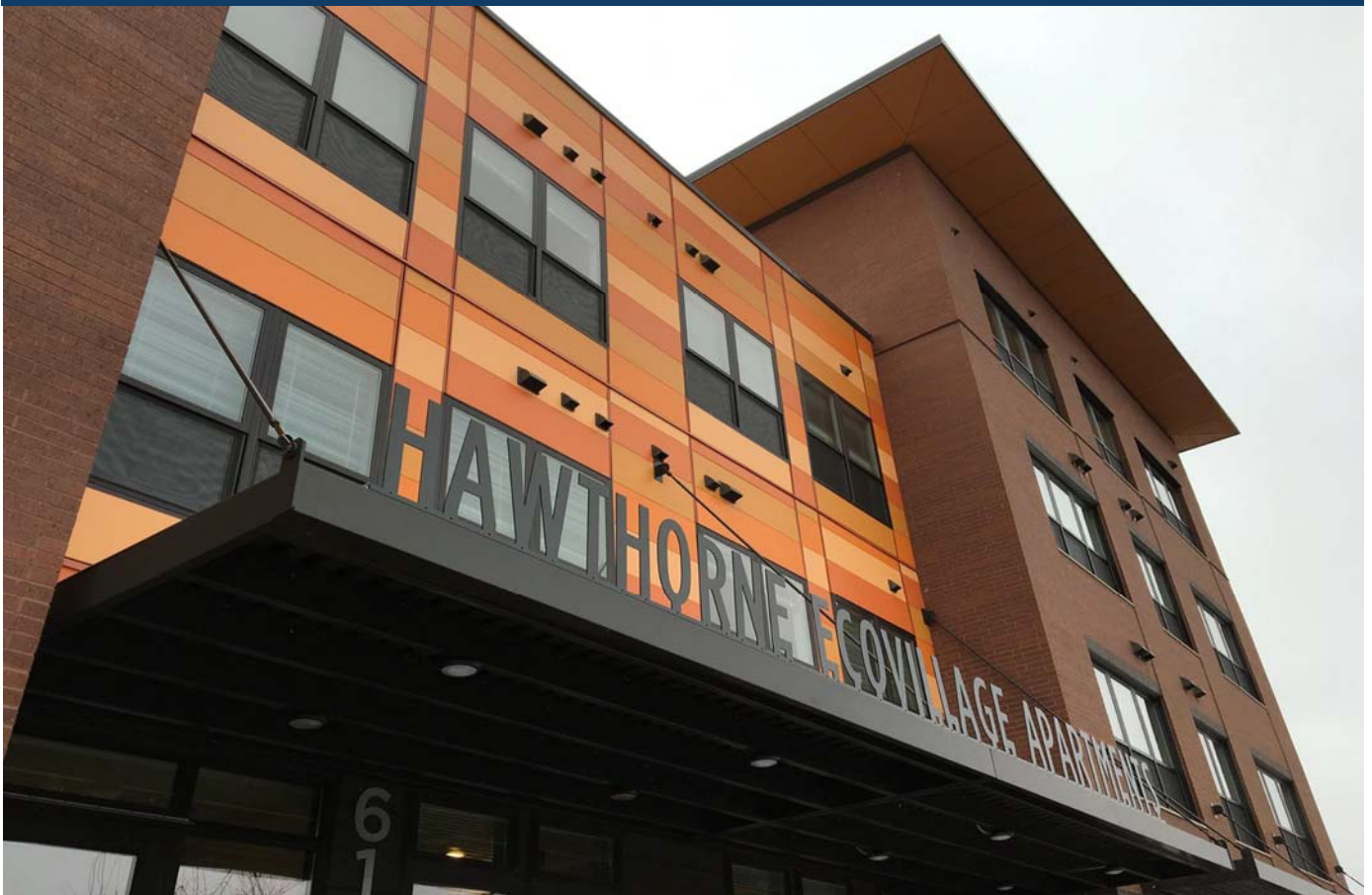


HENNEPIN COUNTY
MINNESOTA

Environmental Response Fund
spring 2018
funding recommendations



Project for Pride and Living's Hawthorne EcoVillage site located in Minneapolis received an ERF grant in the fall of 2014 for soil cleanup and vapor mitigation. The ERF grant helped transform this vacant site into 75 units of affordable housing.

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Overview

Background

The Environmental Response Fund (ERF) funds the assessment and cleanup of contaminated sites where conditions present a threat to human health or the environment and lack of funding and added environmental costs hinder site improvements or redevelopment. ERF grants are used for a variety of activities that provide community benefit, including assessment and cleanup of groundwater and soil remediation and evaluation and abatement of asbestos and lead-based paint.

Since 2001, ERF has funded 380 projects totaling more than \$53 million. Funding for this grant program comes from the Hennepin County mortgage registry and deed tax that was authorized in 1997 under Minnesota Statutes, section 383B.80.

Applications and review process

A committee of nine staff from Environment and Energy, Community Works, and Resident and Real Estate Services reviewed the applications and made recommendations for funding. The criteria used to evaluate the grant applications include the potential or known threat to human health or the environment posed by the contamination; the community benefit derived from the proposed cleanup and the benefit of the redevelopment; the likelihood the site will be investigated or cleaned up without the use of ERF money; the commitment of local and other funds to support the project; the public or nonprofit status of the applicant; the creation of affordable or moderately-priced market-rate housing; the creation of economic development; whether assistance with acquisition costs is being requested; whether public end use is being planned for the property; and the degree to which sustainable features are being incorporated into the project.

The timing of the ERF grant rounds coincide with contamination cleanup grant programs administered by the Minnesota Department of Employment and Economic Development (DEED) and the Metropolitan Council in an effort to maximize collaboration between the three funders.

Summary of award recommendations

Sixteen applications were received and reviewed. The committee recommends awarding the following five grants totaling \$560,257:

- **36 Bryant, Minneapolis** - \$85,000 for contaminated soil cleanup and soil gas vapor mitigation associated with the construction of a four-story, multifamily housing apartment project comprising of 38 market-rate micro units and three two-bedroom apartments. (Contractor: City of Minneapolis)
- **13250 Grove Drive Redevelopment, Maple Grove** - \$27,723 for contaminated soil cleanup and soil gas vapor mitigation associated with the construction of a slab-on-grade retail building. (Contractor: City of Maple Grove)
- **Calhoun Towers, Minneapolis** - \$249,480 for contaminated soil cleanup associated with the construction of 242 market-rate apartment units. (Contractor: City of Minneapolis)
- **Southern Gateway Redevelopment, St. Anthony Village** - \$44,400 for contaminated soil cleanup and soil gas vapor mitigation associated with the construction of 79 affordable, 189

senior assisted living, and 146 market-rate apartment units. (Contractor: City of St. Anthony Village)

- **West Broadway Curve, Minneapolis** - \$153,654 for additional investigation, contaminated soil cleanup, and soil gas vapor mitigation associated with the construction of 54 affordable apartments and 35 market-rate apartments and rental townhomes. (Contractor: City of Minneapolis)

Expected outcomes

The recommended ERF grant awards will fund soil gas vapor mitigation and contaminated soil assessment and cleanup. This funding supports projects that create economic development by increasing the tax base, creating permanent jobs, and creating market-rate, affordable, and senior assisted living/memory care housing. The recommended grants provide for the construction of an estimated 786 units of affordable/market rate housing.

Other funding accomplishments

In addition to ERF assistance, staff routinely conduct outreach and provide additional funding for contamination assessment and investigation to cities and nonprofit organizations in between ERF rounds. This funding comes from the other EPA grant funds proceeds pursuant to past agreements between the EPA and the county. The county-administered EPA grant funds and the Minnesota Brownfields' Gap Financing Program, funded through the ERF, have helped multiple ERF grantees prepare for the previous grant rounds.

Application summaries

Summaries of the individual applications received are attached to this report and include a description of each project and the funding rationale.

Key of abbreviations

Area Median Income (AMI)

City of Minneapolis Department of Community Planning and Economic Development (CPED)

Full Time Equivalent job (FTE)

Minnesota Department of Employment and Economic Development (DEED)

Part Time Equivalent job (PTE)

Polychlorinated Biphenyls (PCBs)

Polycyclic Aromatic Hydrocarbons (PAHs)

Contact information

Mary Finch

Hennepin County Environment and Energy

701 Fourth Avenue S, Suite 700, Minneapolis, MN 55415

612-543-1595

www.hennepin.us/erf

12th Street Apartment Tower

Address: 228 12th Street South, Minneapolis

Applicant: City of Minneapolis on behalf of Alatus MPLS Convention Center, LLC

Property owner: Alatus MPLS Convention Center, LLC

Recommended award: \$0 (\$139,537 requested)

Award recommendation

The activities are eligible for funding; however, this project ranked low in comparison with other applications received. This project is expected to proceed without ERF assistance.

Previous ERF awards: None

Other funding sources

DEED: \$540,202 requested

Metropolitan Council: \$690,113 requested

Economic development/housing impact

- Increases tax base
- Adds 348 market-rate units (one to three bedrooms at \$1,838-\$3,750/month)

Site description

Vacant church (19,000 square feet) surrounded by surface parking areas.

Contamination issues: Soil contaminated with petroleum, metals and PAHs. Groundwater and soil vapor contaminated with petroleum and non-petroleum compounds.

Project plans: Demolish existing building and construct a new, mixed-use high-rise apartment building with commercial/retail space and underground parking.

Requested use of ERF grant:

Funding for a portion of the soil cleanup and vapor mitigation costs.



36 Bryant

Address: 3612 and 3616 Bryant Avenue South, Minneapolis

Applicant: City of Minneapolis on behalf of 36 Bryant LLC

Property owner: 36 Bryant LLC (Future property owner: 36 Bryant LLC)

Recommended award: \$85,000 (\$85,000 requested)

Award recommendation

The activities are eligible for funding and create reasonably priced, market-rate, micro-unit housing options. The recommended award is equal to amount requested in the grant application.

Previous ERF awards: None

Other funding sources

DEED: \$208,200 requested

Metropolitan Council: \$130,246 requested

Economic development/housing impact

- Increases tax base
- Adds 41 market-rate rental units (38 micro-units and 3 two-bedrooms at \$1,200-\$1,700/month)

Site description

Vacant single-story office building with basement.

Contamination issues: Soil filled with debris and metals and PAHs contamination. Soil gas vapor contamination is also present.

Project plans: Construct a four-story, multifamily apartment building comprising of 38 micro-units, 3 two-bedroom units, and underground parking.

Requested use of ERF grant: Fund a portion of the soil cleanup and vapor mitigation costs.



129 Plymouth

Address: 129 Plymouth Avenue, Minneapolis

Applicant: City of Minneapolis on behalf of Plymouth and Second, LLC (affiliated with Lupe Development)

Property owner: Plymouth and Second, LLC

Recommended award: \$0 (\$21,535 requested)

Award recommendation

The activities are eligible for funding; however, this project ranked low in comparison with other applications received and does not have an approved cleanup plan for the proposed redevelopment.

Previous ERF awards: Yes, fall 2009 (\$24,292) and fall 2013 (\$21,835) - both relinquished

Other funding sources

DEED: \$124,237 requested

Metropolitan Council: None

Economic development/housing impact

- Increases tax base
- Creates 10 FTE jobs

Site description

Vacant lot.

Contamination issues: Soil containing ash and debris and contaminated with petroleum, lead and PAHs. Groundwater and soil vapor contamination is also present.

Project plans: Construct Slobberhaus Dog Park and Brewery. The development will have an 8,000 square foot indoor-outdoor off-leash dog park combined with a brewery.

Requested use of ERF grant: Funding for a portion of the soil cleanup costs.



13250 Grove Drive Redevelopment

Address: 13250 Grove Drive, Maple Grove

Applicant: City of Maple Grove on behalf of 13250 Grove, LLC

Property owner: 13250 Grove, LLC

Recommended award: \$27,723 (\$27,723 requested)

Award recommendation

The activities are eligible for funding. The recommended award is equal to amount requested in the grant application.

Previous ERF awards: None

Other funding sources

DEED: None

Metropolitan Council: \$36,478 requested

Economic development/housing impact

- Increases tax base
- Creates eight FTE and eight PTE jobs

Site description

Vacant lot.

Contamination issues: Soil, groundwater, and soil vapor contaminated with dry cleaning solvents.

Project plans: Redevelop site with 7,350 square foot retail building with two tenants.

Requested use of ERF grant: Funding for a portion of the soil cleanup and vapor mitigation costs.



Bassett Creek East Redevelopment

Address: 747 Third Street North, Minneapolis

Applicant: City of Minneapolis on behalf of SRD 2.0, LLC, an affiliate of Schafer Richardson, Inc.

Property owner: BC East, LLC

Recommended award: \$0 (\$125,431 requested)

Award recommendation

The activities are eligible for funding; however, this project is expected to proceed without ERF assistance.

Previous ERF awards: None

Other funding sources

DEED: \$392,432 requested

Metropolitan Council: \$402,081 requested

Economic development/housing impact

- Increases tax base
- Creates 23 FTE jobs
- Adds 139 market-rate rental housing units (studios to three bedrooms at \$1,200-\$3,350/month)

Site description

Surface parking lot.

Contamination issues: Soil containing debris and contaminated with petroleum, metals, and PAHs. Groundwater contamination is also present.

Project plans: Redevelop site with market rate apartments and 3,600 square feet of retail space and underground parking.

Requested use of ERF grant: Funding for a portion of the soil cleanup costs.



Calhoun Towers

Address: 3430 List Place, Minneapolis

Applicant: City of Minneapolis on behalf of Calhoun Towers, LLC

Property owner: Calhoun Towers, LLC

Recommended award: \$249,480 (\$249,480 requested)

Award recommendation

The activities are eligible for funding and the project ranked higher in comparison to other applications received due to the high level of contamination (former dump) and developer's commitment to incorporating a significant number of affordable housing units into future project phases. The recommended award is equal to amount requested in the grant application.

Previous ERF awards: None

Other funding sources

DEED: \$77,602 requested

Metropolitan Council: \$544,390 committed fall 2017; \$182,952 requested

Economic development/housing impact

- Increases tax bases
- Creates two FTE jobs
- Adds 242 market-rate units (studios to three-bedrooms at \$1,800-\$3,900/month; 18 penthouse units up to \$6,200/month). Affordable housing units planned for future project phases.

Site description

Apartment building (143,414 square feet) surrounded by landscaped areas and surface parking.

Contamination issues: Soil containing debris and contaminated metals, PCBs, PAHs, and various petroleum and non-petroleum volatile organic compounds. Groundwater and soil vapor are also contaminated .

Project plans: Current project phase includes constructing a multi-story apartment building with underground and surface parking.

Requested use of ERF grant: Funding for a portion of the soil cleanup costs.



Lake Street Condos

Address: 253 Lake Street East, Wayzata

Applicant: City of Wayzata on behalf of Ventana, LLC

Property owner: Berry and Company, Inc. (Future property owner: Ventana, LLC)

Recommended award: \$0 (\$38,775 requested)

Award recommendation

The activities are eligible for funding; however, this project ranked low in comparison with other applications received. This project is expected to proceed without ERF assistance.

Previous ERF awards: None

Other funding sources

DEED: None

Metropolitan Council: \$149,165 requested

Economic development/housing impact

- Increases tax base
- Adds 16 three-bedroom market-rate condominium units (selling at \$600,000-\$1,450,000)

Site description

Vacant office and retail space.

Contamination issues: Soil and groundwater contamination from former gas station, including petroleum-related compounds and lead.

Project plans: Constructing a four-story residential building containing owner-occupied condominiums.

Requested use of ERF grant: Funding for a portion of the soil cleanup and vapor mitigation costs.



Marshall Apartments

Address: 1301 Marshall Street Northeast and 107 13th Avenue Northeast, Minneapolis

Applicant: City of Minneapolis on behalf of Marshall 1301, LLC

Property owner: Marshall 1301, LLC and CPM 1301, LLC (future owner Marshall 1301, LLC for both parcels)

Recommended award: \$0 (\$30,540 requested)

Award recommendation

The activities are eligible for funding; however, this project ranked low in comparison with other applications received. This project is expected to proceed without ERF assistance.

Previous ERF awards: None

Other funding sources

DEED: None

Metropolitan Council: \$95,000 requested

Economic development/housing impact

- Increases tax base
- Adds 93 market-rate rental units (studios to two bedrooms at \$1,076-\$1,907/month)

Site description

Commercial building, garages, and duplex.

Contamination issues: Soil contaminated with petroleum compounds and metals. Soil gas vapor contamination is also present.

Project plans: Demolish existing buildings and construct a six-story mixed-use building with a restaurant on the first floor and five stories of apartments above.

Requested use of ERF grant: Funding for a portion of the soil cleanup and vapor mitigation costs.



River Loop Apartments

Address: 800 First Street North, Minneapolis

Applicant: City of Minneapolis on behalf of Opus Development Company, LLC

Property owner: Star Tribune Media Company

Recommended award: \$0 (\$397,000 requested)

Award recommendation

The activities are eligible for funding; however, this project is expected to proceed without ERF assistance.

Previous ERF awards: None

Other funding sources

DEED: \$950,000 requested

Metropolitan Council: \$880,000 requested

Economic development/housing impact

- Increases tax base
- Adds 225 market rate rental units (studio/alcoves to two bedrooms at \$1,400-\$3,500/month; penthouses at \$4,500-\$6,500/month)

Site description

Privately-owned parkland.

Contamination issues: Soil containing debris and ash and contaminated with petroleum, metals, and PAHs. Groundwater contamination is also present.

Project plans: Construction of a 209,189 square foot residential apartment building with outdoor recreational area (dog park, gardens, plaza, and pedestrian/bike path).

Requested use of ERF grant: Funding for a portion of the soil cleanup costs.



Sandpiper Ponds Development

Address: 14180-14192 43rd Avenue North, Plymouth

Applicant: Trust Builders and Developers, LLC

Property owner: Trust Builders and Developers, LLC

Recommended award: \$0 (\$42,374 requested)

Award recommendation

The activities are eligible for funding; however, this project ranked low in comparison with other applications received.

Previous ERF awards: None

Other funding sources

DEED: None

Metropolitan Council: \$381,366 requested

Economic development/housing impact

- Increases tax base
- Adds four townhomes for private ownership (four to five bedrooms selling at \$400,000-\$700,000)

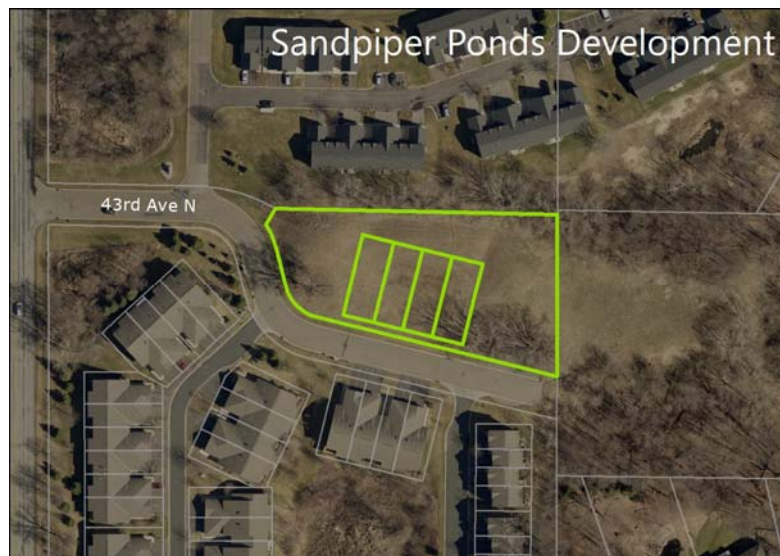
Site description

Vacant lot.

Contamination issues: Soil containing debris and ash and contaminated with metals, PAHs, and petroleum compounds. Soil vapor contamination (methane) is also present.

Project plans: Construct four townhomes for private ownership.

Requested use of ERF grant: Funding for a portion of the soil cleanup and vapor mitigation costs.



Sons of Norway

Address: 1455 West Lake Street; 3001, 3015, 3017, 3021 and 3025 Humboldt Avenue South; and 3016 Holmes Avenue South, Minneapolis

Applicant: City of Minneapolis on behalf of Weidner Investment Services, Inc.

Property owner: MN Lake ST Apartments LLC (c/o Weidner Investment Services, Inc.) and Wells Fargo

Recommended award: \$0 (\$200,000 requested)

Award recommendation

The activities are eligible for funding; however, this project is expected to proceed without ERF assistance.

Previous ERF awards: None

Other funding sources

DEED: \$741,553 requested

Metropolitan Council: \$503,600 committed fall 2017; \$410,159 requested

Economic development/housing impact

- Increases tax base
- Estimated 50 retained FTE jobs and 35 new FTE jobs
- 318 market rate housing units (efficiencies to two-bedrooms at \$963-\$3,817/month)

Site description

Commercial building (66,700 square feet) surrounded by surface parking areas.

Contamination issues: Soil with debris, asbestos containing materials, and metals contamination.

Project plans: Demolish existing building and construct two mixed-use multi-story commercial/residential apartment buildings with underground parking and a public green space.

Requested use of ERF grant: Funding for a portion of the soil cleanup costs.



Southern Gateway Redevelopment

Address: 2501 Lowry Avenue NE, St. Anthony Village

Applicant: City of St. Anthony Village on behalf of The Village, LLC

Property owner: The Village, LLC

Recommended award: \$44,400 (\$64,400 requested)

Award recommendation

The activities are eligible for funding. The amount requested has been reduced to exclude ineligible activities.

Previous ERF awards: None

Other funding sources

DEED: \$219,200 requested

Metropolitan Council: None

Economic development/housing impact

- Increases tax base
- Estimated 52 new FTE jobs
- Adds housing: 189 market-rate senior assisted living/memory care housing rental units (\$1,320 to \$4,350/month); 146 market-rate multifamily rental units (one to three bedrooms at \$1,341-\$2,170/month); and 79 affordable housing rental units (studios at \$1,260/month = 80% AMI).

Site description

Vacant former mobile home park.

Contamination issues: Soil contaminated with petroleum. Groundwater and vapor contamination from volatile organic compounds.

Project plans: Demolish existing structures and construct a multifamily residential complex consisting of a market rate and affordable apartment building and two senior living buildings.

Requested use of ERF grant: Funding for a portion of the soil cleanup and vapor mitigation costs.



Superior Plating Phase 2

Address: 120 Fifth Street Northeast, Minneapolis

Applicant: City of Minneapolis on behalf of LMC NE Minneapolis Lot 2 Holdings LLC

Property owner: LMC NE Minneapolis Lot 2 Holdings LLC

Recommended award: \$0 (\$300,000 requested)

Award recommendation

The activities are eligible for funding; however, this project is expected to proceed without ERF assistance.

Previous ERF awards: None

Other funding sources

DEED: \$ 1,223,929 requested

Metropolitan Council: \$880,000 requested

Economic development/housing impact

- Increases tax base
- 44 new FTE jobs
- Adds 332 market-rate rental units (studios to two bedrooms at \$1,300-\$2,700/month)

Site description

Vacant surface parking lot and shed.

Contamination issues: Contaminated due to historical site use and adjacent metal plating operations. Soil contaminated with petroleum and nonpetroleum (solvent) volatile organic compounds, metals, and PAHs. Soil gas vapor contamination is also present.

Project plans: Construct a twelve-story residential tower, a seven-story residential building, 8,000 square feet of retail space and a parking ramp.

Requested use of ERF grant: Funding for a portion of the soil cleanup and vapor mitigation costs.



The Expo

Address: 200 University Avenue SE; 215 Second Street SE; 223 Third Avenue SE; 229 Second Street SE, Minneapolis

Applicant: City of Minneapolis on behalf of Doran-CSM SE I, LLC

Property owner: Doran-CSM SE I, LLC

Recommended award: \$0 (\$104,768 requested)

Award recommendation

The activities are eligible for funding; however, this project ranked low in comparison with other applications received. This project is expected to proceed without ERF assistance.

Previous ERF awards: None

Other funding sources

DEED: \$664,274 requested

Metropolitan Council: None

Economic development/housing impact

- Increases tax base
- Creates 16 FTE jobs
- Adds housing; 350 market-rate rental units (alcoves to three bedrooms at \$1,635-\$5,086/month); 12 market-rate townhomes at \$3,392/month; and 10 affordable (alcoves at \$949/month = 60% AMI)

Site description

Surface parking lot.

Contamination issues: Soil containing debris and contaminated with petroleum, metals and PAHs. Soil vapor contaminated with solvents.

Project plans: Construct two interconnected buildings containing commercial space and 372 residential units with underground and surface parking.

Requested use of ERF grant:
Funding for a portion of soil
cleanup costs.



Thrivent Corporate Campus

Address: 501, 517, and 529 Sixth Street South; 600, 610 and 618 Portland Avenue South; 500, 512 and 528 Seventh Street South, Minneapolis

Applicant: City of Minneapolis on behalf of Thrivent Financial for Lutherans

Property owner: Thrivent Financial for Lutherans (Future property owner: Thrivent Financial for Lutherans and Sherman Associates Development LLC (or affiliated entity))

Recommended award: \$0 (\$118,549 requested)

Award recommendation

The activities are eligible for funding; however, this project ranked low in comparison with other applications received. This project is expected to proceed without ERF assistance.

Previous ERF awards: None

Other funding sources:

DEED: \$755,756 requested

Metropolitan Council: None

Economic development/housing impact

- Increases tax base
- Retains 1,294 FTE jobs
- Adds 152 units of market-rate housing (studios to two bedrooms at \$1,200-\$3,000/month)

Site description

Surface parking lot.

Contamination issues: Soil with debris and metals contamination

Project plans: The north half will have an eight-story multi-use office building and restaurant with underground parking. The south half will have an apartment building, a hotel connected to Hennepin County Medical Center, a fitness center, and a daycare.

Requested use of ERF grant:

Funding for a portion of the soil cleanup costs.



West Broadway Curve

Address: 1706 – 1920 West Broadway, 2009 Ilion Avenue N and 2109 James Avenue N, Minneapolis

Applicant: City of Minneapolis on behalf of Sherman Associates Development LLC

Property owner: City of Minneapolis (Future property owner: Sherman Associates Development LLC)

Recommended award: \$153,654 (\$153,654 requested)

Award recommendation

The activities are eligible for funding. The recommended award is equal to amount requested in the grant application.

Previous ERF awards: None

Other funding sources:

Metropolitan Council: \$206,334 requested

DEED: \$48,619 requested

Economic development/housing impact

- Increases tax base
- Creates two FTE jobs
- Adds 54 affordable (50-60% AMI) and 15 market-rate units (one and three bedrooms at \$1,000-\$1,500/month) and 20 three-bedroom townhomes at \$2,100/month.

Site description

21 vacant lots

Contamination issues: Trace debris in fill soils, petroleum contamination found in soil, groundwater, and soil vapor.

Project plans: Multifamily apartment building, 20 townhomes, and underground and at grade parking, public plaza/bus shelter, dog run area and a pocket park.

Requested use of ERF grant:

Funding for a portion of the additional investigation, soil cleanup, and vapor mitigation costs.

