CONTAMINATION CLEANUP AND INVESTIGATION

GRANTS PROGRAM

2022 ANNUAL REPORT

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RBC Gateway redevelopment project - Minneapolis, MN

EMPLOYMENT AND ECONOMIC DEVELOPMENT

CONTAMINATION CLEANUP AND INVESTIGATION

GRANTS PROGRAM

On the cover and pictured above: RBC Gateway redevelopment project: The city of Minneapolis was awarded $1,092,395 in cleanup funding for this 1.71-acre site contaminated with petroleum and other contaminants. Formerly occupied by a hotel, printing business, filling station, dry cleaner, and most recently a parking lot. The building houses 531,000 square feet of office space, a 222-room Four Seasons Hotel, 10,213 square feet of retail space, and 33 market rate condominiums. It is anticipated that the project will create a total 505 jobs, retain 1,925 jobs and increase the tax base by $6,130,572. Matching costs will be paid by the developer and other grant sources.

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*

- **614 grants totaling almost $203 million** have been awarded statewide
- **Over 3,900 acres** have been investigated or cleaned up
- **Over 50,000 jobs** have been created or retained
- **Over $141 million** in increased tax base has been realized
- **Over 25,000 housing units** have been built, with over 6,000 being considered affordable
- **Over $9.4 billion in private investment dollars** have been leveraged (for every grant dollar, more than $46 in private investment has been leveraged)

GRANT STATUS*

- **Of the 614 grants, 49 are currently in awarded status.** Awarded status signifies a grant that has been awarded and the project has started or is ready to begin.
- **419 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.
- **18 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.
- **21 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.
- **8 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.
- **31 grants are in closed, no development status.** These grants have completed cleanup of the site, but did not move forward with development.
- **57 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*

- **145 investigation grants totaling over $4.55 million** have been awarded statewide
- **469 cleanup grants totaling over $198.43 million** have been awarded statewide

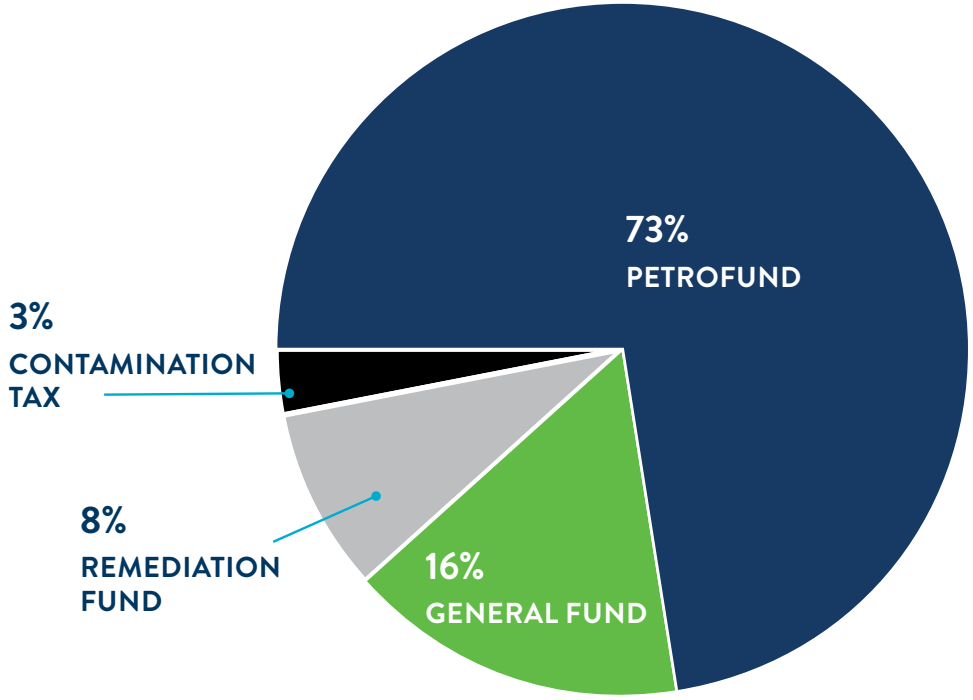
GRANTS TO GREATER MINNESOTA*

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.

- **188 grants totaling over $37 million** have been awarded to local units of government in Greater Minnesota
- **426 grants totaling over $166 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 November 2022

CONTAMINATION CLEANUP GRANT PROGRAM

Grants Awarded – 2022

Grantee	Project Name	Award Amount
Albert Lea, city of	Blazing Star Phases 2 and 3	$50,000
Faribault, city of	Farmer Seed and Nursery	$244,016
Fridley, city of	Willows Bend Senior Living	$91,000
Golden Valley, city of	Golden Valley Business Center	$644,325
Hermantown EDA	Highway 53 Business Park	$50,000
Hibbing, city of	Proposed Eye Clinic North	$242,644
Hopkins, city of	Blake Road Station Apartments - Phase B	$280,251
Mankato, city of	Burton Building	$175,132
Mankato, city of	Lewis Lofts	$140,425
Minneapolis, city of	Mikwanedun Audisookon	$113,895
Pine City, city of	Former Mill Site	$56,655
St. Louis Park EDA	Beltline Station	$418,547
St. Louis Park EDA	Wooddale Station	$874,000
St. Paul, city of	176 South Robert Street	$695,023
St. Paul, city of	540 Broadway	$280,234
St. Paul, city of	St. Paul City School	$180,945
Willmar, city of	Block 25	$475,581
Winona Port Authority	60 Main	$601,387
	Total Award Amount	$5,614,060

EMPLOYMENT AND ECONOMIC DEVELOPMENT

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