



**Request for City Council Committee Action
From the Department of Community Planning & Economic Development**

Date: May 4, 2004

To: Council Member Lisa Goodman, Community Development Cmte
Council Member Barbara Johnson, Ways and Means/Budget Cmte

Prepared by: Jim Forsyth, Phone 612-673-5179

**Presenter in
Committee:** Jim Forsyth, Project Coordinator

Approved by: Chuck Lutz, Deputy CPED Director _____

Subject: Accept & Appropriate Minnesota Contamination Cleanup Program Grant
CCGP-03-0018-Z-FY04 for \$50,000.

RECOMMENDATION:

1. Accept the following grant:
Minnesota Department of Employment and Economic Development
Contamination Cleanup Grant Program grant: SEMI \$50,000 (CCGP-03-0018-Z-FY04);
2. Amend the 2004 General Appropriation Resolution by increasing the Community Planning & Economic Development Agency Fund SMN0 – CPED State Grants & Loans (SMN-890-8933) appropriation by \$50,000;
3. Increase the 2004 Revenue Budget for the Community Planning & Economic Development Agency in Fund SMN0 – CPED State Grants & Loans (SMN-890-8490) by \$50,000;
4. Authorize appropriate City officials to execute grant and subrecipient agreements.

Previous Directives: In October, 2003, the City Council authorized submission of the subject grant applications to the Minnesota Department of Employment and Economic Development.

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: 2

Neighborhood Notification: The SEED Committee was notified in 2003 that an application for the investigation grant was made and that an application would be made for funds to clean up the **Wall phase 2** (SEMI) site.

City Goals: The proposed projects are consistent with and contribute to attainment of the City goal to: Increase the city's economic competitiveness and extend the benefits of the growing economy to all Minneapolis residents, Strategy 1: Provide clean, buildable land parcels to meet the needs of business expansion and relocation within the city.

Comprehensive Plan: The project complies with land reclamation and provides healthy environmental elements of the Minneapolis Plan and is consistent with the SEMI Bridal Veil Master Plan approved by the City Council in July of 2001.

Zoning Code: The project is in compliance.

Living Wage/Job Linkage: Environmental assistance is exempt from Living Wage/Business Subsidy and generally exempt from job linkage.

Background/Supporting Information

The Community Planning & Economic Development Department is pleased to report that subject project submitted in the fall of 2003 grant round to the Department of Employment and Economic Development (DEED) has been approved for funding. The award totals \$50,000 for a pollution investigation grant in the South East Minneapolis Industrial/University Research Park area.

The Minnesota Contamination Cleanup Grant Program was established in 1993 to clean up contaminated sites and convert contaminated property into a marketable asset. DEED is the administering state agency. Applications were due November 1st, 2003 and a local match equal to twenty-five percent of the project costs is required, of which twelve percent of the clean-up costs must come from non-tax increment local funds. There is no financial limit for the City of Minneapolis geographic area. However, there is a maximum of \$3 million available statewide for the spring 2003 round and all projects must qualify for petroleum-contaminated remediation.

Project

Wall # 2 Ward 2

DEED investigation grant request: \$50,000;

The Wall companies propose to build a 400,000 square foot University related research park on property in the SEMI/URP area owned largely by the Wall Companies and occupied by grain elevators. Determination of the environmental condition of the site is critical to redeveloping the area. The grant for testing is therefore a critical first step in the redevelopment process. Ultimately Wall anticipates construction of three or four buildings housing companies employing about 600 people. The site (and all of SEMI) is within the City's proposed Bioscience Zone. The City is making a separate application to DEED for this designation. That designation does not provide for environmental investigation funding.

In their evaluations of the application the State Department of Employment and Economic Development (DEED) did approve the grant request of \$50,000. However, the Hennepin County ERF request was not granted. Therefore the Wall Companies will provide the entire 25% match for the DEED grant.