

C Community Development Committee
For the Metropolitan Council meeting of January 17, 2007

ADVISORY INFORMATION

Date Prepared: December 19, 2006

Subject: Tax Base Revitalization Account Funding

Summary of Committee Discussion:

Following the staff presentation, discussion included inquiries about the implications of projects using Tax Increment Financing on the evaluation of proposals and about the status of a previous grant award to New Brighton for the same redevelopment area of the city. A question was raised regarding the apparently larger increase in net tax capacity for this group of proposals in comparison to previous funding cycles. Because the recommended award for the Blaine proposal is for only a portion of their request and the project was the lowest ranked of those funded, a question was raised about whether it would have received full funding had more dollars been available. Supporting comments were made about applications from Blaine and New Brighton citing personal observation of the conditions at those two sites. Chair Georgacas requested a future report to the committee regarding the performance of past TBRA award recipients.

Staff noted a correction to the summary table at the top of page 3 of the Review Record. The correct total of jobs should be 1,136 under the column heading 'Fall 2006 Recommendations' and 25,176 under 'Total 1996-2006'. Those changes will be made in the document included in the January 10 Council packet.

The proposed action to award TBRA grants as recommended was approved. The attached Executive Summary provides detail on each of the TBRA project requests and recommendations.

Recommendation:

The Community Development Committee recommends that the Metropolitan Council award \$2,910,000 for 11 Livable Communities Act (LCA) Tax Base Revitalization Account (TBRA) grants to remediate contamination and prepare sites for redevelopment in the cities of Blaine, Chaska, Columbia Heights, Minneapolis, New Brighton, South Saint Paul and Saint Paul.

C Community Development Committee

Meeting date: December 18, 2006

ADVISORY INFORMATION	
Date:	December 15, 2006
Subject:	Tax Base Revitalization Account Funding
District(s), Member(s):	All
Policy/Legal Reference:	Livable Communities Act, Minnesota Statutes 473.75
Staff Prepared/Presented:	Marcus Martin, Senior Planner, 651/602-1054 Jan Gustafson, Manager, 651-602-1384 Guy D. Peterson, Director, Housing & Livable Communities, 651/602-1418
Division/Department:	Housing & Livable Communities/Community Development

Proposed Action/Motion

That the Metropolitan Council award 11 Tax Base Revitalization Account (TBRA) grants as follows:

Projects recommended for Fall 2006 TBRA funding	Recommended amount
Blaine – Medical Center (former Lee’s Wrecking)	\$64,000
Chaska – Block 6 Redevelopment	\$66,400
Columbia Heights Industrial Park - II North Lot	\$19,100
Minneapolis – 1209 Tyler Street NE	\$211,500
Minneapolis – Aloft Hotel	\$44,400
Minneapolis – Crown Iron/Electric Machine	\$690,000
Minneapolis – Pacific Flats	\$415,000
Minneapolis – SoHo 718 Washington Avenue N.	\$47,600
New Brighton – Western Northwest Quadrant	\$700,000
South St. Paul HRA – Bridge Point Business Center	\$88,900
St. Paul – Commerce Building	\$563,100
Total	\$2,910,000

Issue(s)

Should the Council award the \$2,910,000 recommended for 11 projects for the Fall 2006 TBRA funding round?

Overview and Funding

The recommended proposals are each consistent with and implement the *2030 Regional Development Framework* and the Metropolitan Livable Communities Act. They carry out Council policy to work with local communities to accommodate growth in a flexible, connected, and efficient manner. They are all redevelopment proposals, therefore the 2030 strategies for the “developed communities” are particularly applicable. The grant evaluation process, rankings, criteria and site details are explained in the attachments.

Funding for TBRA grants comes from an annual levy capped at \$5,000,000. The amount of money available is awarded in two funding cycles each year and is generally somewhat larger than the levy amount. The additional funds come from two sources: 1) balances from grant projects either completed under budget or, occasionally, relinquished by grantees whose projects were unable to proceed; and 2) interest credited to the account during the previous year. In the Fall 2006 TBRA funding cycle, a total of \$2,910,000 is available for grants.

Review Record

BACKGROUND

Significant accomplishments are anticipated from current and previous funding. The following table shows the history of TBRA funding. The first column shows the accomplishments from the inception of the TBRA program in 1996 through the Spring 2006 TBRA funding cycle. The second column shows what the accomplishments would be for the Fall 2006 TBRA grant cycle if this recommendation is approved. The last column combines both previous TBRA accomplishments and Fall 2006 TBRA accomplishments.

	1996-Spring 2006	Fall 2006 Recommendation	Total 1996-2006
# Communities Funded	34	7	34
# Grants	203	11	214
TBRA Awards	\$62,094,706	\$2,910,000	\$65,004,706
Private Investment	\$3,175,000,000	\$225,170,636	\$3,400,170,636
Tax Base Increase	\$61,605,830	\$5,298,365	\$66,904,195
Acres cleaned	1,473	58	1,532
Jobs (new & retained)	24,040	1,136	25,176

Fall 2006 Funding Process

Fall 2006 TBRA Program

The Council issued a notice that grant funds were available and held an applicant workshop collaboratively with the Department of Employment and Economic Development (DEED) and the Minnesota Pollution Control Agency (MPCA) in August. Funding of \$2,910,000 is available for the Fall 2006 cycle. The funds are from the TBRA levy, interest income and turned back grant funds. Eighteen applications were submitted this Fall. One application (Minneapolis – Plymouth Avenue Townhomes) was subsequently withdrawn by the applicant. The amount requested in the applications totals \$6,086,494. The funds available could fund 48% of the total amount of funds requested.

Review

Council staff from Environmental Services, Transportation, Regional Parks, and Local Planning Assistance reviewed the applications and found the projects consistent with Council plans and policies.

Applicant information was evaluated with the other brownfield funding partners in the metro area including DEED, Hennepin County and Ramsey County. Questions about the information provided were clarified with city staff and/or the technical consultants that helped prepare the application. Project budgets were reviewed to determine if all of the requested expenses are eligible for TBRA grants. In this funding cycle, some of the requested funds were determined ineligible so in some cases the amount that is eligible is less than the requested amount. These reductions are reflected in the recommended grant amounts.

Project Ranking

The funding recommendations were evaluated based on Council-adopted criteria relating to the projected increase in tax base, increase in jobs, anticipated wage levels, proximity to jobs, the amount of environmental risk and threats to health, project density, market demand, how the project helps implement Framework 2030 policies and regional system support, efficiency (e.g., energy efficiency), partnerships, the need for supplemental funding to a previously awarded TBRA grant and the city's housing performance score.

Points were assigned to each project, based on how well it met the TBRA criteria. The total possible points assigned per project are 135 points. The point assignments were reviewed and discussed by other Livable Communities staff and management in addition to the TBRA coordinator. Table 1 lists applications recommended for funding in rank order based on the points assigned.

Partner Funding

The DEED program funds a maximum of 75% of a project's clean up costs. The TBRA legislation allows for TBRA funds to be used as a match of up to 13% of the local match requirement for DEED grant requests. Hennepin County and Ramsey County have cleanup funds available to help with cleanups in their respective counties. As of December 15, 2006, DEED has not made final recommendations for projects to be awarded grants for the Fall 2006 grant cycle. The DEED commissioner is expected to make the final approval at the end of December. Both Hennepin and Ramsey County have tentatively determined which projects will be awarded grant funds for the Fall cycle. These awards will not be finalized by their respective boards until after the January 10, 2007 Metropolitan Council meeting where the Council is scheduled to make final awards of Council funds. The TBRA recommendations take into consideration the funding of the partners but the TBRA recommendations are not dependent on the decisions of the other funding partners.

Projects Recommended for TBRA Funding

The following projects are listed in alphabetical order by city. The information describes the financial aspects of the TBRA recommendations including information about funding requested from funding partners. Starting on page 9 of this memo, more detailed information for each project related to the use of the funds and the expected project results is provided.

Eight "Partner" Projects Recommended for Funding

- **Chaska, Block 6 Redevelopment (86 points)** – The application requests \$66,473 in TBRA matching funds for an \$850,000 request to DEED for soil remediation. The TBRA recommendation is \$66,473, the full amount of the TBRA request.
- **Columbia Heights, Industrial Park – II North Lot (71 points)** – The application requests \$19,120 in supplemental TBRA funds and \$110,308 in supplemental DEED funds for additional soil remediation. The applicant was previously awarded \$288,892 in TBRA funding and \$582,897 in DEED funding. The TBRA recommendation is \$19,120, the full amount of the TBRA request.
- **Minneapolis, Pacific Flats (100 points)** - The application requests \$415,000 in TBRA funds for asbestos abatement; \$1,568,695 in DEED funds and \$296,907 in Hennepin ERF funds for soil remediation. (The applicant was previously awarded \$50,000 from DEED to fund an environmental investigation.) The TBRA recommendation is \$415,000, the full amount of the TBRA request.
- **Minneapolis, Aloft Hotel (91 points)** – The application requests \$44,400 in TBRA matching funds for a \$256,170 request to DEED for soil remediation. A TBRA application in Spring 2006 was not recommended for funding due to relatively low contamination over a large part of the site with soil

removal related to geotechnical concerns as much as or more than soil remediation. The recommended award focuses on more limited areas of higher contamination. The TBRA recommendation is \$44,400, the full amount of the TBRA request.

- **Minneapolis, SoHo 718 Washington Avenue N. (85 points)** – The application requests \$53,901 in supplemental TBRA funding and \$38,076 from DEED for additional asbestos and soil remediation. Some costs were determined to be ineligible. The TBRA recommendation is \$47,604 to fully fund the eligible costs.
- **Minneapolis, Crown Iron/Electric Machine (71 points)** – The application requests \$690,000 in TBRA funds for asbestos abatement, \$496,350 in DEED funds and \$86,034 in Hennepin ERF funds for soil remediation. The TBRA recommendation is \$690,000, the full amount of the TBRA request.
- **New Brighton, Western Northwest Quadrant (73 points)** – The applicant’s amended request is \$700,000 in TBRA funding and \$1,400,000 from DEED for soil remediation. The TBRA recommendation is \$700,000, the full amount of the TBRA request.
- **South St. Paul HRA, Bridge Point Business Center (68 points)** - The application requests \$88,920 in supplemental TBRA funding and \$513,000 in supplemental DEED funding for additional soil remediation. The TBRA recommendation is \$88,920, the full amount of the TBRA request.

Three “TBRA Only” Projects Recommended for Funding

- **Blaine, Medical Center [formerly Lee’s Wrecking] (66 points)** – The application requests \$667,544 in supplemental TBRA funding. Upon review \$158,594 of the costs indicated were determined to be eligible. The amount recommended is based on the TBRA funds available in the grant round after other higher priority projects were funded. The TBRA recommendation is for \$64,000. (40% of the eligible request).
- **Minneapolis, 1209 Tyler Street NE (68 points)** – The application requests \$211,575 in TBRA funding for asbestos and lead-based paint abatement. The TBRA recommendation is \$211,575, the full amount of the TBRA request.
- **St. Paul, Commerce Building (67 points)** – The application requests \$637,856 in TBRA funding for asbestos and lead paint abatement. Upon review, \$563,150 of the costs identified were deemed eligible. The TBRA recommendation is \$563,100 to fully fund the eligible costs.

Projects Not Recommended for TBRA Funding

Three “Partner” Projects NOT Recommended for Funding

Additional information is provided for each project starting on page 9.

- **Dakota County CDA (Lakeville), Meadowlark (72 points)** – The application requests \$150,000 in supplemental TBRA funding and \$25,000 from DEED for additional soil remediation. Due to the fact that the soil excavation needed for a proposed storm water feature was not an approved activity under the Conceptual RAP approved by the MPCA and the very low rank for the level of contamination identified, the TBRA recommendation is for no additional funding.
- **Minneapolis, Plymouth Avenue Townhomes** – This project was withdrawn at the applicant’s request and consequently not ranked. The TBRA recommendation is for no funding.
- **Roseville – Parkside Addition (65 points)** - The application requests \$250,000 in funding from TBRA and \$613,816 from DEED for soil remediation. Due to the low score, the TBRA recommendation is for no funding.

Two “Partner” Projects NOT Eligible for Funding

Additional information is provided for each project starting on page 9.

- **Chanhassen, Moon Valley Gun Range** – This application was determined to be ineligible due to the land owner’s status as a responsible party for the contamination. In addition, a comparison of the amount of the cleanup funding requested (\$6,000) to the overall project costs (\$30M) indicates that the cleanup costs are less than one-percent of the total project costs. The project did not meet the “but for” requirement and is likely to proceed without additional TBRA funding. TBRA recommendation is for no funding.
- **Minneapolis, Longfellow Station** - This application was not ranked. A comparison of the amount of the cleanup funding requested (\$472,800) to the overall project costs (\$87M) indicates that the cleanup costs are less than one-percent of the total project costs. The project is likely to proceed without additional TBRA funding and thus, was determined to be ineligible because the project did not meet the “but for” requirement. TBRA recommendation is for no funding.

One “TBRA Only” Projects NOT Recommended for Funding (see more detailed project information starting on page 9)

- **St. Paul, 360 Cedar (61 points)** - Due to the low score, TBRA recommendation is for no funding.

One “TBRA Only” Project NOT Eligible for Funding (see more detailed project information starting on page 9.)

- **St. Paul, Hospital Linen** – The applicant was not ranked. It was determined to be ineligible because a RAP approval from the MPCA was not secured prior to the application deadline.

Demonstrated Need for TBRA Funding – The “but for” Requirement

Eligible requests need to demonstrate that TBRA funding is essential for the project to be completed as proposed. This determination is made by reviewing the applications, verifying the data and gaining input from the various partners. One measure that is considered is a comparison of the amount of the cleanup funding requested to the overall project costs. Where the clean up costs are less than one-percent of the total project costs, it is expected that the clean up cost can be reasonably absorbed in the project costs without Council assistance. All the projects except two (Minneapolis – Longfellow Station and Chanhassen – Moon Valley Gun Range) in the Fall 2006 round meet the demonstrated need criteria.

Table 1
Tax Base Revitalization Account
Fall 2006 Ranking and Funding Recommendations

Rank	City - Project Name	Score	TBRA Request	Eligible Amount	Recommend Funding*
1	Minneapolis – Pacific Flats	100	\$415,000	\$415,000	\$415,000
2	Minneapolis - Aloft Hotel	91	\$44,400	\$44,400	\$44,400
3	Chaska – Block 6 Redevelopment	86	\$66,473	\$66,473	\$66,400
4	Minneapolis – SoHo 718 Washington Avenue N.	85	\$53,901	\$47,604	\$47,600
5	New Brighton – Western Northwest Quadrant	73	\$700,000	\$700,000	\$700,000
6	Dakota County CDA – Meadowlark	72	\$150,000	\$150,000	\$0
7-tie	Minneapolis – Crown Iron/Electric Machine	71	\$690,000	\$690,000	\$690,000
7-tie	Columbia Heights Industrial Park – II North Lot	71	\$19,120	\$19,120	\$19,100
9-tie	South St. Paul HRA – Bridge Point Business Center	68	\$88,920	\$88,920	\$88,900
9-tie	Minneapolis – 1209 Tyler St. NE	68	\$211,575	\$211,575	\$211,500
10	St. Paul – Commerce Building	67	\$637,856	\$563,150	\$563,100
11	Blaine – Medical Center (former Lee’s Wrecking)	66	\$667,544	\$158,594	\$64,000
12	Roseville – Parkside Addition	65	\$250,000	\$250,000	\$0
13	St. Paul – 360 Cedar	61	\$513,530	\$513,530	\$0
14	St. Paul – Hospital Linen	57	\$469,000	\$469,000	\$0
15	Minneapolis – Longfellow Station	0	\$502,175	\$0	\$0
16	Chanhasen – Moon Valley Gun Range	0	\$6,000	\$0	\$0
17	Minneapolis – Plymouth Avenue Townhomes	0	\$0	\$0	\$0
				TOTAL	\$2,910,000

Recommended funds are rounded down to the nearest \$100.

Additional Review Considerations

All the recommended applicant communities participate in the Livable Communities Local Housing Incentives program. The projects are consistent with the applicant community’s local comprehensive plan, and they have been determined to have adequate urban services to support the proposed project. Each project has a resolution of support from the applicant city.

The Livable Communities Act requires that no more than three-quarters of the TBRA funding be awarded to cities of the first class (Minneapolis and St. Paul). In this round, they are recommended to receive 67.8% (\$1,971,600). Recommended grants to suburban applicants total 32.2% (\$938,400) of available funding.

The Livable Communities Act also prohibits awarding more than half of the available funding to a single city if the eligible requests for funding exceed the amount available. In this round, none of the eligible cities are recommended for half or more of the amount available to award.

Up to ten points are awarded to a project based upon the Housing Program Score of the applicant city or county. Applications that involve cleanup to facilitate an affordable housing development receive the higher of their own score or the average score of all applicant communities. Applications not involving cleanup to facilitate affordable housing receive their own Housing Program Score.

Table 2

Tax Base Revitalization Account
 Livable Communities Funding Guidelines

Communities	Fall 2005 Recommendation	Percentage	Criteria
Suburban	\$938,400	32.2%	
Cities of the First Class (Minneapolis and St. Paul)	\$1,971,600	67.8%	No more than 75% to cities of the First Class
Total	\$2,910,000	100%	
City with the largest recommendation (New Brighton)	\$700,000	24.1%	No more than 50% to any one city.

Project Details

Projects Recommended for TBRA Funding

Following is a summary of each project recommended for funding listed alphabetically.

Blaine –Medical Center [former Lee's Wrecking] (66 points)

Location:	11808 Central Av. NE, Blaine, MN
Council District:	10 – Kris Sanda
Acres:	7.65
Estimated Cleanup Cost:	\$667,544 additional costs for soil remediation
Funding request:	<p>\$667,544 supplemental TBRA funds of which \$158,594 was determined to be eligible.</p> <p>Funding previously awarded includes \$119,360 and \$62,400 from TBRA in 2005 and 2006 respectively, in addition to \$38,393 and \$678,614 from DEED in Nov 2004 and May 2005.</p>
Private Investment:	\$8,633,029
Increase in Net Tax Capacity:	\$323,396
Affordable Housing Units:	NA
Project Summary:	<p>The applicant is requesting supplemental funding for additional soil remediation of a 7.65-acre site formerly used as automobile scrap yard. Contamination identified includes DRO, VOC, SVOC, PAH, cyanide, metals (antimony, arsenic, cadmium, copper iron, selenium and lead in soil; manganese and cyanide in groundwater). Completed remediation activities include removal of petroleum-impacted and partial removal of lead-impacted soil. Upon review, \$158,594 of the costs for remediating additional lead-impacted soil, installation of soil vapor barriers and environmental oversight were deemed eligible. The amount recommended is based on the TBRA funds available in the grant round after other higher priority projects were funded. Expected benefits include the development of an 85,000 sq. ft. 3-story medical office building with an increase of \$323,396 in net tax capacity and \$8.6M of private investment.</p>

Chaska – Block 6 Redevelopment (86 points)

Location:	Northwest corner of Highway 212 and Chestnut Street
Council District:	4 – Julius C. Smith
Acres:	1.87
Estimated Cleanup Cost:	\$866,355 for soil remediation
Funding request:	\$66,473 in TBRA funds; \$850,000 in DEED funds
Private Investment:	\$9,900,000
Increase in Net Tax Capacity:	\$71,929
Affordable Housing Units:	6
Project Summary	The applicant is requesting \$66,473 from TBRA as matching funds to an \$850,000 request from DEED for soil remediation of a 1.87-acre site formerly used as a brickyard and currently used as a filling station, auto repair garage and retail garden center. Contamination identified includes DRO, GRO, and arsenic. Expected benefits include the development of 22,285 sq. ft. mixed use residential and commercial building with 54 rental units (5-6 will be affordable) and 17,000 sq. ft. retail and service commercial space, with an increase of \$71,929 in net tax capacity and \$9.9M of private investment.

Columbia Heights Industrial Park - II North Lot (71 points)

Location:	3800 5 th Street, Columbia Heights, MN 55421 (Parcel 12, NW corner of 5 th Street and Lookout Place)
Council District:	2 – Tony Pistilli
Acres:	8.85
Estimated Cleanup Cost:	\$1,478,163 for soil remediation
Funding request:	\$19,120 in TBRA funds; \$110,308 in DEED funds Funding previously awarded includes \$288,892 from TBRA and \$582,897 from DEED in the Fall 2004 cycle.
Private Investment:	\$28,800,000
Increase in Net Tax Capacity:	\$322,538
Affordable Housing Units:	1 on North Lot (15 for Phase II)
Project Summary	The applicant is requesting \$19,120 in supplemental TBRA funds as matching funds to a supplemental request of \$110,308 in DEED funds for the soil remediation of an additional portion of an 8.85-acre site with various former uses including a foundry, machine shops, plating operations, automotive repair and chemical manufacturers. Contamination identified includes 3,370 cu. yds. of foundry waste. Expected benefits from Phase II of the development include the construction of 124 townhomes with an increase of \$322,538 in net tax capacity and \$28.8M of private investment. Previous funding includes \$288,892 from TBRA and \$582,897 from DEED in the Fall 2004 application cycle.

Minneapolis - 1209 Tyler Street NE (68 points)

Location:	1209 Tyler Street NE, Minneapolis, MN 55413
Council District:	8 – Lynette Whittsack
Acres:	3.14
Estimated Cleanup Cost:	\$211,575 for asbestos and lead-based paint abatement
Funding request:	\$211,575 in TBRA funds
Private Investment:	\$3,786,898
Increase in Net Tax Capacity:	\$134,632
Affordable Housing Units:	NA
Project Summary	The applicant is requesting \$211,575 for asbestos and lead paint abatement for a 3.14-acre site formerly used for paint and linseed oil manufacturing. Soil contamination will be addressed by the Davis Frost Company as a responsible party. The company is currently enrolled in the Voluntary Investigation and Cleanup (VIC) program at the MPCA. Expected benefits include the renovation of a 40,000 sq. ft. commercial/industrial space with an increase of \$134,632 in net tax capacity and \$3.7M of private investment.

Minneapolis - Aloft Hotel (91 points)

Location:	900 Washington Av S, Minneapolis, MN
Council District:	7 – Annette Meeks
Acres:	1.13
Estimated Cleanup Cost:	\$525,000 for soil remediation
Funding request:	\$44,400 in TBRA funds; \$256,170 in DEED funds
Private Investment:	\$26,500,000
Increase in Net Tax Capacity:	\$849,160
Affordable Housing Units:	NA
Project Summary	The applicant is requesting \$44,400 from TBRA in matching funds to a \$256,170 request from DEED for soil remediation of a 1.13-acre site formerly used as an industrial chemical warehouse and freight facility. Contamination identified includes clinker (a waste by-product from smelting metals), metals (arsenic, copper, lead), DRO, VOC, and PAH (BaP equivalents). A TBRA application in the Spring 2006 was not recommended for funding due to relatively low contamination over a large part of the site related more to geotechnical concerns than to soil remediation. A change in the development plan to use existing adjacent structured parking rather than underground parking for the hotel and allowing for a slab-on-grade building indicates a more limited need for excavation. The recommended award takes into account limited areas of higher contamination related to the clinker- and lead-impacted soil. Expected benefits include the development of 155 room hotel and 4,000 sq. ft. of retail commercial space with an increase of \$849,160 in net tax capacity and \$26.5M of private investment.

Minneapolis - Crown Iron/Electric Machine (71 points)

Location:	1227 – 1361 Tyler Street NE, Minneapolis, MN
Council District:	8 – Lynette Whittsack
Acres:	5.6
Estimated Cleanup Cost:	\$1,351,800 for soil remediation and asbestos abatement
Funding request:	\$690,000 in TBRA funds (for asbestos); \$496,350 in DEED funds and \$86,034 in Hennepin ERF funds
Private Investment:	\$8,076,024
Increase in Net Tax Capacity:	\$374,829
Affordable Housing Units:	32 live/work rental units
Project Summary	The applicant is requesting \$690,000 from TBRA for asbestos remediation only and \$496,350 in DEED funds and \$86,034 in Hennepin ERF funds for soil remediation of a 5.6-acre site formerly used for machining and as a foundry. Contamination identified includes VOC (BaP equivalents), SVOC, metals (arsenic, barium, chromium, lead, and mercury), DRO in soil, petroleum, and chlorinated solvents in groundwater, and asbestos in the building. Expected benefits include the development of 75,000 sq. ft. renovated commercial industrial space (primarily on the 1 st floor), 32 live/work rental units (on the 2 nd floor) with an increase of \$374,829 in net tax capacity and \$8M of private investment.

Minneapolis - Pacific Flats (100 points)

Location:	Block between Washington Avenue North, 2 nd Street North and 2 nd Avenue North and 3 rd Avenue North
Council District:	7 – Annette Meeks
Acres:	2.44
Estimated Cleanup Cost:	\$2,612,054 for soil remediation and asbestos abatement
Funding request:	\$415,000 in TBRA funds (for asbestos); \$1,568,695 in DEED funds and \$296,907 in Hennepin ERF funds Previously awarded \$50,000 from DEED for an environmental investigation.
Private Investment:	\$ 70,439,786
Increase in Net Tax Capacity:	\$2,503,649
Affordable Housing Units:	NA
Project Summary	The applicant is requesting \$415,000 from TBRA for asbestos remediation only and \$1,568,695 in DEED funds and \$296,907 in Hennepin ERF funds for soil cleanup of a 2.44-acre site with various former uses including warehousing and milling operations, implement and mattress manufacturing, machining, automotive repair, filling station, and many sales and service companies. Contamination identified includes PAH (BaP equivalents), VOC, metals (arsenic, lead, and mercury) in the soil, TCE and vinyl chloride in the ground water, and asbestos in the buildings. Expected benefits include the renovation of and an addition to the former Northwestern Glass building for use as a 128,000 sq. ft. boutique hotel (10 stories) and 172,000 sq. ft. of commercial retail space, with an increase of \$2,503,649 in net tax capacity and \$70M of private investment.

Minneapolis – SoHo 718 Washington Av. N. (85 points)

Location:	714-718 Washington Avenue N.
Council District:	7 – Annette Meeks
Acres:	0.51
Estimated Cleanup Cost:	\$414,869 for asbestos abatement
Funding request:	\$53,901 in TBRA funds and \$38,076 from DEED Funding previously awarded includes \$275,000 from TBRA, \$11,287 from DEED and \$45,261 from Hennepin County ERF in Spring 2006.
Private Investment:	\$5,500,000
Increase in Net Tax Capacity:	\$404,782
Affordable Housing Units:	6 live/work units
Project Summary	The applicant is requesting \$53,901 from TBRA in supplemental funding (and \$38,076 from DEED) for the soil and asbestos remediation a 0.51-acre site formerly used as office and warehouse space for the Johnson Nut Company. Contamination identified in the application includes asbestos, DRO, naphthalene, xylene, and toluene. Completed remediation activities include removal of petroleum-impacted soil and much of the asbestos abatement. Activities for the current request include additional asbestos abatement and removal of hazardous wastes. Costs for soil remediation were not conducted under a Development Response Action Plan (DRAP) approved by the MPCA and thus are not eligible. Upon review, \$47,604 of the costs identified were deemed eligible and are recommended for funding. Expected benefits include the renovation of a 106,000 sq. ft. warehouse into 31 commercial spaces and 24 live/work units (6 of which are affordable) with an increase of \$404,782 in net tax capacity and \$5.5M of private investment. Funding previously awarded includes \$275,000 from TBRA and \$11,287 from DEED in the Fall 2005 funding cycle and \$45,261 from the Hennepin County ERF in the Spring 2006 funding cycle.

New Brighton - Western Northwest Quadrant (73 points)

Location:	1400 and 1430 Old Highway 8 NW plus RR ROW
Council District:	10 – Kris Sanda
Acres:	18.5 acres
Estimated Cleanup Cost:	\$2,546,000
Funding request:	\$700,000 from TBRA and \$1,400,000 from DEED
Private Investment:	\$50,300,000
Increase in Net Tax Capacity:	\$498,954
Affordable Housing Units:	12 ownership units expected (price points range from \$180,000-\$350,000)
Project Summary	The applicant submitted an amended application requesting \$700,000 from TBRA and \$1,400,000 in DEED funds for soil remediation of an 18.5-acre site with various former uses, including a stockyard, oil refinery, propane storage and distribution, and chlorinated solvent manufacturer. The site currently includes an asphalt plant. Contamination identified includes DRO, GRO, VOC, metals (chromium), cPAHs, PAH (BaP equivalents), benzene, xylenes, 1,2,4-trimethylbenzene, 1,3,5-trimethylbenzene, and naphthalene. Expected benefits include the development of 207 housing units (12 of which will be affordable) with an increase of \$498,954 in net tax capacity and \$50.3M of private investment.

South St. Paul HRA – Bridge Point Business Center (68 points)

Location:	235 and 285 Hardman Avenue S and 105 Hardman Circle, South St.
Council District:	15 – Daniel Wolter
Acres:	9.05
Estimated Cleanup Cost:	\$684,000 for soil remediation
Funding request:	\$88,920 in TBRA funds; \$513,000 in DEED funds
Private Investment:	\$ 11,150,000
Increase in Net Tax Capacity:	\$206,220
Affordable Housing Units:	NA
Project Summary	The applicant is requesting \$88,920 from TBRA in supplemental matching funds and \$513,000 in DEED funds for additional soil remediation of a 9.05-acre site with various former uses, including a repair shop, a power house, gas lines, fuel oil above-ground storage tanks, a box factory, rail spurs, a railcar repair/washing business, coal storage, outdoor drum storage and animal processing. Contamination identified includes DRO, PAH (BaP equivalent), lead, methane vapors, and debris. Completed remediation activities include excavation and disposal of 42,000 tons of impacted soil. Funds awarded will assist with the removal of additional 25,000 tons of PAH-impacted soil. Expected benefits include the development of three buildings totaling 120,000 sq. ft. of new commercial/light industrial offices, warehousing and production facilities with an increase of \$206,220 in net tax capacity and \$11M of private investment.

St. Paul - Commerce Building (67 points)

Location:	8 East 4 th Street, St. Paul, MN
Council District:	13 – Richard Aguilar
Acres:	0.22
Estimated Cleanup Cost:	\$637,856 for asbestos and lead paint abatement
Funding request:	\$637,856 in TBRA funds of which \$563,150 was determined to be eligible
Private Investment:	\$ 7,584,899
Increase in Net Tax Capacity:	\$13,058
Affordable Housing Units:	28 units
Project Summary	The applicant is requesting \$637,856 for asbestos and lead paint abatement of a 0.22-acre site formerly used as a 12-story commercial office building. Upon review, \$563,150 of the abatement costs identified were deemed eligible. Expected benefits include the renovation of floors 6-12 to include 63 rental housing units (28 of which will be affordable at 50% AMI).with an increase of \$13,058 in net tax capacity and \$7.6M of private investment.

Projects Not Recommended for TBRA Funding

Following is a summary of each project not recommended for funding listed alphabetically.

Chanhassen – Moon Valley Gun Range (not ranked)

Location:	100 Flying Cloud Drive, Chanhassen, MN 55318
Council District:	4 – Julius C. Smith
Acres:	39.8
Estimated Cleanup Cost:	\$264,000 for soil remediation
Funding request:	\$6,000 in TBRA funds; \$37,500 in DEED funds
Private Investment:	\$30,000,000
Increase in Net Tax Capacity:	\$673,008
Affordable Housing Units:	35
Project Summary	The applicant is requesting \$6,000 from TBRA as matching funds to a \$37,500 request to DEED for soil remediation for a site used as a ski hill until 1965 and as a shooting range and aggregate mining since then. Contamination identified includes metals (lead, copper, antimony, and arsenic) and PAHs. Expected benefits include the development of 225 ownership condominiums (of which 35 will be affordable). The application is ineligible for funding because the land owner was a responsible party for the contamination. In addition, the ratio of the cleanup cost to project cost is less than one percent. Thus, the project is likely to proceed without the need for Council assistance.

Dakota Co CDA – Meadowlark (72 points)

Location:	8500 – 210 th Street, Lakeville, MN 5044
Council District:	16 – Brian McDaniel
Acres:	7.04
Estimated Cleanup Cost:	\$1,144,600 for soil remediation
Funding request:	\$150,000 in TBRA funds; \$25,000 in DEED funds Funding previously awarded includes \$126,717 from TBRA and \$246,250 from DEED.
Private Investment:	\$7,014,560
Increase in Net Tax Capacity:	\$0
Affordable Housing Units:	40 rental townhomes
Project Summary	<p>The applicant is requesting \$150,000 in supplemental funding and \$25,000 from DEED for soil remediation of a 7.04 acre site formerly used for dumping demolition waste and overnight car storage. Contamination identified in the 2004 application includes DRO, VOC, metals, PAH, and asbestos in the soil and ground water. Petroleum, PAH and lead “hot spots” were removed in November 2005 using funds awarded from the Fall 2004 cycle. Additional solid waste remains on the site that must be removed or compacted for geotechnical purposes. The current request for funding is to be used to remove an additional 4,200 cu. yds. of soil containing limited amounts of asbestos from an area proposed for a storm water pond. The pond feature was not included as a remedial activity in the Conceptual DRAP approved by the MPCA. Furthermore, because the excavation required for the pond addresses a site design concern as much or more than a soil remediation concern this project was not recommended for additional funding. Expected benefits include the development of 40 affordable rental townhomes (including 1-, 2- and 3-bedroom units) and \$7M of private investment. Previous funding includes \$126,717 from TBRA and \$246,250 from DEED in the Fall 2004 application cycle.</p>

Minneapolis - Longfellow Station (not ranked)

Location:	3815 Hiawatha Avenue, Minneapolis
Council District:	8 – Lynette Whittsack
Acres:	3.1
Estimated Cleanup Cost:	\$472,800 for asbestos and lead paint abatement
Funding request:	\$463,500 in TBRA funds (for asbestos); \$15,862 in DEED funds
Private Investment:	\$87,000,000
Increase in Net Tax Capacity:	\$2,435,000
Affordable Housing Units:	80 affordable rental units
Project Summary	The applicant is requesting \$472,800 for asbestos and lead-based paint abatement of a 3.1-acre site formerly used as a commercial feed mill. Expected benefits include the development of 214 ownership housing units and 80 affordable rental units with an increase of \$2,435,000 in net tax capacity and \$87M of private investment. Contaminants identified in the soil include trimethylbenzene, naphthalene, and arsenic however, additional investigation is likely needed. Soil remediation was not included in the TBRA request. The application is ineligible for TBRA funding because the ratio of the cleanup cost to project cost is less than one percent. Thus, the project does not meet the demonstrated need criteria and is likely to proceed without the need for additional Council assistance.

Minneapolis - Plymouth Avenue Townhomes (not ranked)

The application was withdrawn per City request.

Roseville - Parkside Addition (65 points)

Location:	2959 Hamline Avenue North, Roseville, MN 5511-1664
Council District:	10 – Kris Sanda
Acres:	3.32
Estimated Cleanup Cost:	\$1,719,014 for soil remediation
Funding request:	\$250,000 in TBRA funds; \$613,816 in DEED funds and \$50,000 in Ramsey ERF funds
Private Investment:	\$4,010,000
Increase in Net Tax Capacity:	\$57,486
Affordable Housing Units:	2 ownership units
Project Summary	The applicant is requesting \$250,000 in matching funds (and \$613,816 in DEED funds and \$50,000 in Ramsey ERF funds) for soil remediation of a 3.32-acre site with various former uses including a stable, dairy, warehouse, and school district headquarters. Contamination identified includes cVOCs (PCE, TCE, cis-DCE) asbestos and lead-based paint. Expected benefits include the development of 11 single-family homes (2 affordable) with an increase of \$57,486 in net tax capacity and \$4M of private investment.

St. Paul - 360 Cedar (61 points)

Location:	360 Cedar Street St. Paul, MN
Council District:	13 – Richard Aguilar
Acres:	0.63
Estimated Cleanup Cost:	\$2,720,396 for asbestos abatement
Funding request:	\$513,530 in TBRA funds
Private Investment:	\$2,200,000
Increase in Net Tax Capacity:	\$96,130
Affordable Housing Units:	NA
Project Summary	The applicant is requesting \$513,530 for asbestos abatement on a 0.63-acre site formerly used as a commercial office building. Expected benefits include the renovation of 55,000 sq. ft. of retail and service space with an increase of \$96,130 in net tax capacity and \$2.2M of private investment.

St. Paul - Hospital Linen (not ranked)

Location:	710-740 East 7 th Street and 406-412 Bates Avenue, St. Paul, MN
Council District:	13 – Richard Aguilar
Acres:	2.6
Estimated Cleanup Cost:	\$469,100 for soil remediation
Funding request:	\$469,000 in TBRA funds
Private Investment:	\$14,773,313
Increase in Net Tax Capacity:	\$66,680
Affordable Housing Units:	42 ownership units affordable at 80% AMI) (The remaining 18 units will be priced at \$202,222, just above 80% AMI.)
Project Summary	The applicant is requesting \$469,000 for soil remediation of a 2.6-acre site formerly used as a commercial laundry facility. Contamination identified includes PCE in the soil, chlorinated solvents in the soil vapor, and PCE, TCE and cis-DCE in the ground water. Expected benefits include the development of 60 ownership residential units including townhomes, rowhouses and live/work units (42 of which will be affordable at 80% AMI) with an increase of \$66,680 in net tax capacity and a \$14.8M private investment. This project was not ranked because a Response Action Plan (RAP) approval from the MPCA was not secured prior to the application deadline.

Selected Environmental Terms:

cVOC – chlorinated Volatile Organic Compound

VOC – Volatile Organic Compound

DRO – Diesel Range Organics

PAH – Polyaromatic Hydrocarbons

PCE – Tetrachloroethene

TCE - Trichloroethylene