

HENNEPIN COUNTY

MINNESOTA

FINAL COMMITTEE AGENDA

BOARD OF HENNEPIN COUNTY COMMISSIONERS PUBLIC WORKS COMMITTEE

TUESDAY, JANUARY 15, 2019

1:30 PM

Chair: Mike Opat, District 1

Vice-Chair: Angela Conley, District 4

Members: Irene Fernando, District 2

Marion Greene, District 3

Debbie Goettel, District 5

Jan Callison, District 6

Jeff Johnson, District 7

1. Minutes From Previous Meeting

- A. Minutes 12-6-18

2. New Business

Routine Items

- A. **19-0008**

Accept conveyance of property located at 2200 Plymouth Ave N, City of Minneapolis

- B. **19-0009**

Quit claim of easements and other property interests along Bottineau Blvd (CSAH 81) to the City of Robbinsdale (recv \$1)

Items for Discussion and Action

- C. **19-0010**

Neg agmt PW 50-40-18 with MnDOT (state agmt 1031877) for rehabilitation of a bridge along Central Avenue (CSAH 101) over TH 12 in Wayzata (CP 2160600) (county NTE \$2,000,000-state aid)

- D. **19-0011**

Negotiate Agmt PR00000783 with Robbinsdale Area Schools, to provide a school recycling project, 02/01/19-07/01/20, NTE \$15,000

- E. **19-0012**

Negotiate 10 fall 2018 ERF grant agreements for cleanup of contaminated sites, various periods, total combined NTE \$2,032,483

- F. **19-0007**

Ratification of assignment of development agreement and acceptance of the conveyance of parking units within the Thor development on the SE corner of Penn Ave N and Plymouth Ave N in Minneapolis

Items for Discussion and Action – Separated

- 19-0012 S1 Separated**

Negotiate 9 fall 2018 ERF grant agreements for cleanup of contaminated sites, various periods, total combined NTE \$2,032,483

- 19-0012 S2 Revised**

Negotiate 1 fall 2018 ERF grant agreements for cleanup of contaminated sites, various periods, total combined NTE \$2,032,483

HENNEPIN COUNTY

MINNESOTA

COMMITTEE MINUTES

BOARD OF HENNEPIN COUNTY COMMISSIONERS
PUBLIC WORKS COMMITTEE
THURSDAY, DECEMBER 6, 2018
1:30 PM

Chair: Mike Opat, District 1
Vice-Chair: Peter McLaughlin, District 4

Members: Linda Higgins, District 2
Marion Greene, District 3
Debbie Goettel, District 5
Jan Callison, District 6
Jeff Johnson, District 7

Commissioner Mike Opat, Chair, called the meeting of the Public Works Committee for Thursday, December 6, 2018 at 3:20 PM. All Commissioners were present.

1. Minutes From Previous Meeting

- A. 11/15/2018 Public Works Minutes

APPROVED

Commissioner Jeff Johnson moved to approve the Minutes, seconded by Commissioner Jan Callison and approved - 7 Yeas

2. New Business

Routine Items

- A. **18-0508**

Vacation of excess right of way located on the east side of Zachary Lane N at CSAH 109 (85th Ave N) in Maple Grove

CONSENT

Commissioner Linda Higgins moved to approve, seconded by Commissioner Debbie Goettel and approved - 7 Yeas

- B. **18-0509**

Authorize Grant Amendment A177668 with HUD accepting lead grant funding, correcting the date range, no change to recv amt

CONSENT

Commissioner Mike Opat moved to approve, seconded by Commissioner Linda Higgins and approved - 7 Yeas

- C. **18-0510**

Agmt A189348 with the MN Historical Society and the St. Anthony Falls Heritage Board for annual county contribution of \$31,000 for years 2019-2021 to support St. Anthony Falls Heritage Interpretive Zone, 01/01/19-12/31/21, NTE \$93,000

CONSENT

Commissioner Peter McLaughlin moved to approve, seconded by Commissioner Marion Greene and approved - 7 Yeas

Items for Discussion and Action

- D. **18-0511**

Submit the draft Hennepin County 2040 Comprehensive Plan to the Metropolitan Council for review as required by Minn. Stat. § 473

CONSENT

Commissioner Jan Callison moved to approve, seconded by Commissioner Debbie Goettel and approved - 7 Yeas

E. 18-0512

Neg Subordinate Funding Agmt A189347 with Metropolitan Council for local improvements for the Southwest LRT project, 12/11/18–12/31/20, NTE \$484,000

NON-CONSENT

Commissioner Jan Callison moved to approve, seconded by Commissioner Peter McLaughlin and approved - 6 Yeas 1 Nay: Johnson

Addendum

F. 18-0544

Approve the Amended Hennepin County Sales and Use Transportation Tax Implementation Plan

PROGRESSED

Commissioner Debbie Goettel moved to approve, seconded by Commissioner Mike Opat. After discussion
Commissioner Jan Callison moved to progress, seconded by Commissioner Jeff Johnson and approved - 7 Yeas

2. Adjourn

There being no further business, the meeting of the Public Works Committee for Thursday, December 6, 2018 was declared adjourned at 3:28 PM.

Yolanda C Clark
Deputy Clerk to the Board

HENNEPIN COUNTY

MINNESOTA

Board Action Request 19-0008

Item Description:

Accept conveyance of property located at 2200 Plymouth Ave N, City of Minneapolis

Resolution:

BE IT RESOLVED, that Hennepin County finds the acceptance of the conveyance from the Hennepin County Housing and Redevelopment Authority (HCHRA) of property located at 2200 Plymouth Avenue North (PID: 170-29-24-44-0210) for the use in the North Minneapolis Community Wellness Center capital project (CP 0031735) to be in accordance with the Penn Avenue North Redevelopment plan; and

BE IT FURTHER RESOLVED, that Hennepin County be authorized to accept the conveyance of said property from the HCHRA; and that following the review and approval by the County Attorney's Office, the Chair be authorized to sign all documents associated with the conveyance on behalf of the county.

Background:

History: Hennepin County authorized the transfer of funds from the North Minneapolis Community Wellness Center capital project (CP 0031735) to the Hennepin County Housing and Redevelopment Authority (HCHRA) for property acquisition, environmental cleanup, and development and construction activities associated with the NorthPoint Health and Wellness Center Expansion project (Resolution 16-0277).

The HCHRA authorized Agreement A165725 with Estes Funeral Chapel (Estes) for the exchange of property between Estes and HCHRA for property located on the southwest and northwest corners of Penn Avenue North and Plymouth Avenue North in the City of Minneapolis (Resolution 16-HCHRA-0028R1).

On June 29, 2018, in accordance with the Land Exchange Agreement A165725 between the HCHRA and Estes, the land identified in the resolution was exchanged. The land acquired from Estes is to be incorporated within the expansion area of the NorthPoint Health and Wellness Center project and in order to advance the project the property at 2200 Plymouth Avenue North needs to be conveyed to Hennepin County.

The NorthPoint Health and Wellness Center capital project (CP 0031735) is in accordance with the Penn Avenue North Redevelopment plan, which includes the stated property. This request makes a finding to that effect, in order to make clear that the HCHRA may transfer the property to Hennepin County using its powers under Minnesota Statutes, section 469.029 and other related sources of law. Hennepin County and the HCHRA participate in this redevelopment plan through a multijurisdictional reinvestment program pursuant to Minnesota Statutes, section 383B.79, established by a Cooperative Agreement with the City of Minneapolis.

A companion Board Action Request will be considered by the Hennepin County Housing and Redevelopment Authority.

Current Request: This request seeks the authorization to accept the conveyance of property located at 2200 Plymouth Avenue North (PID: 170-29-24-44-0210) from the HCHRA.

Impacts/Outcome: The conveyance will permit the consolidation of property to support the expansion of the NorthPoint Health and Wellness Center.

HENNEPIN COUNTY

MINNESOTA

Board Action Request 19-0009

Item Description:

Quit claim of easements and other property interests along Bottineau Blvd (CSAH 81) to the City of Robbinsdale (recv \$1)

Resolution:

BE IT RESOLVED, that a quit claim deed conveying all Hennepin County easements and other property interests, if any, within the property described below to the City of Robbinsdale, at no cost, be approved; and the Chair be authorized to sign the deed and related conveyance documents on behalf of the county.

Legal Description of the Property:

Beginning at the southwest corner of said Government Lot 3; thence North 00 degrees 29 minutes 46 seconds West, assumed bearing along the west line of said Government Lot 3, a distance of 624.16 feet to the northwesterly extension of the northeasterly right-of-way line of West Broadway, which right-of-way line is parallel with and distant 66.00 feet northeasterly of the northwesterly extension of the most southerly northeasterly line of Lot 1, Block 1, Robbinsdale Mall Second Addition, according to the recorded plat thereof, Hennepin County, Minnesota; thence South 38 degrees 58 minutes 10 seconds East along said northwesterly extension and said northeasterly right-of-way line of West Broadway, a distance of 316.02 feet; thence North 66 degrees 33 minutes 02 seconds East, a distance of 58.63 feet; thence South 24 degrees 55 minutes 19 seconds East, a distance of 124.23 feet; thence South 29 degrees 51 minutes 52 seconds East, a distance of 81.11 feet to Line A described below; thence North 89 degrees 48 minutes 57 seconds West along said Line A, and parallel to the south line of said Government Lot 3, a distance of 17.41 feet to said northeasterly right-of-way line of West Broadway; thence South 38 degrees 58 minutes 10 seconds East along said northeasterly right-of-way line a distance of 62.14 feet; thence Southerly, along a tangential curve, concave to the West, having a central angle of 78 degrees 39 minutes 08 seconds and a radius of 85.00 feet for an arc distance of 116.68 feet; thence Westerly, along a non-tangential curve, concave to the North, having a central angle of 14 degrees 28 minutes 20 seconds and a radius of 184.00 feet for an arc distance of 46.48 feet, the chord of said curve bears South 77 degrees 00 minutes 10 seconds West; thence South 00 degrees 11 minutes 03 seconds West, not tangent to said curve, a distance of 53.36 feet to the south line of said Government Lot 3; thence North 89 degrees 48 minutes 57 seconds West along said south line, a distance of 315.53 feet to the point of beginning.

Line A is described as:

Commencing at the intersection of the south line of said Government Lot 3 with said northeasterly right-of-way line of West Broadway (fka Crystal Lake Road); thence northwesterly along said right-of-way line for 16.00 feet; thence east and parallel with the south line of said Government Lot 3 a distance of 134.92 feet; thence north and parallel with the east line of said Government Lot 3 a distance of 207.50 feet to the point of beginning of Line A; thence west and parallel with the south line of said Government Lot 3 a distance of 284.33 feet, more or less, to said northeasterly right-of-way line and said Line A there terminating.

Background:

History: Inland Development Partners has proposed the construction of 197 market rate rental units at the northwest corner of Bottineau Boulevard (County State Aid Highway 81) and 36th Avenue N in the City of Robbinsdale.

Between 1930s and 2011, the State of Minnesota and Hennepin County, before roadway ownership was turned over to the county from the state, had acquired various easements for transportation purposes that encumber the underlying fee ownership of the proposed development site. Inland Development Partners has requested that Hennepin County transfer all easements and other property interests, if any, within the development site to the City of Robbinsdale so the city and developer can work together to advance this project. County staff have reviewed the plat and development plans and narrowed the request to only transfer the interests that are no longer necessary for the county's current and future highway needs. The property interests will be transferred subject to the rights of any underlying utilities.

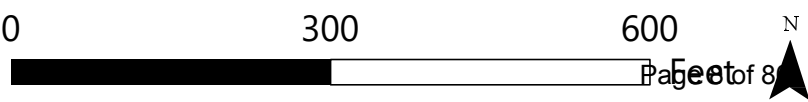
Current Request: This request seeks authorization to approve a quit claim deed conveying the county's interests in the property described in the resolution to the City of Robbinsdale. The property interests to be conveyed are not needed for any county purposes.

Impact/Outcome: Approval of this request will allow for the redevelopment of the Robbinsdale American Legion site and the conveyance of interests no longer required by Hennepin County.

ATTACHMENTS:

Description	Upload Date	Type
Map of interests along Bottineau Blvd in Robbinsdale	1/2/2019	Map

Quit claim of property interests along Bottineau Blvd to the City of Robbinsdale
3600 France Ave N Robbinsdale, MN 55422



Date: 11/28/2018

HENNEPIN COUNTY

MINNESOTA

Board Action Request 19-0010

Item Description:

Neg agmt PW 50-40-18 with MnDOT (state agmt 1031877) for rehabilitation of a bridge along Central Avenue (CSAH 101) over TH 12 in Wayzata (CP 2160600) (county NTE \$2,000,000-state aid)

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to negotiate Agreement PW 50-40-18 (state agreement 1031877) with the Minnesota Department of Transportation for rehabilitation of the bridge deck of Central Avenue (County State Aid Highway 101) over Trunk Highway 12 in the city of Wayzata under capital project (CP) 2160600 at a not to exceed amount of \$2,000,000; that upon review and approval of the County Attorney's office, the Chair of the Board be authorized to sign the agreement on behalf of the county; and that the Controller be authorized to disburse funds as directed.

Background:

History: The existing bridge along Central Avenue CSAH 101 over TH 12 does not include dedicated left-turn lanes, which results in significant congestion during the peak periods due to vehicles waiting to turn onto TH 12. The proposed project will improve safety and traffic operations by providing left-turn lanes on Central Avenue to allow for dedicated vehicle storage. Significant pedestrian improvements will be part of this project including upgraded pedestrian ramps, countdown timers, and accessible pedestrian signals to better serve persons with disabilities. Additionally, the traffic signal systems on either end of the bridge will be upgraded to include flashing yellow left-turn arrows to provide more flexible signal timing.

MnDOT is funding the cost of the bridge replacement, however, Hennepin County will be responsible for costs associated with bridge widening activities for dedicated left-turn lanes since those costs are not related to improving the condition of the current bridge structure. MnDOT and the county will share the pedestrian and signal improvement costs. The project will begin spring of 2019 and be completed by fall 2019.

Current Request: This request is for authorization to negotiate agreement PW 50-40-18 with MnDOT for the reconstruction of the Central Avenue bridge over TH 12 at a not-to-exceed amount of \$2,000,000.

Impacts/Outcomes: This project will provide a better connection and improve safety along Central Avenue across TH 12 for all users of the corridor.

Budget table: CP 2160600 CSAH 101 bridge deck replacement over TH 12

Revenues:	2019 Appropriated Capital Budget	Current Request	Total Project
State Aid Regular	\$2,000,000	\$0 (no change)	\$2,000,000
Total	\$2,000,000	\$0	\$2,000,000
Expenditures:			
Construction	\$2,000,000	\$0 (no change)	\$2,000,000
Total	\$2,000,000	\$0	\$2,000,000

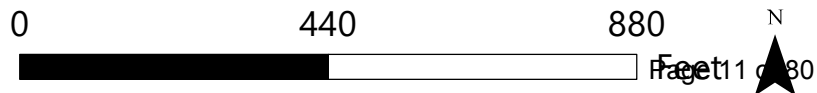
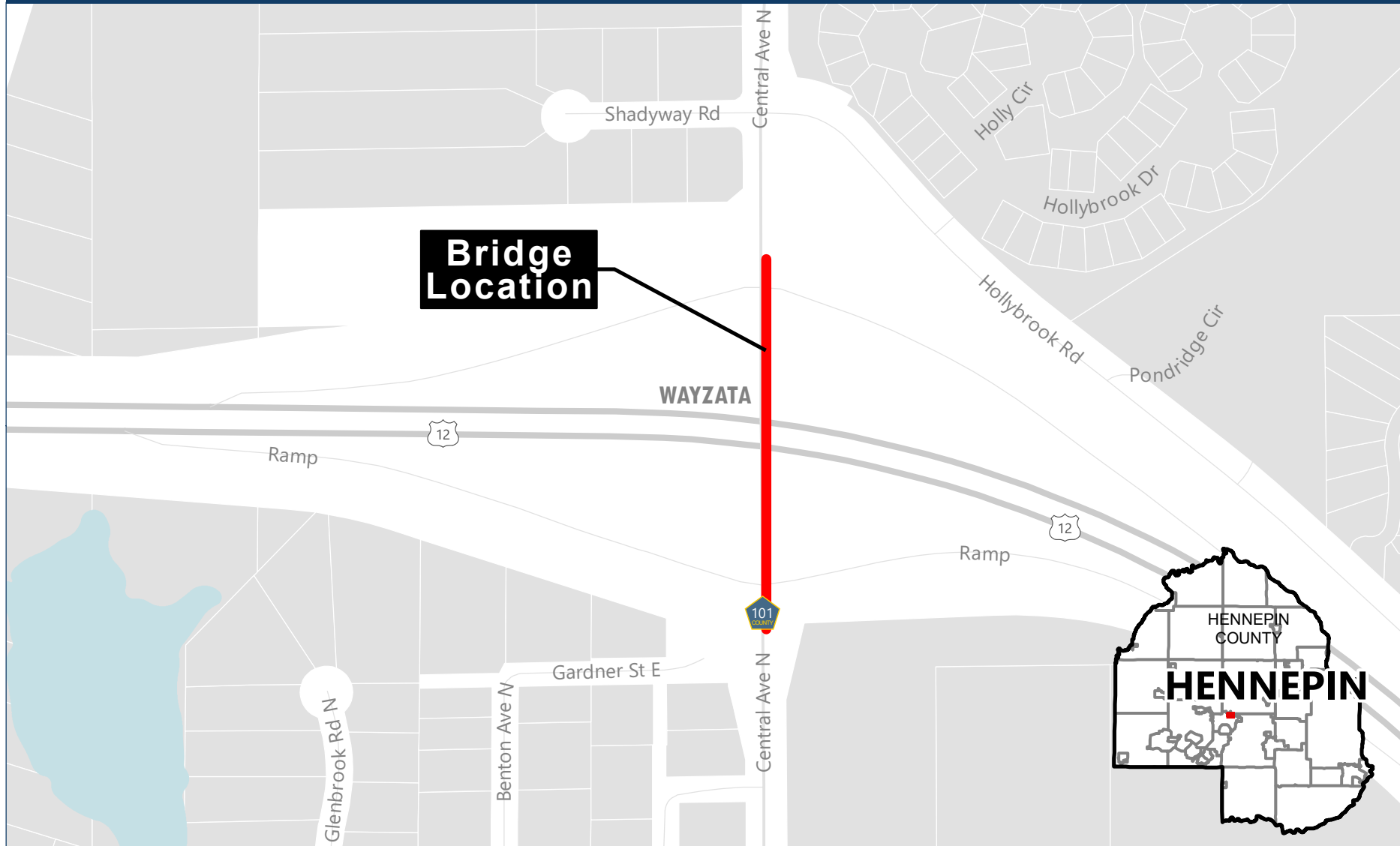
ATTACHMENTS:

Description	Upload Date	Type
Map of bridge along CSAH 101 over TH 12 in Wayzata	12/26/2018	Map
Diagram of rehabilitation for bridge along CSAH 101 over TH 12	12/26/2018	Map

PW 50-40-18

Bridge along CSAH 101 over TH 12

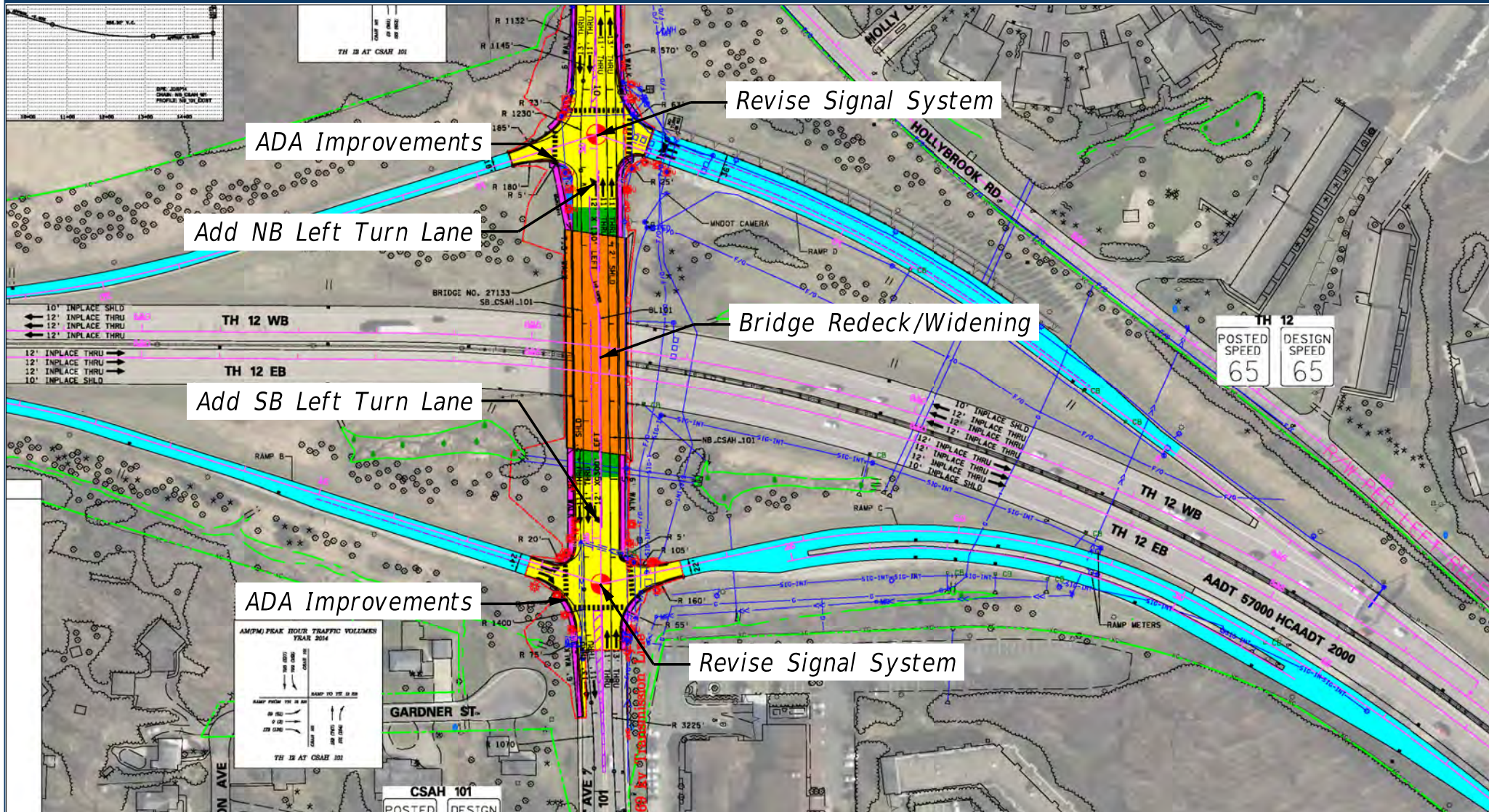
HENNEPIN COUNTY
MINNESOTA



CSAH 101

Bridge along CSAH 101 over TH12 | Hennepin County Public Works

HENNEPIN COUNTY
MINNESOTA



Disclaimer: This map (i) is furnished "AS IS" with no representation as to completeness or accuracy; (ii) is furnished with no warranty of any kind; and (iii) is not suitable for legal, engineering or surveying purposes. Hennepin County shall not be liable for any damage, injury or loss resulting from this map.

Publication date: 12/19/2018 ALKA002 Z:\Transportation Planning\Reconstruction\101\CSAH101.dgn



HENNEPIN COUNTY

MINNESOTA

Board Action Request 19-0011

Item Description:

Negotiate Agmt PR00000783 with Robbinsdale Area Schools, to provide a school recycling project, 02/01/19-07/01/20, NTE \$15,000

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to negotiate Agreement PR00000783 with Robbinsdale Area Schools to provide a school recycling project during the period of February 1, 2019 through July 1, 2020 with the amount not to exceed \$15,000; that following review and approval by the County Attorney's Office, the County Administrator be authorized to sign the agreement on behalf of the county; and that the Controller be authorized to disburse funds as directed.

Background:

History: Hennepin County has a goal to recycle 75 percent of waste by 2030. Approximately 78 percent of waste generated at schools is made up of recyclables and organic materials, such as food waste and compostable papers. Nearly half of schools in the county collect organic materials.

To help reach the recycling goal, the county offers grants to schools that implement projects to reduce, reuse, recycle or compost waste. The grants are available to public and private K-12 schools, with \$200,000 available annually. Since 2003, the county has funded 141 projects, totaling \$2 million for school recycling programs.

The county released a request for proposals in February 2018, and nine proposals were received. Seven proposals were recommended for funding, for a total of \$138,300 (Resolution 18-0250). After the initial round, \$61,700 in grant funds remained; therefore, additional applications were solicited for grants of less than \$15,000. The following four applications were received:

- \$15,000 from Robbinsdale Area Schools
- \$12,200 from Cristo Rey Jesuit High School (Minneapolis)
- \$4,000 from Metro Schools (Minneapolis), and
- \$9,100 from Yinghua Academy (Minneapolis)

Approval of the grant agreement with Robbinsdale Area Schools requires board approval because the school district has executed contracts with the county that exceed \$50,000. The remaining three agreements are being approved administratively because their funding requests, combined with their other agreements with the county, total less than \$50,000 per school.

Current Request: This request is for authorization for the County Administrator to negotiate Agreement PR00000783 with Robbinsdale Area Schools for a school recycling grant project during the period of February 1, 2019 through July 1, 2020, with the not to exceed amount of \$15,000. The district will improve its recycling program at Armstrong High School by adding containers in common areas and athletic facilities, inside and outside of the school building.

Impact/Outcomes: Improving recycling and expanding organics at schools helps meet the county's goal to recycle or compost 75 percent of waste by 2030. Top performing public schools have achieved a recycling rate of 37 percent and an organics recycling rate of 27 percent. Schools that supplement recycling programs by adding organics have a higher recycling rate than do schools that have recycling

programs alone.

During the development of the most recent Solid Waste Management Master Plan, public engagement efforts confirmed that support of school recycling continues to be a priority. Residents, community group representatives, elected officials and business members all noted the importance of organics recycling in schools as a way to teach youth, who will then take the behavior home and continue the practice throughout their lives.

ATTACHMENTS:

Description	Upload Date	Type
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HENNEPIN COUNTY

MINNESOTA

Board Action Request 19-0012

Item Description:

Negotiate 10 fall 2018 ERF grant agreements for cleanup of contaminated sites, various periods, total combined NTE \$2,032,483

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to negotiate the following Environmental Response Fund grant agreements for the assessment and cleanup of contaminated sites, during a two-year period beginning on the date of execution:

- Agreement PR00000789 with the City of Minneapolis, with the amount not to exceed \$290,000;
- Agreement PR00000786 with the City of Lakes Community Land Trust or affiliated entity, with the amount not to exceed \$200,000;
- Agreement PR00000790 with the City of Minneapolis, with the amount not to exceed \$173,018;
- Agreement PR00000788 with the Minneapolis Park and Recreation Board, with the amount not to exceed \$165,474;
- Agreement PR00000793 with Fort Snelling Leased Housing Associates I, LLLP or affiliated entity, with the amount not to exceed \$415,184;
- Agreement PR00000791 with the City of Minneapolis, with the amount not to exceed \$260,739;
- Agreement PR00000794 with Lake Street Affordable Housing, LLC or affiliated entity, with the amount not to exceed \$222,236;
- Agreement PR00000785 with Minnesota Brownfields or affiliated entity, with the amount not to exceed \$200,000;
- Agreement PR00000792 with the City of Minneapolis, with the amount not to exceed \$81,364;
- Agreement PR00000787 with the City of Robbinsdale, with the amount not to exceed \$24,468; and

BE IT FURTHER RESOLVED, that following review and approval by the County Attorney's Office, the County Administrator be authorized to sign the agreements on behalf of the county; that costs incurred by the grantees after the board approval date be eligible for reimbursement upon execution of the agreements; that the County Administrator be authorized to approve one 12-month extension of the agreements; and that the Controller be authorized to disburse funds as directed.

Background:

History: The Environmental Response Fund (ERF) helps revitalize sites by providing funding to assess and clean up contamination. This helps overcome barriers that added costs of environmental cleanup pose to site improvement or redevelopment. Cleaning up these sites reduces the risk to human health and the environment.

Minnesota Statutes, sections 383B.80 and 383B.81, authorize the county to collect a mortgage registry and deed tax for the purpose of establishing an environmental response fund. The board established the ERF in 1997 (Resolution 97-06-410R1) and authorized the grant program in 2001 (Resolution 01-615).

Projects supported by ERF grants provide a variety of community benefits, including creating affordable and moderately priced housing, supporting economic development, developing green space, and making infrastructure improvements. Many ERF grants address environmental contamination in communities with significant disparities in health, including low income areas and communities of color. Some of these sites become a catalyst for new development in neighboring areas, which can help address racial disparities in

housing, employment and income.

As a major economic center for 150 years, the county has a concentration of contaminated sites. Much of this contamination was caused by chemical spills or improper disposal of hazardous waste prior to the existence of environmental regulations. These improper disposal practices of the past can still cause soil and groundwater pollution that present environmental risks today.

Since 2001, the county has awarded 386 ERF grants totaling \$53,967,304.

Current Request: This request is for County Administrator authorization to negotiate 10 ERF grant agreements during various periods, with the total combined amount not to exceed \$2,032,483.

In June 2018, the county solicited proposals from municipalities and nonprofit and for-profit developers. In an effort to maximize collaboration between funders, the timing of the ERF grant round coincides with additional contamination cleanup grant programs administered by the Minnesota Department of Employment and Economic Development and the Metropolitan Council.

A committee reviewed the grant applications and recommend funding 10 of the 13 project applications received. Applications were evaluated on project need; degree of contamination; how the project will address contamination; creation or preservation of affordable and/or moderately priced market-rate housing; how the project supports economic development; and the readiness of the project to proceed.

The fall 2018 ERF award recommendations are summarized as follows and are described in detail in the report, Environmental Response Fund fall 2018 funding recommendations.

ERF Projects:

- **Checkerboard, Minneapolis** - \$290,000 for abatement costs associated with the construction of an estimated 125 affordable and 125 market-rate rental units and retail space. (Grantee: City of Minneapolis)
- **City of Lakes Community Land Trust Homebuyer Initiated Program, Minneapolis** - \$200,000 for abatement costs associated with the rehabilitation of at least nine owner-occupied, permanently affordable (land trust), single-family homes. (Grantee: City of Lakes Community Land Trust)
- **Creekside at Van White, Minneapolis** - \$173,018 for contaminated soil cleanup associated with the construction of a new office building along Bassett Creek. (Grantee: City of Minneapolis)
- **Currie Park, Minneapolis** - \$165,474 for contaminated soil cleanup associated with park cleanup and improvements. (Grantee: Minneapolis Park and Recreation Board)
- **Fort Snelling Upper Post, Fort Snelling** - \$415,184 for abatement costs associated with the renovation of existing structures into 42 units of affordable rental housing. (Grantee: Fort Snelling Leased Housing Associates I, LLLP)
- **Gateway Northeast, Minneapolis** - \$260,739 for contaminated soil cleanup and abatement costs associated with the construction of a mixed-use residential apartment complex, which includes 50 market-rate and 75 affordable rental units, and retail space. (Grantee: City of Minneapolis)
- **Lake Street Affordable Housing, Minneapolis** - \$222,236 for contaminated soil cleanup, demolition, and abatement costs associated with the construction of 111 affordable rental units and retail space. (Grantee: Lake Street Affordable Housing, LLC)
- **Minnesota Brownfields Gap Financing Program, countywide** - \$200,000 to continue the Brownfields Gap Financing Program, which provides small environmental assessment grants to government entities and non-profit organizations. (Grantee: Minnesota Brownfields)
- **Portland and Washington Mixed-Use Development, Minneapolis** - \$81,364 for contaminated soil cleanup and abatement costs associated with the construction of 240 market-rate and 90 affordable rental units, a fire station, and office/retail space. (Grantee: City of Minneapolis)
- **Robbinsdale Apartments, Robbinsdale** - \$24,468 for contaminated soil cleanup associated with the construction of 197 market-rate rental units. (Grantee: City of Robbinsdale)

This request also is for approval for grantees to incur costs after the board approval date, with reimbursements being paid upon execution of the grant agreements.

Impact/Outcome: The recommended ERF grant awards will fund asbestos and lead-based paint abatement and contaminated soil assessment and cleanup. This funding supports projects that create economic development by increasing the tax base, creating permanent jobs, enhancing green space, and creating affordable and moderately priced market-rate housing. The recommended grants provide for the

renovation or construction of an estimated 452 affordable housing units. ERF grants help address environmental contamination in communities with significant racial disparities in health, and supports projects that help reduce disparities in housing, employment and income.

ATTACHMENTS:

Description	Upload Date	Type
ERF fall 2018 funding recommendations	1/2/2019	Backup Material

HENNEPIN COUNTY
MINNESOTA

Environmental Response Fund
fall 2018
funding recommendations



Project for Pride and Living's Oxford Village site, located in Hopkins, received an ERF grant in the spring of 2015 for abatement of asbestos containing materials and lead-based paint, soil cleanup, and vapor mitigation. The ERF grant helped transform this once blighted site into 51 units of affordable housing.

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Minnesota Brownfields Gap Financing Program_____	13
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Overview

Background

The Environmental Response Fund (ERF) helps revitalize sites by providing funding to assess and clean up contamination. This helps overcome barriers that added costs of environmental cleanup pose to site improvement or redevelopment. Cleaning up these sites reduces the risk to human health and the environment.

ERF grants are used for a variety of activities that provide community benefit, including:

- Assessment and cleanup of soil and groundwater
- Evaluation and abatement of asbestos and lead-based paint

Since 2001, ERF has funded 386 projects totaling \$53,967,304. Minnesota Statutes, sections 383B.80 and 383B.81, authorize the county to collect a mortgage registry and deed tax for the purpose of establishing an environmental response fund. The board established the ERF in 1997 (Resolution 97-06-410R1) and authorized the grant program in 2001 (Resolution 01-615).

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. Applications were evaluated on project need; degree of contamination; how the project will address contamination; creation or preservation of affordable and/or moderately priced market-rate housing; how the project supports economic development; and the readiness of the project to proceed.

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 among the three funders.

Summary of award recommendations

Thirteen applications were received and reviewed. Although this report describes all 13 applications, the committee recommends awarding the following ten grants totaling \$2,032,483:

- **Checkerboard, Minneapolis** - \$290,000 for abatement costs associated with the construction of an estimated 125 affordable and 125 market-rate rental units, and retail space. (Grantee: City of Minneapolis)
- **City of Lakes Community Land Trust Homebuyer Initiated Program, Minneapolis** - \$200,000 for abatement costs associated with the rehabilitation of at least nine owner-occupied, permanently affordable (land trust), single-family homes. (Grantee: City of Lakes Community Land Trust)
- **Creekside at Van White, Minneapolis** - \$173,018 for contaminated soil cleanup associated with the construction of a new office building along Bassett Creek. (Grantee: City of Minneapolis)
- **Currie Park, Minneapolis** - \$165,474 for contaminated soil cleanup associated with park improvements. (Grantee: Minneapolis Park and Recreation Board)
- **Fort Snelling Upper Post, Fort Snelling** - \$415,184 for abatement costs associated with the renovation of existing structures into 42 units of affordable rental housing. (Grantee: Fort Snelling Leased Housing Associates I, LLLP)

- **Gateway Northeast, Minneapolis** - \$260,739 for contaminated soil cleanup and abatement costs associated with the construction of a mixed-use residential apartment complex comprised of 50 market-rate, 75 affordable rental units, and retail space. (Grantee: City of Minneapolis)
- **Lake Street Affordable Housing, Minneapolis** - \$222,236 for contaminated soil cleanup, demolition, and abatement costs associated with the construction of 111 affordable rental units and retail space. (Grantee: Lake Street Affordable Housing, LLC)
- **Minnesota Brownfields Gap Financing Program, countywide** - \$200,000 to continue the Brownfields Gap Financing Program, which provides small environmental assessment grants to government entities and non-profit organizations. (Grantee: Minnesota Brownfields)
- **Portland and Washington Mixed-Use Development, Minneapolis** - \$81,364 for contaminated soil cleanup and abatement costs associated with the construction of 240 market-rate and 90 affordable rental units, a fire station, and office/retail space. (Grantee: City of Minneapolis)
- **Robbinsdale Apartments, Robbinsdale** - \$24,468 for contaminated soil cleanup associated with the construction of 197 market-rate rental units. (Grantee: City of Robbinsdale)

Expected outcomes

The recommended ERF grant awards will fund asbestos and lead-based paint abatement and contaminated soil assessment and cleanup. This funding supports projects that create economic development by increasing the tax base, creating permanent jobs, enhancing green space, and creating affordable and moderately priced market-rate housing. The recommended grants provide for the renovation or construction of an estimated 452 affordable housing units. ERF grants help address environmental contamination in communities with significant racial disparities in health, and supports projects that help reduce disparities in housing, employment and income.

Other funding accomplishments

In addition to ERF assistance, county staff routinely conduct outreach and provide additional funding for contamination assessment to cities and nonprofit organizations in between ERF rounds. This funding comes from the county's other EPA grant funds proceeds pursuant to past agreements between the EPA and Hennepin County. The Hennepin County-administered EPA grant funds and the Minnesota Brownfields Gap Financing Program, funded through the ERF, have helped many organizations develop the environmental assessment information needed to submit applications to the ERF for cleanup funding.

Application summaries

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

Key of acronyms

Americans with Disabilities Act (ADA)

Area Median Income (AMI)

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

Full Time Equivalent (FTE)

Hennepin County Transit-Oriented Development (HC TOD)

Minnesota Department of Employment and Economic Development (DEED)

Polychlorinated Biphenyls (PCBs)

Polycyclic Aromatic Hydrocarbons (PAHs)

United States Department of Housing and Urban Development (HUD)

United States Environmental Protection Agency (EPA)

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4500 France Apartments

Address: 4500 France Avenue S, 3905 and 3907 Sunnyside Road, Edina

Applicant: Orion 4500 France, LLC

Property owner: Orion 4500 France, LLC

Recommended award: \$0 (\$110,400 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: \$335,000 committed August 2018

Metropolitan Council: None

Economic development/housing impact

- Increases tax base
- Adds 42 market-rate units (one to two bedrooms at \$2,400-\$6,400/month)
- Adds 3 affordable rate units at 50% AMI

Site description

Four vacant buildings consisting of two commercial buildings that housed a former theater and dry cleaning operation and two single-family residences.

Contamination issues: Soil contaminated with various petroleum and non-petroleum volatile organic compounds. Groundwater and soil vapor contamination is also present.

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

Requested use of ERF grant: Funding for a portion of the soil cleanup and collection of additional soil samples.



Calhoun Towers

Address: 3404 and 3430 List Place, Minneapolis

Applicant: City of Minneapolis on behalf of Calhoun Towers LLC

Property owner: Calhoun Towers LLC

Recommended award: \$0 (\$272,492 requested)

Award recommendation

The activities are eligible for funding; however, this project ranked low in comparison with other applications received, and ERF funds previously awarded to the project in the spring 2018 ERF grant round have not been used.

Previous ERF awards: \$249,480 spring 2018

Other funding sources

DEED: None

Metropolitan Council: \$426,867.50 requested

Economic development/housing impact

- Increases tax base
- Adds 25 affordable rental units (studio to two-bedroom at 30%-60% AMI) and 100 market-rate rental units (studio to two bedroom at \$1,400 to \$2,400/month)

Site description

22-story residential apartment building surrounded by landscaped areas and surface parking.

Contamination issues: Soil contaminated with metals, PCBs, PAHs, and various petroleum and non-petroleum volatile organic compounds. Groundwater and soil vapor contamination is also present.

Project plans: Construction of a 125-unit apartment building and underground parking. This is phase C of the overall redevelopment project.

Requested use of ERF grant:

Funding for a portion of the soil cleanup costs.



Checkerboard

Address: 3716 Dight Avenue, Minneapolis

Applicant: City of Minneapolis on behalf of Checkerboard LLC

Property owner: Checkerboard LLC

Recommended award: \$290,000 (\$290,000 requested)

Award recommendation

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

Previous ERF awards: None

Other funding sources

DEED: None

Metropolitan Council: \$600,000 requested

Economic development/housing impact

- Increases tax base
- Estimated 50 new FTE jobs
- Adds 125 affordable housing units (studio to three bedroom at 60% AMI) and 125 market-rate housing units (studio to three bedroom at \$1,000-\$3,000/month)

Site description:

Vacant grain silos and elevator building.

Contamination issues: Asbestos-containing materials are present on the exterior of the grain silos and will require abatement prior to demolition.

Project plans: Demolish existing grain silos and construct 250 units of mixed-income housing with 19,000 square feet of commercial retail space.

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



City of Lakes Community Land Trust Homebuyer Initiated Program

Address: 3415 Morgan Avenue N, 3410 Oliver Avenue N, 4115 Emerson Avenue N, 3344 Columbus Avenue, 3429 5th Avenue S, 2914 Morgan Avenue N, 5158 Irving Avenue N, 4330 James Avenue N and 4332 14th Avenue S, all located in Minneapolis.

Applicant: City of Lakes Community Land Trust (CLCLT)

Property owner: Multiple private home owners; CLCLT is the land owner

Recommended award: \$200,000 (\$400,000 requested)

Award recommendation

The activities are eligible for funding; however, the recommended award is reduced to the estimated costs associated with nine specific property addresses identified in the application. This award amount is consistent with previous program support.

Previous ERF awards: \$225,000 fall 2017; \$230,000 fall 2016; \$115,000 fall 2015; and \$170,000 fall 2014; all for different addresses.

Other funding sources

DEED: None

Metropolitan Council: None

Other County Funds: HC TOD \$130,000 requested

Economic development/housing impact

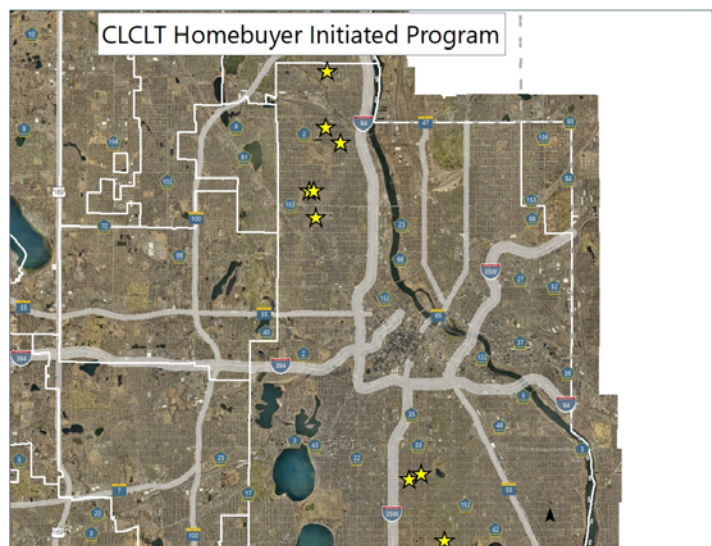
- Increases tax base
- Creation of permanently affordable, owner-occupied housing for families earning an average of 53% AMI

Site description

Nine residential, single-family homes in Minneapolis already owned in land trust arrangements by CLCLT plus an additional 11 currently unidentified homes to be purchased in 2019.

Contamination issues: Asbestos-containing building materials and lead-based paint.

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



Creekside at Van White

Address: 210 and 212 Girard Avenue N, 1129 Second Avenue N, 1300 Chestnut Avenue W and 1311 Currie Avenue W in Minneapolis.

Applicant: City of Minneapolis on behalf of BCV LLC (Wellington Management, Inc.)

Property owner: City of Minneapolis, CPED / CP Rail

Recommended award: \$173,018 (\$173,018 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: \$538,374 requested

Metropolitan Council: \$551,683 requested

Economic development/housing impact

- Increases tax base
- Estimated 10 new FTE jobs
- Retains 350 FTE jobs

Site description

Long-vacant industrial/commercial properties.

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

Project plans: Construct a 90,000 square-foot office building with flood plain and stormwater mitigation features.

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



Currie Park

Address: 1417 Fifth Street S, Minneapolis

Applicant: Minneapolis Park and Recreation Board

Property owner: Minneapolis Park and Recreation Board

Recommended award: \$165,474 (\$203,330 requested)

Award recommendation

The application requested assistance for a number of proposed activities, of which only contaminated soil disposal is eligible for funding. Therefore, staff recommends a reduced award of \$165,474.

Previous ERF awards: None

Other funding sources

DEED: None

Metropolitan Council: None

Economic development/housing impact

- Retains 5 FTEs

Site description

Four-acre public park with community center and surface parking in the Cedar-Riverside neighborhood.

Contamination issues: Soil containing debris and ash and contaminated with metals, PAHs, and petroleum compounds.

Project plans: Construction of a new splash pad, restroom facility, ADA compliant playground equipment, basketball court, parking lot and walk paths.

Requested use of ERF grant: Funding for a portion of the soil cleanup costs, abatement, and additional investigation sampling.



Fort Snelling Upper Post

Address: Unorganized Territory of Fort Snelling, Unincorporated Hennepin County

Applicant: Fort Snelling Leased Housing Associates I, LLLP

Property owner: Minnesota Department of Natural Resources

Recommended award: \$415,184 (\$415,184 requested)

Award recommendation

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

Previous ERF awards: \$81,510 spring 2016 for assessment

Other funding sources

DEED: None

Metropolitan Council: None

Economic development/housing impact

- Increases tax base
- Adds 42 units of affordable housing (one to four bedroom units at 60% AMI or HUD Fair Market Rent)

Site description

Vacant military housing buildings associated with historical military base.

Contamination issues: Asbestos-containing building materials.

Project plans: Renovate select existing buildings to create 42 units of affordable housing. This is the first phase of the overall site redevelopment project.

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



Gateway Northeast

Address: 2419, 2423 and 2435 Marshall Street NE; 30, 34, 38 and 44 Lowry Avenue NE, Minneapolis

Applicant: City of Minneapolis on behalf of CB LM Redevelopment Limited Partnership (in care of CommonBond Communities)

Property owner: CB LM Holding LLC

Recommended award: \$260,739 (\$260,739 requested)

Award recommendation

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

Previous ERF awards: None

Other funding sources

DEED: \$45,449 requested

Metropolitan Council: \$60,504 requested

Other County Funds: HC TOD \$515,700 requested

Economic development/housing impact

- Increases tax base
- 17 new FTE jobs
- Adds 50 market-rate rental units (studios range \$1,295 – 1,365); 75 affordable rental units (one, two, and three bedroom at 30-50% AMI)

Site description

Vacant single-family residential buildings and retail commercial building.

Contamination issues: Soil contaminated with petroleum compounds and metals. Asbestos-containing materials and lead-based paint need to be abated before current structures are demolished.

Project plans: Demolish existing buildings and construct 125 units of mixed-income housing and 13,500 square feet of retail space.

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



Lake Street Affordable Housing

Address: 410-414 West Lake Street and 2943-2945 Harriet Avenue

Applicant: City of Minneapolis on behalf of Lake Street Affordable Housing, LLC

Property owner: Standard Heating and Air Conditioning

Recommended award: \$222,236 (\$222,236 requested)

Award recommendation

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

Previous ERF awards: None

Other funding sources

DEED: None

Metropolitan Council: \$1.2M committed

Economic development/housing impact

- Increases tax base
- Adds 111 affordable rental units (efficiency to two bedrooms at \$495 - \$1,273/month; 30% to 60% AMI)

Site description

Two vacant commercial buildings.

Contamination issues: Asbestos-containing building materials. Soil contaminated with metals and PAHs.

Project plans: Construct a six-story mixed-use building comprised of 111 affordable housing units and 1,025 square feet of commercial/retail space and underground parking.

Requested use of ERF grant:

Funding for a portion of abatement, demolition, and soil cleanup costs.



Minnesota Brownfields Gap Financing Program

Address: County-wide, multiple addresses (to be determined)

Applicant: Minnesota Brownfields (501c3 nonprofit)

Property owner: Various (to be determined)

Recommended award: \$200,000 (\$250,000 requested)

Award recommendation

The activities are eligible for funding; however, there is a small amount of uncommitted funds remaining from previous fall 2017 ERF award, and project and applicant needs are anticipated to be similar to 2019. Therefore, staff recommends a reduced award of \$200,000. This award amount is consistent with previous program support.

Previous ERF awards: \$200,000 fall 2017; \$250,000 fall 2016; \$200,000 fall 2015; \$150,000 fall 2014; \$150,000 fall 2013; and \$150,000 fall 2013

Other funding sources

DEED: None

Metropolitan Council: None

Economic development/housing impact

- Will promote affordable housing and neighborhood level economic development.

Site description

The county established the Brownfields Gap Financing program in 2007 to provide timely funding for local units of government and non-profit organizations to address smaller-scope environmental issues for projects with limited budgets. Minnesota Brownfields, a non-profit organization, has administered the program since 2012. Projects requesting assistance from the program submit applications on a rolling basis and are evaluated and, if eligible, approved by Minnesota Brownfields and county staff.

Contamination issues: To be determined.

Project plans: To be determined. Historical projects have included green space, community gardens, recreation facilities, affordable housing, educational facilities, community centers, and neighborhood level economic development.

Requested use of ERF grant: Funding for continuation of the Brownfield Gap Financing program.

Portland and Washington Mixed-Use Development

Address: 240 Portland Avenue and 500 - 530 Third Street S, Minneapolis

Applicant: City of Minneapolis on behalf of Sherman Associates

Property owner: 500 South Third St Prop LLC and City of Minneapolis

Recommended award: \$81,364 (\$97,159 requested)

Award recommendation

The applicant's request included funding for disposal of uncontaminated (debris-containing) soils, which is ineligible. Therefore, we recommend a reduced award of \$81,364 to exclude ineligible costs.

Previous ERF awards: None

Other funding sources

DEED: \$440,468 requested

Metropolitan Council: None

Economic development/housing impact

- Increases tax base
- Estimated 16 retained FTE jobs and 10 new FTE jobs
- 90 affordable residential apartments (studio to two bedroom at 60% AMI or below) and 240 market-rate apartments (studio to two-bedrooms at \$1,513-\$3,300/month)

Site description

Minneapolis fire station and surface parking.

Contamination issues: Asbestos-containing building materials and soils containing debris and contaminated with metals and PAHs.

Project plans: Demolish existing fire station and construct one 22-story market-rate apartment building; one six-story affordable apartment building; a new fire station; 6,500 square feet of retail space; and six-story parking ramp.

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



RBC Gateway

Address: 30 Third Street S, Minneapolis

Applicant: City Minneapolis on behalf of United Properties

Property owner: City of Minneapolis

Recommended award: \$0 (\$272,489 requested)

Award recommendation

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

Previous ERF awards: None

Other funding sources

DEED: \$1,092,395 requested

Metropolitan Council: \$781,222 requested

Economic development/housing impact

- Increases tax base
- Estimated 505 new FTE jobs; 1,000+ retained FTE
- Adds commercial space (office, hotel, retail/restaurant) and parking
- Adds 20 owner-occupied condominiums (\$950 per square foot - \$1M to \$9.6M per unit)

Site description

Surface parking lot.

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

Project plans: Construct 16 floors of office space, ten hotel guestroom floors, hotel amenities floors, four residential condominium floors, street level retail/restaurant, and three levels of underground parking.

Requested use of ERF grant: Funding for a portion of the soil and bedrock cleanup and post-construction vapor sampling.



Robbinsdale Apartments

Address: 3600 France Avenue N, Robbinsdale

Applicant: City of Robbinsdale on behalf of Inland Development Partners

Property owner: City of Robbinsdale and Excel II LLC

Recommended award: \$24,468 (\$28,577 requested)

Award recommendation

The applicant's request included funding for pre-demolition abatement costs, which are not eligible for market-rate residential projects. Therefore, a reduced award of \$24,468 is recommended.

Previous ERF awards: None

Other funding sources

DEED: \$ 184,438 requested

Metropolitan Council: \$250,003 requested

Economic development/housing impact

- Increases tax base
- Adds 197 market-rate rental units (studios to two bedrooms at \$1,252-\$2,498/month); supports city's goals of developing a greater range of housing choices

Site description

Commercial building with surface parking lot.

Contamination issues: Soil contaminated with petroleum and PAHs.

Project plans: Construct a five-story residential apartment building with underground parking.

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



HENNEPIN COUNTY

MINNESOTA

Board Action Request 19-0007

Item Description:

Ratification of assignment of development agreement and acceptance of the conveyance of parking units within the Thor development on the SE corner of Penn Ave N and Plymouth Ave N in Minneapolis

Resolution:

BE IT RESOLVED, that the Hennepin County Board of Commissioners ratifies the Assignment of Contract for Private Development Agreement A189073 with the Hennepin County Housing and Redevelopment Authority and accepts the direct conveyance of 420 parking units within the Thor development on the southeast corner of Penn Avenue North and Plymouth Avenue North, Minneapolis, legally described as Unit 2, Common Interest Community No. 2090, RAC Ramp Condominium, Hennepin County, Minnesota, from Thor HQ Holdings, LLC.

Background:

History: Hennepin County authorized the transfer of funds from the North Minneapolis Community Wellness Center capital project (CP 0031735) to the Hennepin County Housing and Redevelopment Authority (HCHRA) for property acquisition, environmental cleanup, and development and construction activities associated with the NorthPoint Health and Wellness Center Expansion project (Resolution 16-0277).

The HCHRA authorized Agreement A165726 with Thor Development Group, LLC, (Thor) or affiliate, for the development of the southeast corner of Penn Avenue North and Plymouth Avenue North by Thor as a mixed-use development consisting of office and street related retail space and a parking facility (Resolution 16-HCHRA-0028R1). As part of this agreement, the HCHRA purchased 420 parking units in the parking facility. Agreement A165726 allowed the HCHRA to convey the parking units and all the rights and obligations under the agreement to Hennepin County. Through the recording of a Common Interest Community (CIC) Declaration and CIC Plat, the 420 parking units were identified as Unit 2, Common Interest Community No. 2090. At the closing on August 2, 2018, in accordance with Assignment of Contract for Private Development Agreement A189073 between the HCHRA and Hennepin County, Unit 2 was directly transferred to Hennepin County by Thor, as opposed to Thor first transferring the parking to the HCHRA and then the HCHRA transferring the property to Hennepin County.

A companion board action request will be considered by the Hennepin County Housing and Redevelopment Authority Board.

Current Request: This request seeks the ratification of the Assignment of Contract for Private Development Agreement A189073 and acceptance of the direct transfer of Unit 2, CIC No. 2090 from Thor to Hennepin County.

Impacts/Outcome: This ratification and authorization recognizes the transfer of 420 parking units to Hennepin County.

HENNEPIN COUNTY

MINNESOTA

Board Action Request

19-0012 S1

Separated

Item Description:

Negotiate 9 fall 2018 ERF grant agreements for cleanup of contaminated sites, various periods, total combined NTE \$2,032,483

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to negotiate the following Environmental Response Fund grant agreements for the assessment and cleanup of contaminated sites, during a two-year period beginning on the date of execution:

- Agreement PR00000789 with the City of Minneapolis, with the amount not to exceed \$290,000;
- Agreement PR00000786 with the City of Lakes Community Land Trust or affiliated entity, with the amount not to exceed \$200,000;
- Agreement PR00000790 with the City of Minneapolis, with the amount not to exceed \$173,018;
- Agreement PR00000788 with the Minneapolis Park and Recreation Board, with the amount not to exceed \$165,474;
- Agreement PR00000791 with the City of Minneapolis, with the amount not to exceed \$260,739;
- Agreement PR00000794 with Lake Street Affordable Housing, LLC or affiliated entity, with the amount not to exceed \$222,236;
- Agreement PR00000785 with Minnesota Brownfields or affiliated entity, with the amount not to exceed \$200,000;
- Agreement PR00000792 with the City of Minneapolis, with the amount not to exceed \$81,364;
- Agreement PR00000787 with the City of Robbinsdale, with the amount not to exceed \$24,468; and

BE IT FURTHER RESOLVED, that following review and approval by the County Attorney's Office, the County Administrator be authorized to sign the agreements on behalf of the county; that costs incurred by the grantees after the board approval date be eligible for reimbursement upon execution of the agreements; that the County Administrator be authorized to approve one 12-month extension of the agreements; and that the Controller be authorized to disburse funds as directed.

Background:

History: The Environmental Response Fund (ERF) helps revitalize sites by providing funding to assess and clean up contamination. This helps overcome barriers that added costs of environmental cleanup pose to site improvement or redevelopment. Cleaning up these sites reduces the risk to human health and the environment.

Minnesota Statutes, sections 383B.80 and 383B.81, authorize the county to collect a mortgage registry and deed tax for the purpose of establishing an environmental response fund. The board established the ERF in 1997 (Resolution 97-06-410R1) and authorized the grant program in 2001 (Resolution 01-615).

Projects supported by ERF grants provide a variety of community benefits, including creating affordable and moderately priced housing, supporting economic development, developing green space, and making infrastructure improvements. Many ERF grants address environmental contamination in communities with

significant disparities in health, including low income areas and communities of color. Some of these sites become a catalyst for new development in neighboring areas, which can help address racial disparities in housing, employment and income.

As a major economic center for 150 years, the county has a concentration of contaminated sites. Much of this contamination was caused by chemical spills or improper disposal of hazardous waste prior to the existence of environmental regulations. These improper disposal practices of the past can still cause soil and groundwater pollution that present environmental risks today.

Since 2001, the county has awarded 386 ERF grants totaling \$53,967,304.

Current Request: This request is for County Administrator authorization to negotiate 9 ERF grant agreements during various periods, with the total combined amount not to exceed \$1,617,299.

In June 2018, the county solicited proposals from municipalities and nonprofit and for-profit developers. In an effort to maximize collaboration between funders, the timing of the ERF grant round coincides with additional contamination cleanup grant programs administered by the Minnesota Department of Employment and Economic Development and the Metropolitan Council.

A committee reviewed the grant applications and recommend funding 10 of the 13 project applications received. Applications were evaluated on project need; degree of contamination; how the project will address contamination; creation or preservation of affordable and/or moderately priced market-rate housing; how the project supports economic development; and the readiness of the project to proceed. The fall 2018 ERF award recommendations are summarized as follows and are described in detail in the report, Environmental Response Fund fall 2018 funding recommendations.

ERF Projects:

- Checkerboard, Minneapolis - \$290,000 for abatement costs associated with the construction of an estimated 125 affordable and 125 market-rate rental units and retail space. (Grantee: City of Minneapolis)
- City of Lakes Community Land Trust Homebuyer Initiated Program, Minneapolis - \$200,000 for abatement costs associated with the rehabilitation of at least nine owner-occupied, permanently affordable (land trust), single-family homes. (Grantee: City of Lakes Community Land Trust)
- Creekside at Van White, Minneapolis - \$173,018 for contaminated soil cleanup associated with the construction of a new office building along Bassett Creek. (Grantee: City of Minneapolis)
- Currie Park, Minneapolis - \$165,474 for contaminated soil cleanup associated with park cleanup and improvements. (Grantee: Minneapolis Park and Recreation Board)
- Gateway Northeast, Minneapolis - \$260,739 for contaminated soil cleanup and abatement costs associated with the construction of a mixed-use residential apartment complex, which includes 50 market-rate and 75 affordable rental units, and retail space. (Grantee: City of Minneapolis)
- Lake Street Affordable Housing, Minneapolis - \$222,236 for contaminated soil cleanup, demolition, and abatement costs associated with the construction of 111 affordable rental units and retail space. (Grantee: Lake Street Affordable Housing, LLC)
- Minnesota Brownfields Gap Financing Program, countywide - \$200,000 to continue the Brownfields Gap Financing Program, which provides small environmental assessment grants to government entities and non-profit organizations. (Grantee: Minnesota Brownfields)
- Portland and Washington Mixed-Use Development, Minneapolis - \$81,364 for contaminated soil cleanup and abatement costs associated with the construction of 240 market-rate and 90 affordable rental units, a fire station, and office/retail space. (Grantee: City of Minneapolis)

- Robbinsdale Apartments, Robbinsdale - \$24,468 for contaminated soil cleanup associated with the construction of 197 market-rate rental units. (Grantee: City of Robbinsdale)
This request also is for approval for grantees to incur costs after the board approval date, with reimbursements being paid upon execution of the grant agreements.

Impact/Outcome: The recommended ERF grant awards will fund asbestos and lead-based paint abatement and contaminated soil assessment and cleanup. This funding supports projects that create economic development by increasing the tax base, creating permanent jobs, enhancing green space, and creating affordable and moderately priced market-rate housing. The recommended grants provide for the renovation or construction of an estimated 452 affordable housing units. ERF grants help address environmental contamination in communities with significant racial disparities in health, and supports projects that help reduce disparities in housing, employment and income.

ATTACHMENTS:

Description	Upload Date	Type
ERF fall 2018 funding recommendations	1/2/2019	Backup Material

HENNEPIN COUNTY
MINNESOTA

Environmental Response Fund
fall 2018
funding recommendations



Project for Pride and Living's Oxford Village site, located in Hopkins, received an ERF grant in the spring of 2015 for abatement of asbestos containing materials and lead-based paint, soil cleanup, and vapor mitigation. The ERF grant helped transform this once blighted site into 51 units of affordable housing.

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Overview

Background

The Environmental Response Fund (ERF) helps revitalize sites by providing funding to assess and clean up contamination. This helps overcome barriers that added costs of environmental cleanup pose to site improvement or redevelopment. Cleaning up these sites reduces the risk to human health and the environment.

ERF grants are used for a variety of activities that provide community benefit, including:

- Assessment and cleanup of soil and groundwater
- Evaluation and abatement of asbestos and lead-based paint

Since 2001, ERF has funded 386 projects totaling \$53,967,304. Minnesota Statutes, sections 383B.80 and 383B.81, authorize the county to collect a mortgage registry and deed tax for the purpose of establishing an environmental response fund. The board established the ERF in 1997 (Resolution 97-06-410R1) and authorized the grant program in 2001 (Resolution 01-615).

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. Applications were evaluated on project need; degree of contamination; how the project will address contamination; creation or preservation of affordable and/or moderately priced market-rate housing; how the project supports economic development; and the readiness of the project to proceed.

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 among the three funders.

Summary of award recommendations

Thirteen applications were received and reviewed. Although this report describes all 13 applications, the committee recommends awarding the following ten grants totaling \$2,032,483:

- **Checkerboard, Minneapolis** - \$290,000 for abatement costs associated with the construction of an estimated 125 affordable and 125 market-rate rental units, and retail space. (Grantee: City of Minneapolis)
- **City of Lakes Community Land Trust Homebuyer Initiated Program, Minneapolis** - \$200,000 for abatement costs associated with the rehabilitation of at least nine owner-occupied, permanently affordable (land trust), single-family homes. (Grantee: City of Lakes Community Land Trust)
- **Creekside at Van White, Minneapolis** - \$173,018 for contaminated soil cleanup associated with the construction of a new office building along Bassett Creek. (Grantee: City of Minneapolis)
- **Currie Park, Minneapolis** - \$165,474 for contaminated soil cleanup associated with park improvements. (Grantee: Minneapolis Park and Recreation Board)
- **Fort Snelling Upper Post, Fort Snelling** - \$415,184 for abatement costs associated with the renovation of existing structures into 42 units of affordable rental housing. (Grantee: Fort Snelling Leased Housing Associates I, LLLP)

- **Gateway Northeast, Minneapolis** - \$260,739 for contaminated soil cleanup and abatement costs associated with the construction of a mixed-use residential apartment complex comprised of 50 market-rate, 75 affordable rental units, and retail space. (Grantee: City of Minneapolis)
- **Lake Street Affordable Housing, Minneapolis** - \$222,236 for contaminated soil cleanup, demolition, and abatement costs associated with the construction of 111 affordable rental units and retail space. (Grantee: Lake Street Affordable Housing, LLC)
- **Minnesota Brownfields Gap Financing Program, countywide** - \$200,000 to continue the Brownfields Gap Financing Program, which provides small environmental assessment grants to government entities and non-profit organizations. (Grantee: Minnesota Brownfields)
- **Portland and Washington Mixed-Use Development, Minneapolis** - \$81,364 for contaminated soil cleanup and abatement costs associated with the construction of 240 market-rate and 90 affordable rental units, a fire station, and office/retail space. (Grantee: City of Minneapolis)
- **Robbinsdale Apartments, Robbinsdale** - \$24,468 for contaminated soil cleanup associated with the construction of 197 market-rate rental units. (Grantee: City of Robbinsdale)

Expected outcomes

The recommended ERF grant awards will fund asbestos and lead-based paint abatement and contaminated soil assessment and cleanup. This funding supports projects that create economic development by increasing the tax base, creating permanent jobs, enhancing green space, and creating affordable and moderately priced market-rate housing. The recommended grants provide for the renovation or construction of an estimated 452 affordable housing units. ERF grants help address environmental contamination in communities with significant racial disparities in health, and supports projects that help reduce disparities in housing, employment and income.

Other funding accomplishments

In addition to ERF assistance, county staff routinely conduct outreach and provide additional funding for contamination assessment to cities and nonprofit organizations in between ERF rounds. This funding comes from the county's other EPA grant funds proceeds pursuant to past agreements between the EPA and Hennepin County. The Hennepin County-administered EPA grant funds and the Minnesota Brownfields Gap Financing Program, funded through the ERF, have helped many organizations develop the environmental assessment information needed to submit applications to the ERF for cleanup funding.

Application summaries

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

Key of acronyms

Americans with Disabilities Act (ADA)

Area Median Income (AMI)

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

Full Time Equivalent (FTE)

Hennepin County Transit-Oriented Development (HC TOD)

Minnesota Department of Employment and Economic Development (DEED)

Polychlorinated Biphenyls (PCBs)

Polycyclic Aromatic Hydrocarbons (PAHs)

United States Department of Housing and Urban Development (HUD)

United States Environmental Protection Agency (EPA)

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4500 France Apartments

Address: 4500 France Avenue S, 3905 and 3907 Sunnyside Road, Edina

Applicant: Orion 4500 France, LLC

Property owner: Orion 4500 France, LLC

Recommended award: \$0 (\$110,400 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: \$335,000 committed August 2018

Metropolitan Council: None

Economic development/housing impact

- Increases tax base
- Adds 42 market-rate units (one to two bedrooms at \$2,400-\$6,400/month)
- Adds 3 affordable rate units at 50% AMI

Site description

Four vacant buildings consisting of two commercial buildings that housed a former theater and dry cleaning operation and two single-family residences.

Contamination issues: Soil contaminated with various petroleum and non-petroleum volatile organic compounds. Groundwater and soil vapor contamination is also present.

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

Requested use of ERF grant: Funding for a portion of the soil cleanup and collection of additional soil samples.



Calhoun Towers

Address: 3404 and 3430 List Place, Minneapolis

Applicant: City of Minneapolis on behalf of Calhoun Towers LLC

Property owner: Calhoun Towers LLC

Recommended award: \$0 (\$272,492 requested)

Award recommendation

The activities are eligible for funding; however, this project ranked low in comparison with other applications received, and ERF funds previously awarded to the project in the spring 2018 ERF grant round have not been used.

Previous ERF awards: \$249,480 spring 2018

Other funding sources

DEED: None

Metropolitan Council: \$426,867.50 requested

Economic development/housing impact

- Increases tax base
- Adds 25 affordable rental units (studio to two-bedroom at 30%-60% AMI) and 100 market-rate rental units (studio to two bedroom at \$1,400 to \$2,400/month)

Site description

22-story residential apartment building surrounded by landscaped areas and surface parking.

Contamination issues: Soil contaminated with metals, PCBs, PAHs, and various petroleum and non-petroleum volatile organic compounds. Groundwater and soil vapor contamination is also present.

Project plans: Construction of a 125-unit apartment building and underground parking. This is phase C of the overall redevelopment project.

Requested use of ERF grant:

Funding for a portion of the soil cleanup costs.



Checkerboard

Address: 3716 Dight Avenue, Minneapolis

Applicant: City of Minneapolis on behalf of Checkerboard LLC

Property owner: Checkerboard LLC

Recommended award: \$290,000 (\$290,000 requested)

Award recommendation

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

Previous ERF awards: None

Other funding sources

DEED: None

Metropolitan Council: \$600,000 requested

Economic development/housing impact

- Increases tax base
- Estimated 50 new FTE jobs
- Adds 125 affordable housing units (studio to three bedroom at 60% AMI) and 125 market-rate housing units (studio to three bedroom at \$1,000-\$3,000/month)

Site description:

Vacant grain silos and elevator building.

Contamination issues: Asbestos-containing materials are present on the exterior of the grain silos and will require abatement prior to demolition.

Project plans: Demolish existing grain silos and construct 250 units of mixed-income housing with 19,000 square feet of commercial retail space.

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



City of Lakes Community Land Trust Homebuyer Initiated Program

Address: 3415 Morgan Avenue N, 3410 Oliver Avenue N, 4115 Emerson Avenue N, 3344 Columbus Avenue, 3429 5th Avenue S, 2914 Morgan Avenue N, 5158 Irving Avenue N, 4330 James Avenue N and 4332 14th Avenue S, all located in Minneapolis.

Applicant: City of Lakes Community Land Trust (CLCLT)

Property owner: Multiple private home owners; CLCLT is the land owner

Recommended award: \$200,000 (\$400,000 requested)

Award recommendation

The activities are eligible for funding; however, the recommended award is reduced to the estimated costs associated with nine specific property addresses identified in the application. This award amount is consistent with previous program support.

Previous ERF awards: \$225,000 fall 2017; \$230,000 fall 2016; \$115,000 fall 2015; and \$170,000 fall 2014; all for different addresses.

Other funding sources

DEED: None

Metropolitan Council: None

Other County Funds: HC TOD \$130,000 requested

Economic development/housing impact

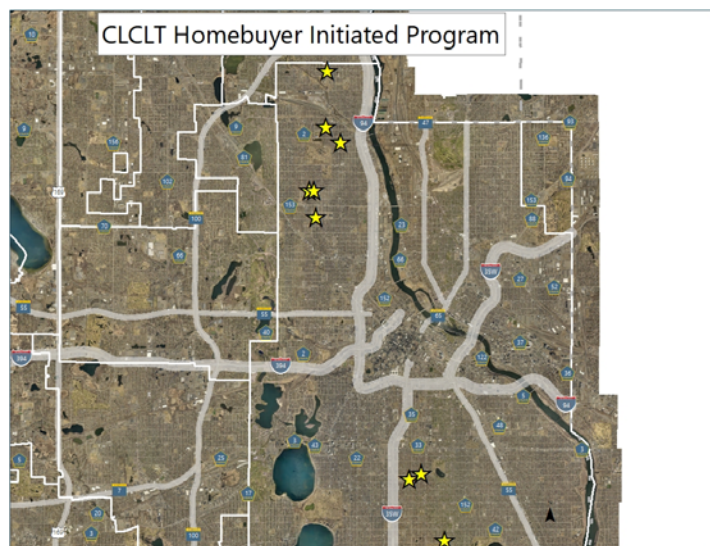
- Increases tax base
- Creation of permanently affordable, owner-occupied housing for families earning an average of 53% AMI

Site description

Nine residential, single-family homes in Minneapolis already owned in land trust arrangements by CLCLT plus an additional 11 currently unidentified homes to be purchased in 2019.

Contamination issues: Asbestos-containing building materials and lead-based paint.

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



Creekside at Van White

Address: 210 and 212 Girard Avenue N, 1129 Second Avenue N, 1300 Chestnut Avenue W and 1311 Currie Avenue W in Minneapolis.

Applicant: City of Minneapolis on behalf of BCV LLC (Wellington Management, Inc.)

Property owner: City of Minneapolis, CPED / CP Rail

Recommended award: \$173,018 (\$173,018 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: \$538,374 requested

Metropolitan Council: \$551,683 requested

Economic development/housing impact

- Increases tax base
- Estimated 10 new FTE jobs
- Retains 350 FTE jobs

Site description

Long-vacant industrial/commercial properties.

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

Project plans: Construct a 90,000 square-foot office building with flood plain and stormwater mitigation features.

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



Currie Park

Address: 1417 Fifth Street S, Minneapolis

Applicant: Minneapolis Park and Recreation Board

Property owner: Minneapolis Park and Recreation Board

Recommended award: \$165,474 (\$203,330 requested)

Award recommendation

The application requested assistance for a number of proposed activities, of which only contaminated soil disposal is eligible for funding. Therefore, staff recommends a reduced award of \$165,474.

Previous ERF awards: None

Other funding sources

DEED: None

Metropolitan Council: None

Economic development/housing impact

- Retains 5 FTEs

Site description

Four-acre public park with community center and surface parking in the Cedar-Riverside neighborhood.

Contamination issues: Soil containing debris and ash and contaminated with metals, PAHs, and petroleum compounds.

Project plans: Construction of a new splash pad, restroom facility, ADA compliant playground equipment, basketball court, parking lot and walk paths.

Requested use of ERF grant: Funding for a portion of the soil cleanup costs, abatement, and additional investigation sampling.



Fort Snelling Upper Post

Address: Unorganized Territory of Fort Snelling, Unincorporated Hennepin County

Applicant: Fort Snelling Leased Housing Associates I, LLLP

Property owner: Minnesota Department of Natural Resources

Recommended award: \$415,184 (\$415,184 requested)

Award recommendation

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

Previous ERF awards: \$81,510 spring 2016 for assessment

Other funding sources

DEED: None

Metropolitan Council: None

Economic development/housing impact

- Increases tax base
- Adds 42 units of affordable housing (one to four bedroom units at 60% AMI or HUD Fair Market Rent)

Site description

Vacant military housing buildings associated with historical military base.

Contamination issues: Asbestos-containing building materials.

Project plans: Renovate select existing buildings to create 42 units of affordable housing. This is the first phase of the overall site redevelopment project.

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



Gateway Northeast

Address: 2419, 2423 and 2435 Marshall Street NE; 30, 34, 38 and 44 Lowry Avenue NE, Minneapolis

Applicant: City of Minneapolis on behalf of CB LM Redevelopment Limited Partnership (in care of CommonBond Communities)

Property owner: CB LM Holding LLC

Recommended award: \$260,739 (\$260,739 requested)

Award recommendation

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

Previous ERF awards: None

Other funding sources

DEED: \$45,449 requested

Metropolitan Council: \$60,504 requested

Other County Funds: HC TOD \$515,700 requested

Economic development/housing impact

- Increases tax base
- 17 new FTE jobs
- Adds 50 market-rate rental units (studios range \$1,295 – 1,365); 75 affordable rental units (one, two, and three bedroom at 30-50% AMI)

Site description

Vacant single-family residential buildings and retail commercial building.

Contamination issues: Soil contaminated with petroleum compounds and metals. Asbestos-containing materials and lead-based paint need to be abated before current structures are demolished.

Project plans: Demolish existing buildings and construct 125 units of mixed-income housing and 13,500 square feet of retail space.

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



Lake Street Affordable Housing

Address: 410-414 West Lake Street and 2943-2945 Harriet Avenue

Applicant: City of Minneapolis on behalf of Lake Street Affordable Housing, LLC

Property owner: Standard Heating and Air Conditioning

Recommended award: \$222,236 (\$222,236 requested)

Award recommendation

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

Previous ERF awards: None

Other funding sources

DEED: None

Metropolitan Council: \$1.2M committed

Economic development/housing impact

- Increases tax base
- Adds 111 affordable rental units (efficiency to two bedrooms at \$495 - \$1,273/month; 30% to 60% AMI)

Site description

Two vacant commercial buildings.

Contamination issues: Asbestos-containing building materials. Soil contaminated with metals and PAHs.

Project plans: Construct a six-story mixed-use building comprised of 111 affordable housing units and 1,025 square feet of commercial/retail space and underground parking.

Requested use of ERF grant:

Funding for a portion of abatement, demolition, and soil cleanup costs.



Minnesota Brownfields Gap Financing Program

Address: County-wide, multiple addresses (to be determined)

Applicant: Minnesota Brownfields (501c3 nonprofit)

Property owner: Various (to be determined)

Recommended award: \$200,000 (\$250,000 requested)

Award recommendation

The activities are eligible for funding; however, there is a small amount of uncommitted funds remaining from previous fall 2017 ERF award, and project and applicant needs are anticipated to be similar to 2019. Therefore, staff recommends a reduced award of \$200,000. This award amount is consistent with previous program support.

Previous ERF awards: \$200,000 fall 2017; \$250,000 fall 2016; \$200,000 fall 2015; \$150,000 fall 2014; \$150,000 fall 2013; and \$150,000 fall 2013

Other funding sources

DEED: None

Metropolitan Council: None

Economic development/housing impact

- Will promote affordable housing and neighborhood level economic development.

Site description

The county established the Brownfields Gap Financing program in 2007 to provide timely funding for local units of government and non-profit organizations to address smaller-scope environmental issues for projects with limited budgets. Minnesota Brownfields, a non-profit organization, has administered the program since 2012. Projects requesting assistance from the program submit applications on a rolling basis and are evaluated and, if eligible, approved by Minnesota Brownfields and county staff.

Contamination issues: To be determined.

Project plans: To be determined. Historical projects have included green space, community gardens, recreation facilities, affordable housing, educational facilities, community centers, and neighborhood level economic development.

Requested use of ERF grant: Funding for continuation of the Brownfield Gap Financing program.

Portland and Washington Mixed-Use Development

Address: 240 Portland Avenue and 500 - 530 Third Street S, Minneapolis

Applicant: City of Minneapolis on behalf of Sherman Associates

Property owner: 500 South Third St Prop LLC and City of Minneapolis

Recommended award: \$81,364 (\$97,159 requested)

Award recommendation

The applicant's request included funding for disposal of uncontaminated (debris-containing) soils, which is ineligible. Therefore, we recommend a reduced award of \$81,364 to exclude ineligible costs.

Previous ERF awards: None

Other funding sources

DEED: \$440,468 requested

Metropolitan Council: None

Economic development/housing impact

- Increases tax base
- Estimated 16 retained FTE jobs and 10 new FTE jobs
- 90 affordable residential apartments (studio to two bedroom at 60% AMI or below) and 240 market-rate apartments (studio to two-bedrooms at \$1,513-\$3,300/month)

Site description

Minneapolis fire station and surface parking.

Contamination issues: Asbestos-containing building materials and soils containing debris and contaminated with metals and PAHs.

Project plans: Demolish existing fire station and construct one 22-story market-rate apartment building; one six-story affordable apartment building; a new fire station; 6,500 square feet of retail space; and six-story parking ramp.

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



RBC Gateway

Address: 30 Third Street S, Minneapolis

Applicant: City Minneapolis on behalf of United Properties

Property owner: City of Minneapolis

Recommended award: \$0 (\$272,489 requested)

Award recommendation

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

Previous ERF awards: None

Other funding sources

DEED: \$1,092,395 requested

Metropolitan Council: \$781,222 requested

Economic development/housing impact

- Increases tax base
- Estimated 505 new FTE jobs; 1,000+ retained FTE
- Adds commercial space (office, hotel, retail/restaurant) and parking
- Adds 20 owner-occupied condominiums (\$950 per square foot - \$1M to \$9.6M per unit)

Site description

Surface parking lot.

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

Project plans: Construct 16 floors of office space, ten hotel guestroom floors, hotel amenities floors, four residential condominium floors, street level retail/restaurant, and three levels of underground parking.

Requested use of ERF grant: Funding for a portion of the soil and bedrock cleanup and post-construction vapor sampling.



Robbinsdale Apartments

Address: 3600 France Avenue N, Robbinsdale

Applicant: City of Robbinsdale on behalf of Inland Development Partners

Property owner: City of Robbinsdale and Excel II LLC

Recommended award: \$24,468 (\$28,577 requested)

Award recommendation

The applicant's request included funding for pre-demolition abatement costs, which are not eligible for market-rate residential projects. Therefore, a reduced award of \$24,468 is recommended.

Previous ERF awards: None

Other funding sources

DEED: \$ 184,438 requested

Metropolitan Council: \$250,003 requested

Economic development/housing impact

- Increases tax base
- Adds 197 market-rate rental units (studios to two bedrooms at \$1,252-\$2,498/month); supports city's goals of developing a greater range of housing choices

Site description

Commercial building with surface parking lot.

Contamination issues: Soil contaminated with petroleum and PAHs.

Project plans: Construct a five-story residential apartment building with underground parking.

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



HENNEPIN COUNTY

MINNESOTA

Board Action Request

19-0012 S2

Revised

Item Description:

Negotiate 1 fall 2018 ERF grant agreements for cleanup of contaminated sites, various periods, total combined NTE \$2,032,483

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to negotiate the following Environmental Response Fund grant agreements for the assessment and cleanup of contaminated sites, during a two-year period beginning on the date of execution:

- Agreement PR00000793 with Fort Snelling Leased Housing Associates I, LLLP or affiliated entity, with the amount not to exceed \$415,184;

BE IT FURTHER RESOLVED, that following review and approval by the County Attorney's Office, the County Administrator be authorized to sign the agreements on behalf of the county; that costs incurred by the grantees after the board approval date be eligible for reimbursement upon execution of the agreements; that the County Administrator be authorized to approve one 12-month extension of the agreements; and that the Controller be authorized to disburse funds as directed.

Background:

History: The Environmental Response Fund (ERF) helps revitalize sites by providing funding to assess and clean up contamination. This helps overcome barriers that added costs of environmental cleanup pose to site improvement or redevelopment. Cleaning up these sites reduces the risk to human health and the environment.

Minnesota Statutes, sections 383B.80 and 383B.81, authorize the county to collect a mortgage registry and deed tax for the purpose of establishing an environmental response fund. The board established the ERF in 1997 (Resolution 97-06-410R1) and authorized the grant program in 2001 (Resolution 01-615).

Projects supported by ERF grants provide a variety of community benefits, including creating affordable and moderately priced housing, supporting economic development, developing green space, and making infrastructure improvements. Many ERF grants address environmental contamination in communities with significant disparities in health, including low income areas and communities of color. Some of these sites become a catalyst for new development in neighboring areas, which can help address racial disparities in housing, employment and income.

As a major economic center for 150 years, the county has a concentration of contaminated sites. Much of this contamination was caused by chemical spills or improper disposal of hazardous waste prior to the existence of environmental regulations. These improper disposal practices of the past can still cause soil and groundwater pollution that present environmental risks today.

Since 2001, the county has awarded 386 ERF grants totaling \$53,967,304.

Current Request: This request is for County Administrator authorization to negotiate 1 ERF grant agreement with a total amount not to exceed of \$415,184.

In June 2018, the county solicited proposals from municipalities and nonprofit and for-profit developers. In an effort to maximize collaboration between funders, the timing of the ERF grant round coincides with additional contamination cleanup grant programs administered by the Minnesota Department of Employment and Economic Development and the Metropolitan Council.

A committee reviewed the grant applications and recommend funding 10 of the 13 project applications received. Applications were evaluated on project need; degree of contamination; how the project will address contamination; creation or preservation of affordable and/or moderately priced market-rate housing; how the project supports economic development; and the readiness of the project to proceed.

The fall 2018 ERF award recommendations are summarized as follows and are described in detail in the report, Environmental Response Fund fall 2018 funding recommendations.

ERF Projects:

- Fort Snelling Upper Post, Fort Snelling - \$415,184 for abatement costs associated with the renovation of existing structures into 42 units of affordable rental housing. (Grantee: Fort Snelling Leased Housing Associates I, LLLP)

This request also is for approval for grantees to incur costs after the board approval date, with reimbursements being paid upon execution of the grant agreements.

Impact/Outcome: The recommended ERF grant awards will fund asbestos and lead-based paint abatement and contaminated soil assessment and cleanup. This funding supports projects that create economic development by increasing the tax base, creating permanent jobs, enhancing green space, and creating affordable and moderately priced market-rate housing. The recommended grants provide for the renovation or construction of an estimated 452 affordable housing units. ERF grants help address environmental contamination in communities with significant racial disparities in health, and supports projects that help reduce disparities in housing, employment and income.

ATTACHMENTS:

Description	Upload Date	Type
ERF fall 2018 funding recommendations	1/2/2019	Backup Material

HENNEPIN COUNTY
MINNESOTA

Environmental Response Fund
fall 2018
funding recommendations



Project for Pride and Living's Oxford Village site, located in Hopkins, received an ERF grant in the spring of 2015 for abatement of asbestos containing materials and lead-based paint, soil cleanup, and vapor mitigation. The ERF grant helped transform this once blighted site into 51 units of affordable housing.

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Overview

Background

The Environmental Response Fund (ERF) helps revitalize sites by providing funding to assess and clean up contamination. This helps overcome barriers that added costs of environmental cleanup pose to site improvement or redevelopment. Cleaning up these sites reduces the risk to human health and the environment.

ERF grants are used for a variety of activities that provide community benefit, including:

- Assessment and cleanup of soil and groundwater
- Evaluation and abatement of asbestos and lead-based paint

Since 2001, ERF has funded 386 projects totaling \$53,967,304. Minnesota Statutes, sections 383B.80 and 383B.81, authorize the county to collect a mortgage registry and deed tax for the purpose of establishing an environmental response fund. The board established the ERF in 1997 (Resolution 97-06-410R1) and authorized the grant program in 2001 (Resolution 01-615).

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. Applications were evaluated on project need; degree of contamination; how the project will address contamination; creation or preservation of affordable and/or moderately priced market-rate housing; how the project supports economic development; and the readiness of the project to proceed.

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 among the three funders.

Summary of award recommendations

Thirteen applications were received and reviewed. Although this report describes all 13 applications, the committee recommends awarding the following ten grants totaling \$2,032,483:

- **Checkerboard, Minneapolis** - \$290,000 for abatement costs associated with the construction of an estimated 125 affordable and 125 market-rate rental units, and retail space. (Grantee: City of Minneapolis)
- **City of Lakes Community Land Trust Homebuyer Initiated Program, Minneapolis** - \$200,000 for abatement costs associated with the rehabilitation of at least nine owner-occupied, permanently affordable (land trust), single-family homes. (Grantee: City of Lakes Community Land Trust)
- **Creekside at Van White, Minneapolis** - \$173,018 for contaminated soil cleanup associated with the construction of a new office building along Bassett Creek. (Grantee: City of Minneapolis)
- **Currie Park, Minneapolis** - \$165,474 for contaminated soil cleanup associated with park improvements. (Grantee: Minneapolis Park and Recreation Board)
- **Fort Snelling Upper Post, Fort Snelling** - \$415,184 for abatement costs associated with the renovation of existing structures into 42 units of affordable rental housing. (Grantee: Fort Snelling Leased Housing Associates I, LLLP)

- **Gateway Northeast, Minneapolis** - \$260,739 for contaminated soil cleanup and abatement costs associated with the construction of a mixed-use residential apartment complex comprised of 50 market-rate, 75 affordable rental units, and retail space. (Grantee: City of Minneapolis)
- **Lake Street Affordable Housing, Minneapolis** - \$222,236 for contaminated soil cleanup, demolition, and abatement costs associated with the construction of 111 affordable rental units and retail space. (Grantee: Lake Street Affordable Housing, LLC)
- **Minnesota Brownfields Gap Financing Program, countywide** - \$200,000 to continue the Brownfields Gap Financing Program, which provides small environmental assessment grants to government entities and non-profit organizations. (Grantee: Minnesota Brownfields)
- **Portland and Washington Mixed-Use Development, Minneapolis** - \$81,364 for contaminated soil cleanup and abatement costs associated with the construction of 240 market-rate and 90 affordable rental units, a fire station, and office/retail space. (Grantee: City of Minneapolis)
- **Robbinsdale Apartments, Robbinsdale** - \$24,468 for contaminated soil cleanup associated with the construction of 197 market-rate rental units. (Grantee: City of Robbinsdale)

Expected outcomes

The recommended ERF grant awards will fund asbestos and lead-based paint abatement and contaminated soil assessment and cleanup. This funding supports projects that create economic development by increasing the tax base, creating permanent jobs, enhancing green space, and creating affordable and moderately priced market-rate housing. The recommended grants provide for the renovation or construction of an estimated 452 affordable housing units. ERF grants help address environmental contamination in communities with significant racial disparities in health, and supports projects that help reduce disparities in housing, employment and income.

Other funding accomplishments

In addition to ERF assistance, county staff routinely conduct outreach and provide additional funding for contamination assessment to cities and nonprofit organizations in between ERF rounds. This funding comes from the county's other EPA grant funds proceeds pursuant to past agreements between the EPA and Hennepin County. The Hennepin County-administered EPA grant funds and the Minnesota Brownfields Gap Financing Program, funded through the ERF, have helped many organizations develop the environmental assessment information needed to submit applications to the ERF for cleanup funding.

Application summaries

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

Key of acronyms

Americans with Disabilities Act (ADA)

Area Median Income (AMI)

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

Full Time Equivalent (FTE)

Hennepin County Transit-Oriented Development (HC TOD)

Minnesota Department of Employment and Economic Development (DEED)

Polychlorinated Biphenyls (PCBs)

Polycyclic Aromatic Hydrocarbons (PAHs)

United States Department of Housing and Urban Development (HUD)

United States Environmental Protection Agency (EPA)

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www.hennepin.us/erf

4500 France Apartments

Address: 4500 France Avenue S, 3905 and 3907 Sunnyside Road, Edina

Applicant: Orion 4500 France, LLC

Property owner: Orion 4500 France, LLC

Recommended award: \$0 (\$110,400 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: \$335,000 committed August 2018

Metropolitan Council: None

Economic development/housing impact

- Increases tax base
- Adds 42 market-rate units (one to two bedrooms at \$2,400-\$6,400/month)
- Adds 3 affordable rate units at 50% AMI

Site description

Four vacant buildings consisting of two commercial buildings that housed a former theater and dry cleaning operation and two single-family residences.

Contamination issues: Soil contaminated with various petroleum and non-petroleum volatile organic compounds. Groundwater and soil vapor contamination is also present.

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

Requested use of ERF grant: Funding for a portion of the soil cleanup and collection of additional soil samples.



Calhoun Towers

Address: 3404 and 3430 List Place, Minneapolis

Applicant: City of Minneapolis on behalf of Calhoun Towers LLC

Property owner: Calhoun Towers LLC

Recommended award: \$0 (\$272,492 requested)

Award recommendation

The activities are eligible for funding; however, this project ranked low in comparison with other applications received, and ERF funds previously awarded to the project in the spring 2018 ERF grant round have not been used.

Previous ERF awards: \$249,480 spring 2018

Other funding sources

DEED: None

Metropolitan Council: \$426,867.50 requested

Economic development/housing impact

- Increases tax base
- Adds 25 affordable rental units (studio to two-bedroom at 30%-60% AMI) and 100 market-rate rental units (studio to two bedroom at \$1,400 to \$2,400/month)

Site description

22-story residential apartment building surrounded by landscaped areas and surface parking.

Contamination issues: Soil contaminated with metals, PCBs, PAHs, and various petroleum and non-petroleum volatile organic compounds. Groundwater and soil vapor contamination is also present.

Project plans: Construction of a 125-unit apartment building and underground parking. This is phase C of the overall redevelopment project.

Requested use of ERF grant:

Funding for a portion of the soil cleanup costs.



Checkerboard

Address: 3716 Dight Avenue, Minneapolis

Applicant: City of Minneapolis on behalf of Checkerboard LLC

Property owner: Checkerboard LLC

Recommended award: \$290,000 (\$290,000 requested)

Award recommendation

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

Previous ERF awards: None

Other funding sources

DEED: None

Metropolitan Council: \$600,000 requested

Economic development/housing impact

- Increases tax base
- Estimated 50 new FTE jobs
- Adds 125 affordable housing units (studio to three bedroom at 60% AMI) and 125 market-rate housing units (studio to three bedroom at \$1,000-\$3,000/month)

Site description:

Vacant grain silos and elevator building.

Contamination issues: Asbestos-containing materials are present on the exterior of the grain silos and will require abatement prior to demolition.

Project plans: Demolish existing grain silos and construct 250 units of mixed-income housing with 19,000 square feet of commercial retail space.

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



City of Lakes Community Land Trust Homebuyer Initiated Program

Address: 3415 Morgan Avenue N, 3410 Oliver Avenue N, 4115 Emerson Avenue N, 3344 Columbus Avenue, 3429 5th Avenue S, 2914 Morgan Avenue N, 5158 Irving Avenue N, 4330 James Avenue N and 4332 14th Avenue S, all located in Minneapolis.

Applicant: City of Lakes Community Land Trust (CLCLT)

Property owner: Multiple private home owners; CLCLT is the land owner

Recommended award: \$200,000 (\$400,000 requested)

Award recommendation

The activities are eligible for funding; however, the recommended award is reduced to the estimated costs associated with nine specific property addresses identified in the application. This award amount is consistent with previous program support.

Previous ERF awards: \$225,000 fall 2017; \$230,000 fall 2016; \$115,000 fall 2015; and \$170,000 fall 2014; all for different addresses.

Other funding sources

DEED: None

Metropolitan Council: None

Other County Funds: HC TOD \$130,000 requested

Economic development/housing impact

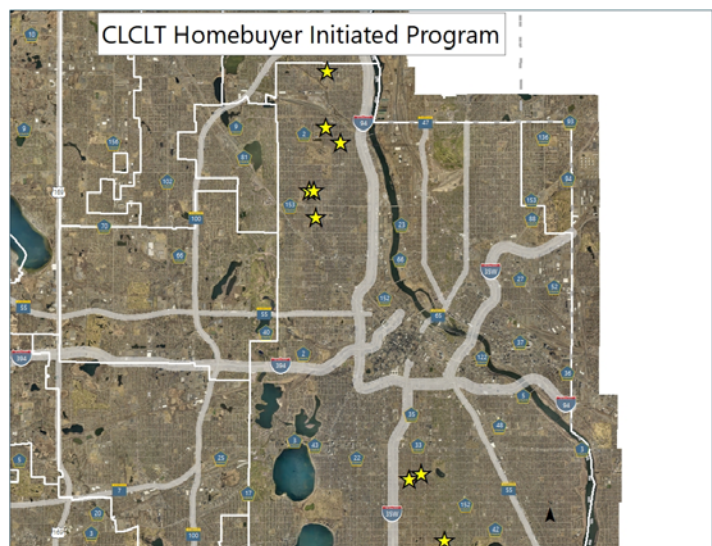
- Increases tax base
- Creation of permanently affordable, owner-occupied housing for families earning an average of 53% AMI

Site description

Nine residential, single-family homes in Minneapolis already owned in land trust arrangements by CLCLT plus an additional 11 currently unidentified homes to be purchased in 2019.

Contamination issues: Asbestos-containing building materials and lead-based paint.

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



Creekside at Van White

Address: 210 and 212 Girard Avenue N, 1129 Second Avenue N, 1300 Chestnut Avenue W and 1311 Currie Avenue W in Minneapolis.

Applicant: City of Minneapolis on behalf of BCV LLC (Wellington Management, Inc.)

Property owner: City of Minneapolis, CPED / CP Rail

Recommended award: \$173,018 (\$173,018 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: \$538,374 requested

Metropolitan Council: \$551,683 requested

Economic development/housing impact

- Increases tax base
- Estimated 10 new FTE jobs
- Retains 350 FTE jobs

Site description

Long-vacant industrial/commercial properties.

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

Project plans: Construct a 90,000 square-foot office building with flood plain and stormwater mitigation features.

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



Currie Park

Address: 1417 Fifth Street S, Minneapolis

Applicant: Minneapolis Park and Recreation Board

Property owner: Minneapolis Park and Recreation Board

Recommended award: \$165,474 (\$203,330 requested)

Award recommendation

The application requested assistance for a number of proposed activities, of which only contaminated soil disposal is eligible for funding. Therefore, staff recommends a reduced award of \$165,474.

Previous ERF awards: None

Other funding sources

DEED: None

Metropolitan Council: None

Economic development/housing impact

- Retains 5 FTEs

Site description

Four-acre public park with community center and surface parking in the Cedar-Riverside neighborhood.

Contamination issues: Soil containing debris and ash and contaminated with metals, PAHs, and petroleum compounds.

Project plans: Construction of a new splash pad, restroom facility, ADA compliant playground equipment, basketball court, parking lot and walk paths.

Requested use of ERF grant: Funding for a portion of the soil cleanup costs, abatement, and additional investigation sampling.



Fort Snelling Upper Post

Address: Unorganized Territory of Fort Snelling, Unincorporated Hennepin County

Applicant: Fort Snelling Leased Housing Associates I, LLLP

Property owner: Minnesota Department of Natural Resources

Recommended award: \$415,184 (\$415,184 requested)

Award recommendation

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

Previous ERF awards: \$81,510 spring 2016 for assessment

Other funding sources

DEED: None

Metropolitan Council: None

Economic development/housing impact

- Increases tax base
- Adds 42 units of affordable housing (one to four bedroom units at 60% AMI or HUD Fair Market Rent)

Site description

Vacant military housing buildings associated with historical military base.

Contamination issues: Asbestos-containing building materials.

Project plans: Renovate select existing buildings to create 42 units of affordable housing. This is the first phase of the overall site redevelopment project.

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



Gateway Northeast

Address: 2419, 2423 and 2435 Marshall Street NE; 30, 34, 38 and 44 Lowry Avenue NE, Minneapolis

Applicant: City of Minneapolis on behalf of CB LM Redevelopment Limited Partnership (in care of CommonBond Communities)

Property owner: CB LM Holding LLC

Recommended award: \$260,739 (\$260,739 requested)

Award recommendation

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

Previous ERF awards: None

Other funding sources

DEED: \$45,449 requested

Metropolitan Council: \$60,504 requested

Other County Funds: HC TOD \$515,700 requested

Economic development/housing impact

- Increases tax base
- 17 new FTE jobs
- Adds 50 market-rate rental units (studios range \$1,295 – 1,365); 75 affordable rental units (one, two, and three bedroom at 30-50% AMI)

Site description

Vacant single-family residential buildings and retail commercial building.

Contamination issues: Soil contaminated with petroleum compounds and metals. Asbestos-containing materials and lead-based paint need to be abated before current structures are demolished.

Project plans: Demolish existing buildings and construct 125 units of mixed-income housing and 13,500 square feet of retail space.

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



Lake Street Affordable Housing

Address: 410-414 West Lake Street and 2943-2945 Harriet Avenue

Applicant: City of Minneapolis on behalf of Lake Street Affordable Housing, LLC

Property owner: Standard Heating and Air Conditioning

Recommended award: \$222,236 (\$222,236 requested)

Award recommendation

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

Previous ERF awards: None

Other funding sources

DEED: None

Metropolitan Council: \$1.2M committed

Economic development/housing impact

- Increases tax base
- Adds 111 affordable rental units (efficiency to two bedrooms at \$495 - \$1,273/month; 30% to 60% AMI)

Site description

Two vacant commercial buildings.

Contamination issues: Asbestos-containing building materials. Soil contaminated with metals and PAHs.

Project plans: Construct a six-story mixed-use building comprised of 111 affordable housing units and 1,025 square feet of commercial/retail space and underground parking.

Requested use of ERF grant:

Funding for a portion of abatement, demolition, and soil cleanup costs.



Minnesota Brownfields Gap Financing Program

Address: County-wide, multiple addresses (to be determined)

Applicant: Minnesota Brownfields (501c3 nonprofit)

Property owner: Various (to be determined)

Recommended award: \$200,000 (\$250,000 requested)

Award recommendation

The activities are eligible for funding; however, there is a small amount of uncommitted funds remaining from previous fall 2017 ERF award, and project and applicant needs are anticipated to be similar to 2019. Therefore, staff recommends a reduced award of \$200,000. This award amount is consistent with previous program support.

Previous ERF awards: \$200,000 fall 2017; \$250,000 fall 2016; \$200,000 fall 2015; \$150,000 fall 2014; \$150,000 fall 2013; and \$150,000 fall 2013

Other funding sources

DEED: None

Metropolitan Council: None

Economic development/housing impact

- Will promote affordable housing and neighborhood level economic development.

Site description

The county established the Brownfields Gap Financing program in 2007 to provide timely funding for local units of government and non-profit organizations to address smaller-scope environmental issues for projects with limited budgets. Minnesota Brownfields, a non-profit organization, has administered the program since 2012. Projects requesting assistance from the program submit applications on a rolling basis and are evaluated and, if eligible, approved by Minnesota Brownfields and county staff.

Contamination issues: To be determined.

Project plans: To be determined. Historical projects have included green space, community gardens, recreation facilities, affordable housing, educational facilities, community centers, and neighborhood level economic development.

Requested use of ERF grant: Funding for continuation of the Brownfield Gap Financing program.

Portland and Washington Mixed-Use Development

Address: 240 Portland Avenue and 500 - 530 Third Street S, Minneapolis

Applicant: City of Minneapolis on behalf of Sherman Associates

Property owner: 500 South Third St Prop LLC and City of Minneapolis

Recommended award: \$81,364 (\$97,159 requested)

Award recommendation

The applicant's request included funding for disposal of uncontaminated (debris-containing) soils, which is ineligible. Therefore, we recommend a reduced award of \$81,364 to exclude ineligible costs.

Previous ERF awards: None

Other funding sources

DEED: \$440,468 requested

Metropolitan Council: None

Economic development/housing impact

- Increases tax base
- Estimated 16 retained FTE jobs and 10 new FTE jobs
- 90 affordable residential apartments (studio to two bedroom at 60% AMI or below) and 240 market-rate apartments (studio to two-bedrooms at \$1,513-\$3,300/month)

Site description

Minneapolis fire station and surface parking.

Contamination issues: Asbestos-containing building materials and soils containing debris and contaminated with metals and PAHs.

Project plans: Demolish existing fire station and construct one 22-story market-rate apartment building; one six-story affordable apartment building; a new fire station; 6,500 square feet of retail space; and six-story parking ramp.

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



RBC Gateway

Address: 30 Third Street S, Minneapolis

Applicant: City Minneapolis on behalf of United Properties

Property owner: City of Minneapolis

Recommended award: \$0 (\$272,489 requested)

Award recommendation

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

Previous ERF awards: None

Other funding sources

DEED: \$1,092,395 requested

Metropolitan Council: \$781,222 requested

Economic development/housing impact

- Increases tax base
- Estimated 505 new FTE jobs; 1,000+ retained FTE
- Adds commercial space (office, hotel, retail/restaurant) and parking
- Adds 20 owner-occupied condominiums (\$950 per square foot - \$1M to \$9.6M per unit)

Site description

Surface parking lot.

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

Project plans: Construct 16 floors of office space, ten hotel guestroom floors, hotel amenities floors, four residential condominium floors, street level retail/restaurant, and three levels of underground parking.

Requested use of ERF grant: Funding for a portion of the soil and bedrock cleanup and post-construction vapor sampling.



Robbinsdale Apartments

Address: 3600 France Avenue N, Robbinsdale

Applicant: City of Robbinsdale on behalf of Inland Development Partners

Property owner: City of Robbinsdale and Excel II LLC

Recommended award: \$24,468 (\$28,577 requested)

Award recommendation

The applicant's request included funding for pre-demolition abatement costs, which are not eligible for market-rate residential projects. Therefore, a reduced award of \$24,468 is recommended.

Previous ERF awards: None

Other funding sources

DEED: \$ 184,438 requested

Metropolitan Council: \$250,003 requested

Economic development/housing impact

- Increases tax base
- Adds 197 market-rate rental units (studios to two bedrooms at \$1,252-\$2,498/month); supports city's goals of developing a greater range of housing choices

Site description

Commercial building with surface parking lot.

Contamination issues: Soil contaminated with petroleum and PAHs.

Project plans: Construct a five-story residential apartment building with underground parking.

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

