



## Request for City Council Committee Action from the Department of Community Planning & Economic Development

**Date:** August 24, 2010  
**To:** Lisa Goodman, Chair, Community Development Committee  
**Referral to:** Betsy Hodges, Chair, Ways and Means/Budget Committee  
**Subject:** **Amend Guidelines for Use of Environmental Protection Agency [EPA]  
Assessment Grant Funds**

**Recommendation:** Approve proposed amendment of guidelines for utilization of EPA brownfield assessment grant funding.

**Previous Directives:** On January 29, 2010, the City Council authorized staff to accept EPA brownfield grant funds in the amount of \$400,000 that had been awarded to the City for environmental site assessments and investigations. The related staff report to the Council included guidelines for the future use of such funds.

**Prepared by:** Kevin Carroll, Principal Project Coordinator, 612-673-5181

**Approved by:** Charles T. Lutz, Deputy CPED Director \_\_\_\_\_

Catherine A. Polasky, Dir. of Economic Policy & Development \_\_\_\_\_

**Presenter in Committee:** Kevin Carroll, Principal Project Coordinator

### Financial Impact

\_\_\_ Action requires appropriation increase to the \_\_\_ Capital or \_\_\_ Operating Budget.

\_\_\_ Action provides increased revenue for appropriation increase.

X Action is within Business Plan.

### Community Impact

**Neighborhood Notification:** The specific sites at which the environmental investigation funds in question will be used in the future have not yet been determined. Appropriate notifications will be provided when such determinations have been made.

**City Goals:** Jobs and Economic Vitality; Livable Communities, Healthy Lives; Eco-Focused. Cleanup of contaminated land supports sustainability goals and some projects include "green" design and construction elements.

**Sustainability Targets:** The ten new sites that received grants in the recently completed spring brownfield grant round brought the total number of City projects securing brownfield grants (2004-2010) to 107. The City's goal of remediating 100 brownfield sites by 2014 has therefore been achieved, but work in this area will continue, and new goals may be set.

Comprehensive Plan: Environmental remediation projects generally comply with the “land reclamation” and “providing a healthy environment” elements of The Minneapolis Plan for Sustainable Growth.

Zoning Code: Projects that utilize EPA brownfield assessment grant funds are in compliance or will comply prior to the expenditure of grant funds.

Other:

Living Wage/Business Subsidy Agreement: Yes \_\_\_\_\_ No  X

Job Linkage: Yes \_\_\_\_\_ No  X

### **Supporting Information**

The City of Minneapolis applied for and was awarded a \$400,000 grant from the Environmental Protection Agency [EPA] in 2009. The funds were awarded under the EPA’s Assessment Grant Program. Assessment grants provide funding for a grant recipient to “inventory, characterize, assess, and conduct planning...related to brownfield sites.” The \$400,000 award includes \$200,000 to address sites contaminated by petroleum, and \$200,000 to assess sites contaminated by hazardous substances, pollutants, or contaminants (including hazardous substances co-mingled with petroleum). Three geographic “focus areas” were identified in the City’s grant application, based on an analysis of important City-involved projects or project areas that were considered to be at a stage of readiness that would enable the City to utilize the EPA funds within the grant period. However, the City has the discretion to use the grant funds anywhere within the City of Minneapolis. The term of the grant runs through December 31, 2011.

On January 29, 2010, the City Council authorized staff to accept the EPA grant referred to above. The staff report that was prepared for that Council meeting included proposed guidelines identifying the following four categories of environmental investigations that would qualify for the use of the EPA grant funds:

1. Environmental investigations required for planned or potential development projects located within the following three focus areas identified in the EPA grant application:
  - a. North Washington Industrial Park
  - b. Bassett Creek Valley/Heritage Park
  - c. Franklin Street LRT Station
2. Environmental investigations that were the subject of unsuccessful City-approved grant applications to local grantors (DEED, Metropolitan Council or Hennepin County) in the spring 2009, fall 2009 and spring 2010 brownfield grant rounds.
3. Environmental investigations involving properties currently or formerly owned by the City (follow-up work required for former leak sites, suspected underground tanks, abandoned wells, etc.)
4. Emergency environmental investigations where both of the following circumstances exist:

- a. The investigation is reasonably likely to reduce the possibility that an existing Minneapolis business will fail, move out of Minneapolis or be required to reduce its workforce.
- b. Timing considerations require that funding for the investigation be finalized before the next semi-annual round of applications to DEED, the Metropolitan Council or Hennepin County.

In order to increase the likelihood that the full amount of the EPA grant will be utilized by the City before the grant term ends on December 31, 2011, the staff recommendation is that two of the preceding guidelines (#2 and #3) be amended as follows:

2. Environmental investigations that were the subject of unsuccessful City-approved grant applications to local grantors (DEED, Metropolitan Council or Hennepin County) in the spring 2009, fall 2009, ~~and~~ spring 2010, fall 2010 and spring 2011 brownfield grant rounds.
3. Environmental investigations involving properties currently or formerly owned by the City (follow-up work required for former leak sites, suspected underground tanks, abandoned wells, etc.) or properties being considered for acquisition by the City or by the City's non-profit development partners.

These proposed amendments will increase the number of sites that are potentially eligible to use the EPA grant funds and broaden the eligible sites to include properties considered for acquisition, reducing due diligence costs for the City and our non-profit development partners. Successfully expending all of the awarded funds will increase the likelihood that future City applications to the EPA will result in the awarding of additional brownfield grants for environmental investigations.