged (for every grant dollar, more than \$43 in private investment has been leveraged)



GRANT STATUS*

- **Of the 574 grants, 50 are currently in awarded status.** Awarded status signifies a grant that has been awarded and the project has started or is ready to begin.
- **377 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.
- **20 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.
- **11 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.
- **25 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.
- **7 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.
- **30 grants are in closed, no development status.** These grants have completed cleanup of the site, but did not move forward with development.
- **50 grants are in terminated status.** Terminated grants did not move forward with the cleanup and grant funds were returned to DEED.
- **3 grants are in closed, partial development status.**



INVESTIGATION GRANTS AND CONTAMINATION CLEANUP GRANTS*

- 136 investigation grants totaling over \$4.37 million have been awarded statewide
- 438 cleanup grants totaling \$187 million have been awarded statewide

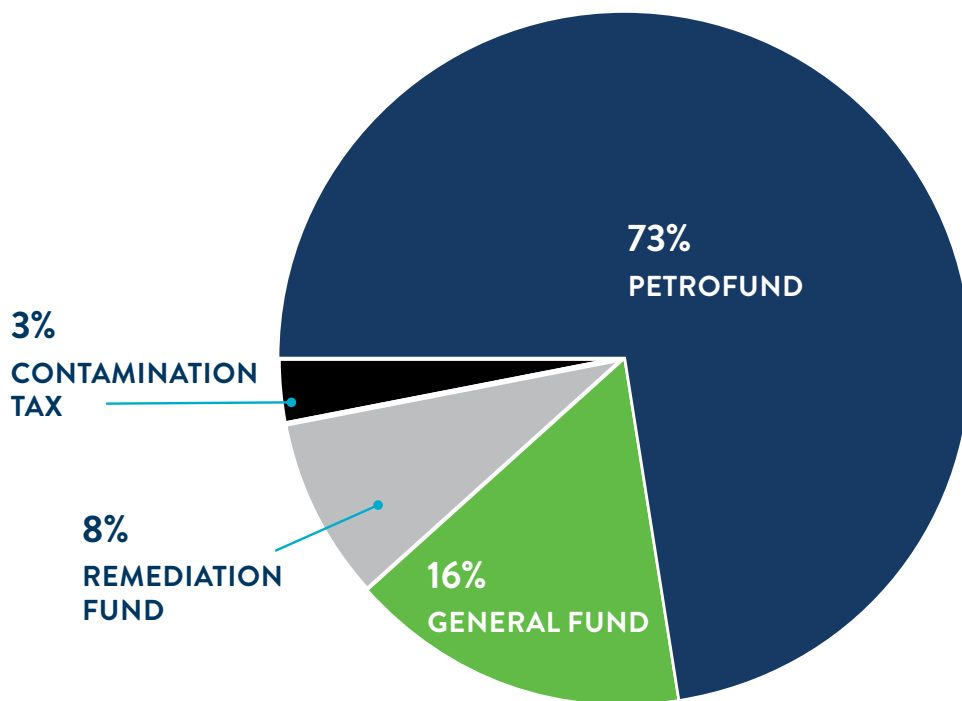
GRANTS TO GREATER MINNESOTA*

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 over \$31 million have been awarded to local units of government in Greater Minnesota
- 405 grants totaling almost \$161 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 2020

CASE STUDIES



Minneapolis – Leef Project

Minneapolis – Leef Project

- This 1.84-acre site was previously used as a commercial laundry/ industrial dry-cleaning facility.
- Site contaminants consisted of heavy metals in the soil, polynuclear aromatic hydrocarbons and petroleum in the soil and groundwater, and volatile organic compounds in the soil vapor.
- DEED funds helped pay for the cost of investigation and Response Action Plan development, contaminated soil remediation, clean fill placement, in-situ oxidation of Stoddard solvent, monitoring well installation and dewatering, vapor mitigation system installation and environmental oversight.
- The site was redeveloped with a 65,000-square-foot office building, and a 100-unit apartment building is currently under construction.
- Anticipated economic benefits include the creation and retention of 200 jobs, the construction of 100 affordable housing units, a tax increase of \$375,500, and \$30,500,000 of private investment leveraged.

Maple Grove – Former Hilger Transfer Site

- This 13-acre site was historically a sand/gravel mine, unregulated dump, and waste transfer station.
- Site contaminants consisted of volatile organic compounds, polynuclear aromatic hydrocarbons, heavy metals, petroleum, and viscous black waste material in the soil; and trichloroethene, vinyl chloride, and methane in the soil vapor.
- The viscous black waste material was found to contain hazardous levels trichloroethene, polychlorinated biphenyls, semi-volatile organic compounds, and heavy metals.
- DEED funds helped pay for the cost of investigation and Response Action Plan (RAP) development, contaminated soil remediation, black material treatment and disposal, vapor mitigation installation, and environmental oversight.
- A 204,000-square-foot commercial/industrial building was constructed on the site.
- Anticipated economic benefits include the creation and retention of 340 jobs, a tax base increase of \$436,000, and \$13,100,000 of private investment leveraged.



Maple Grove site – Before



Maple Grove site – After

CASE STUDIES

Rochester – Urban on First

- This 1.33-acre site was historically used for a variety of industrial and commercial uses, as well as a parking lot.
- Site contaminants included petroleum, benzo(a) pyrene, mercury, lead, and arsenic.
- DEED funds helped pay for additional investigation, contaminated soil excavation, transportation, and disposal, and environmental oversight and reporting.
- The site was redeveloped to include a 6-story building with approximately 9,000-square-feet of commercial space and structured parking stalls.
- Economic benefits include the creation of 22 jobs, the construction of 156 housing units, a tax increase of \$359,266, and \$34,200,000 in private investment leveraged.



Rochester – Urban on First redeveloped site



Moorhead site – Before



The Grove Apartments, Moorhead – After

Moorhead – The Grove Apartments

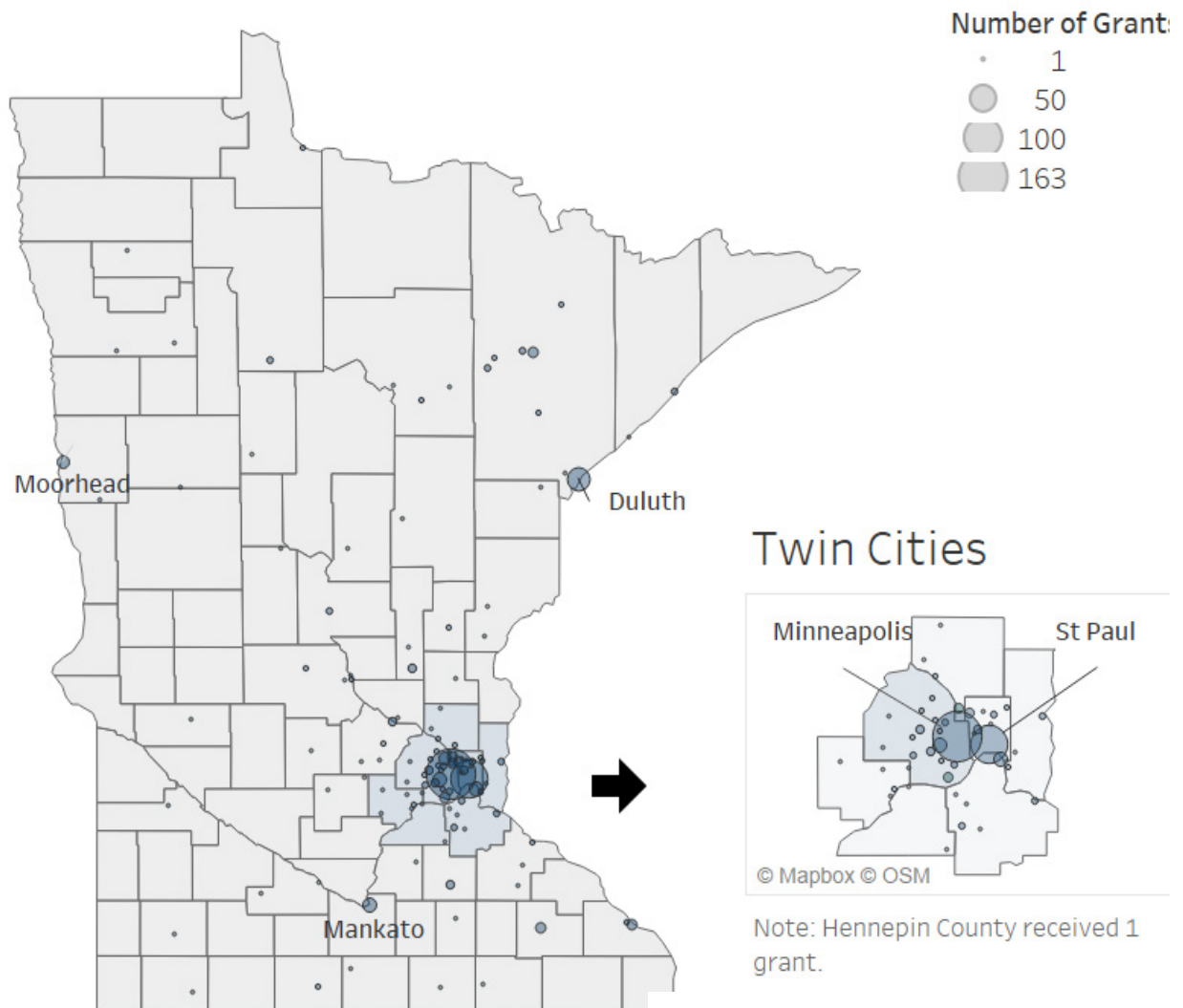
- This 5.5-acre site was historically occupied by a railroad company, auto repair and maintenance, auto salvage and junkyard, manufacturer of petroleum storage tanks, concrete ready-mix plant, and a lawn service company.
- Site contaminants included chlorinated/mineral spirit solvent, volatile organic compounds, petroleum, and polynuclear aromatic hydrocarbons and metals.
- DEED funds helped pay for additional sampling, excavation, transportation, and disposal of contaminated soil, clean soil import, installation of a vapor-mitigation system, and environmental oversight and reporting.
- The site was redeveloped into three apartment buildings, each with enclosed parking.
- Economic benefits include the creation of one job, the construction of 135 housing units, a tax increase of \$151,784, and \$12,000,000 in private investment leveraged.



CONTAMINATION CLEANUP GRANT PROGRAM

JANUARY 1995-SEPTEMBER 2020

- Total number of grants since 1995: 574
- Total Award to date: \$192 Million



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Source: Community Finance Office

Created by the Economic Analysis Unit, DEED. September, 2020

CONTAMINATION CLEANUP GRANT PROGRAM

Grants Awarded – 2020

DEED awarded three Investigation Grants and 20 Cleanup Grants in fiscal year 2020, totaling \$8,711,561. Six of those grants were awarded to communities in Greater Minnesota, totaling \$1,694,603.

Grantee	Project Name	Award Amount
Bloomington, city of	Bloomington Senior Housing Project	\$1,197,602
Falcon Heights, city of	Amber Union	\$151,774
Faribault, city of	Straight River Apartments	\$802,831
Mankato, city of	Bridge Plaza	\$415,752
Mankato, city of	Studio 5	\$241,912
Minneapolis, city of	14th and Central	\$556,403
Minneapolis, city of	Portland and Washington Mixed-Use	\$427,818
New Brighton, city of	Former Micom Corp.	\$82,170
St. Paul, city of	Waterford Bay (Island Station)	\$959,507
Roseville, city of	Twin Lakes Station	\$179,514
Shakopee, city of	Riverbluff Development	\$332,732
Duluth EDA	Canal Park Redevelopment	\$50,000
Duluth EDA	Robert's Home Furnishings	\$134,946
Mankato, city of	Lewis Lofts and Sinclair Flats	\$49,162
St. Paul Port Authority	United Village at Midway Block B Development Project	\$635,089
Lakeville, city of	Kingsley Place Senior Living	\$413,583
Minneapolis, city of	1505 Central	\$375,218
Minneapolis, city of	Anishinabe III Supportive Housing	\$42,691
Minneapolis, city of	Malcolm Yards Housing	\$203,721
Minneapolis, city of	Northrup King Campus	\$50,000
St. Paul, city of	Hazel Assisted Living	\$245,956
St. Paul, city of	Fairview and University	\$330,755
Apple Valley, city of	Apple Valley Commerce Center	\$832,425
Total Award Amount		\$8,711,561