

MINNESOTA
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

06 - 0434

CONTAMINATION CLEANUP GRANT PROGRAM

FY 2006/07 GRANT CYCLE II REPORT

Minnesota Statutes § 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). 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 (May 2006):

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. Some additional dollars were made available during this grant cycle through cost savings on previously awarded grants. This results in the following amount available for grant awards during this grant cycle (II):

General Fund	\$853,072
Remediation Fund	\$350,000
<u>Petro Fund</u>	<u>\$3,132,183</u>
TOTAL	\$4,335,255

B. Projects Funded

DEED received 19 grant applications (14 Contamination Cleanup Grants and 5 Contamination Investigation Grants) in the May 2006, CCGP grant cycle. Of these, the following projects were awarded grants:

<u>Cleanup Grants:</u>	
Arden Hills, Gateway Business Center	\$600,000
Brooklyn Park EDA, Village Creek Building A	\$284,250

Duluth, Heritage Sports Center	\$1,047,288
Hopkins, Excelsior Crossing	\$952,000
St. Paul Port Authority, Griffin Wheel Works	\$449,094
South St. Paul HRA, BridgePoint Business Center	\$895,875

Investigation Grants:

Frazee, Swift Turkey Plant	\$36,525
St. Paul PED, Koch / Shalom Home	\$20,223
Minneapolis CPED, Pacific Block	\$50,000

TOTAL	\$4,335,255
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Per Minnesota Statutes § 116J.555, Subdivision 1(b)(6), at least 25% of the total funds available for each cycle shall be awarded in grants to projects in Greater Minnesota if eligible applications are received. During this grant cycle, we awarded funds to two Greater Minnesota communities—Duluth and Frazee. The award amounts for these applications totaled \$1,083,813, which is equal to 25% of the available funds.

II. Supporting Information on Each Grant Award

Cleanup Awards:

City of Arden Hills – Gateway Business Center

\$600,000

The City of Arden Hills requested \$600,000 in DEED funds to clean this 23.5-acre site located at the northeast corner of the intersection of Interstates 694 and 35W, formerly occupied by a rendering plant, a foam manufacturing plant and a steel cutting/grinding plant. Contamination includes DROs, metals and PAHs. The redevelopment plan calls for two eight-story office towers. This project will create 400 full-time jobs, retain 1600 full-time jobs, and increase the tax base by \$1,916,926 annually.

Brooklyn Park Economic Development Authority – Village Creek Building A

\$284,250

The Brooklyn Park EDA requested funds to clean this 1.74-acre site contaminated by petroleum products from a former fueling station. This parcel is part of a 134-acre redevelopment area called Village Creek. A two-story, 37,000 square foot office/retail building is planned for the site. The redevelopment will create 50 full-time jobs and retain 100 full-time jobs. The tax base will increase by \$145,525 annually.

City of Duluth – Heritage Sports Center

\$1,047,288

The City of Duluth requested funds to clean this 12-acre site. Metal founding and metal fabrication operations contaminated the site with petroleum, metals, arsenic, lead and PAHs. The redevelopment plan includes a hotel, rental housing, retail space, restaurants and sports facilities, which will create 53 full-time jobs and increase the tax base by \$367,791 annually.

City of Hopkins – Excelsior Crossing

\$952,000

The City of Hopkins requested funds to clean this 32-acre site used formerly as a grocery distribution warehouse and a filling station. Contamination includes DROs, PAHs, PVOCs and SVOCs. The redevelopment plan calls for a five-story office building and a one-story commercial/retail building totaling 216,000 square feet. The redevelopment will create 1,365 full-time jobs and retain 1,365 full-time jobs. The property tax base will increase by \$2,922,214 annually.

St. Paul Port Authority – Griffin Wheel Works

\$449,094

The St. Paul Port Authority requested funds to clean this 9-acre site, formerly occupied by foundries. Contamination includes PAHs, DROs, PVOCs, VOCs, metals, asbestos in the soil, and VOCs in the groundwater. The redevelopment plan envisions 130,000 square feet of commercial/industrial space leading to 210 new and 260 retained FTE jobs. The tax base will be increased by \$323,050 annually.

South St. Paul HRA – BridgePoint Business Center

\$895,875

The South St. Paul HRA requested DEED funds to clean this 9.05-acre site, the former Armour Company's animal processing facility. The site is contaminated with petroleum, PAHs, lead and methane vapors. The redevelopment plan calls for 3 office condominium buildings totaling 120,000 square feet. The project will create 114 full-time jobs, retain 57 full-time jobs, and increase the tax base by \$223,620 annually.

Investigation Awards:

City of Frazee – Swift Turkey Plant

\$36,525

The City of Frazee requested DEED funds to undertake contamination investigation efforts and prepare a Response Action Plan for this 5.9-acre site which may have been contaminated by past uses as a trucking facility, a turkey processing plant and a sales facility for agricultural chemicals and petroleum products. The redevelopment plan calls for 4 commercial buildings and would create 8 full-time jobs, retain 7 full-time jobs and increase the tax base by \$40,183 annually.

City of St. Paul Department of Planning and Economic Development –
Koch/Shalom Home

\$20,223

The City of St. Paul requested DEED funds to investigate this 3.24-acre site, formerly part of the larger Koch Mobil tank farm. The main contaminant is PAHs. Shalom Home will relocate and expand its existing facility on this site. The new development is expected to add 25 new full-time jobs, retain 123 full-time jobs and generate \$128,975 in new taxes.

**City of Minneapolis Community Planning and Economic Development – Pacific Block
\$50,000**

The City of Minneapolis requested \$50,000 in investigation funds to complete contamination investigation and RAP development activities for this 2.45-acre site, previously used for warehousing, milling, implement and mattress manufacturing, and auto repair. Suspected contamination is PAHs, metals, VOCs and vinyl chloride. The site will be redeveloped as a hotel, rental (75 units) and owner-occupied housing (426 units), retail commercial space and structured parking. The new development plan is expected to create 220 new full-time jobs, retain 34 full-time jobs and increase the tax base by \$4,019,241 annually.