

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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Author: Kristin Lukes, Brownfields and Redevelopment Director
Minnesota Department of Employment and Economic Development

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**MINNESOTA
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

CONTAMINATION CLEANUP GRANT PROGRAM

FY 2010/11 GRANT CYCLE I 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 (November 2009):

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 16 grant applications (7 Contamination Cleanup Grants and 9 Contamination Investigation Grants) in the November 2009, CCGP grant cycle. Of these, the following projects were awarded grants:

Cleanup Grants:

Carver County CDA – Oak Grove Dairy	\$ 69,610
St. Cloud HRA – 5 th Ave. Student Housing	\$608,422
City of St. Paul – Renaissance Box	\$121,503
City of Minneapolis – 129 Plymouth	\$121,395
City of Minneapolis – 2600 Minnehaha	\$303,566
City of Virginia – Arrowhead Youth Foyer	\$207,562

Investigation Grants:

City of Hermantown – Former Cich Autobody	\$22,125
City of Minneapolis – Linden Hills Development	\$31,353
City of Park Rapids – Armory Square	\$22,275
Grand Rapids EDA – Itasca Ecoindustrial Park	\$48,750
City of St. Paul – Sholom (Liefshultz Apartments)	\$20,250

City of St. Paul – University and Galtier	\$20,055
City of Mayer – Sandblasting (Old Creamery)	\$27,367
Duluth EDA – Bayfront Lot D	\$48,000

TOTAL **\$1,672,233**

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. We funded cleanup applications submitted by the city of Virginia and the St. Cloud HRA; and four investigation applications submitted by the cities of Hermantown and Park Rapids, the Grant Rapids EDA and the Duluth EDA which represents 57% of the total amount proposed for grant awards.

II. Supporting Information on Each Grant Award

Cleanup Awards:

**City of Minneapolis – 129 Plymouth
\$121,395 Cleanup Grant**

The city of Minneapolis received \$121,395 in cleanup funds for a 0.76-acre site that is contaminated with lead and diesel range organics. The former commercial site will be developed into a 10,000-square-foot retail project. The new development will create 18 jobs and add \$56,352 to the tax base.

**City of Minneapolis – 2600 Minnehaha
\$303,566 Cleanup Grant**

The city of Minneapolis received \$303,566 in cleanup funds for this 1.51-acre site contaminated with diesel range organics, gasoline range organics and antimony. The former railroad yard will be redeveloped into a two-story, 58,000-square-foot facility for New French Bakery. The project is expected to retain 95 jobs and add \$121,927 to the tax base.

**City of St. Paul – Renaissance Box
\$121,503 Cleanup Grant**

St. Paul Planning and Economic Development received \$121,503 to clean up this 0.43-acre site. The site, which was used in the past for housing, a shoe factory and various other commercial enterprises, is contaminated with arsenic, lead, mercury, benzo(a)pyrene and diesel range organics. Plans include rehabilitating the seven-story building into 70 units of affordable housing that will create two new jobs and increase the tax base by \$7,848.

**Carver County Community Development Agency (CDA) – Oak Grove Dairy
\$69,610 Cleanup Grant**

The Carver County CDA received \$69,610 in cleanup funding for this 2.07-acre site of a former dairy processing plant that is contaminated with diesel range organics, gasoline range organics and petroleum volatile organic compounds. The site will be developed into 51 units of senior housing, a city hall, library and sheriff's office. The project will create seven jobs and generate \$20,000 in revenue from an annual payment in lieu of taxes.

**St. Cloud Housing and Redevelopment Authority (HRA) – 5th Ave. Student Housing
\$608,422 Cleanup Grant**

The St. Cloud HRA received \$608,422 to clean up a 3.11-acre site that is contaminated with diesel range organics, polynuclear aromatic hydrocarbons, lead, mercury, selenium and arsenic. The former residential and commercial site will be redeveloped into a multi-use building containing 130 units of student housing, a St. Cloud State University welcome center and 19,800 square feet of commercial space. The project is expected to create 48 jobs and to generate \$50,173 in new tax revenue.

**City of Virginia – Arrowhead Youth Foyer
\$207,562 Cleanup Grant**

The city of Virginia received \$207,562 to clean up a 2.6-acre site contaminated with benzo(a) pyrene. The former rail spur will be developed into an 111,949-square-foot, 15-unit facility for homeless young people ages 16 to 21. The project will create two new jobs and increase tax revenue by \$14,800.

Investigation Grants:

**City of Minneapolis – Linden Hills
\$31,353 Investigation Grant**

The city of Minneapolis received \$31,353 in investigation funds for this 0.87-acre site that contains a restaurant and office building. Suspected contaminants include polynuclear aromatic hydrocarbons, petroleum and metals. Plans call for a five-story building with commercial uses on the first and second floors and residential units on the remaining floors. This development is expected to result in eight new jobs, 14 retained jobs and an increased tax base of \$493,122.

**City of St. Paul – University and Galtier
\$20,055 Investigation Grant**

The city of St. Paul (through Planning and Economic Development) received \$20,055 to investigate the site of the University and Galtier Senior Housing project (former Saxon Ford site) for contaminants. This 1.03-acre site was used for residential and commercial purposes, including a gas station that left petroleum contamination. A four-story, 50-unit, low-income senior housing facility is planned on the site. Two jobs will be created and the tax base increased by \$33,000.

**City of St. Paul – Sholom (Liefshultz Apartments)
\$20,250 Investigation Grant**

The city of St. Paul received \$20,250 to investigate this 0.91-acre site that was part of a bulk petroleum storage facility. Suspected contamination includes petroleum. The proposed project includes up to 54 units of senior housing. This development is expected to create three new jobs and increase the tax base by \$88,256.

Duluth Economic Development Authority (EDA) – Bayfront Lot D

\$48,000 Investigation Grant

The Duluth EDA received \$48,000 to investigate this 9.88-acre site for metals, polynuclear aromatic hydrocarbons, petroleum and polychlorinated biphenyls. The land had been the site of an electrical equipment manufacturer, a scrap yard and other industrial entities. The proposed project includes a transient boat facility for 50 to 75 vessels. Three jobs are expected to be created.

City of Mayer – Sandblasting (Old Creamery)

\$27,367 Investigation Grant

The city of Mayer received \$27,367 to investigate this 1.26-acre former creamery for petroleum, metals and polynuclear aromatic hydrocarbons contamination. The site will be redeveloped for additional street right-of-way, green space and future commercial usage.

City of Park Rapids – Armory Square

\$22,275 Investigation Grant

The city of Park Rapids received \$22,275 in investigation funds for a 0.43-acre site that is potentially contaminated with petroleum. The onetime site of a church, opera house, school and armory with associated garage will be redeveloped for retail and food venues and for civic uses. The project will result in 17 new jobs and raise the tax base by \$25,400.

City of Hermantown – Former Cich Autobody

\$22,125 Investigation Grant

The city of Hermantown received \$22,125 in investigation funding for the former Cich Autobody site. This 4.2-acre site, formerly used for auto salvage operations, is suspected of being polluted with petroleum, metals and volatile organic compounds. The site will be redeveloped into a small business that makes hospice care devices for access to buildings. Four jobs will be created and taxes increased by \$3,505.

Grand Rapids Economic Development Authority (EDA)

\$48,750 Investigation Grant

The Grand Rapids EDA received \$48,750 to investigate a 223-acre site that housed an oriented strand board manufacturing facility. The land is suspected of being contaminated with petroleum, polychlorinated biphenyls, metals, volatile organic compounds and caustic soda. The site will be redeveloped into the Itasca Eco-Industrial Park, which is projected to create 70 new jobs and increase the tax base by \$117,875.