

Minnesota Brownfields

2011 Annual Report



Through education, research, and partnerships, Minnesota Brownfields promotes the efficient cleanup and reuse of contaminated land as a means of generating economic growth, strengthening communities and enabling sustainable land use and development.

www.mnbrownfields.org



Executive Message



Cover Photos

Clockwise from Top Left: **Renaissance Box, St. Paul.** (Images courtesy of Minnesota Historical Society & Aeon) Formerly O'Donnell Shoe Company Building, Renaissance Box had its grand opening in October 2011, providing 70 affordable housing units in Lowertown St. Paul.

Remediation Process, Coon Rapids. (Image courtesy of ProSource) A 2010 federal brownfields assessment grant provided funds to the City of Coon Rapids through 2013. In 2011, the city hired consultants to conduct soil and ground water investigation on a 5-acre property that once housed a service station, dry cleaning facility, and dump site.

Brownfields Job Training Grant, St. Paul Port Authority (Image courtesy of U.S. EPA). EPA Regional Administrator Susan Hedman, SPPA employees, and St. Paul Mayor Chris Coleman at the Beacon Bluff Business Center. SPPA's Employer Solutions plans to train 90 students and place at least 70 percent of graduates in environmental jobs.

Ikonics Corporation, former Atlas Cement, Duluth. (Image courtesy of MPCA, 2011) Although the former Atlas Cement site was redeveloped in 2008, street and utilities construction was completed in 2011.

Acknowledgement

Special thanks to Colleen Kutter, graduate intern from the University of Minnesota Humphrey School of Public Affairs & College of Design, for her assistance in producing this year's Annual Report.

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A slow economic recovery and unsettled real estate market posed continued challenges in 2011 to those involved in redevelopment throughout Minnesota. Amidst the challenges there were positive signs. Many forecasters indicate that infill sites – we call them brownfields -- have a competitive advantage now and in the future, whether for housing for empty nesters or for new commercial and industrial uses. From housing construction in Minneapolis to making way for a new local craft brewery in Duluth's Canal Park, brownfield revitalization is strengthening communities throughout the state.

Throughout 2011, Minnesota Brownfields focused on issues integral to successful land reuse in both good and bad economic times. A few highlights:

- Publishing a paper measuring benefits of past public investments in redevelopment in Minnesota, and using the study's findings to successfully advocate for funding for state redevelopment and cleanup grant programs.
- Hosting educational events focused on the economics of revitalization, transit-oriented development, and legislative and technical issues.
- Partnering with the University of Minnesota Center for Urban and Regional Affairs on a study of barriers to redevelopment in economically distressed areas.
- Initiating a study to calculate economic and environmental costs of Minnesota's soil reuse regulations.

Our organization evolved last year, hiring Martha Faust as our first Executive Director, and passing the baton from co-founder Ken Haberman to Deb DeLuca as Chair of our Board of Directors.

Last year, Minnesota Brownfields marked its fifth year as a 501c3 nonprofit organization. Through continued hard work and your personal and financial support, we look forward to continued success in strengthening communities throughout the state for many years to come.

Sincerely,

Martha Faust
Executive Director

Deborah DeLuca
Chair of the Board of Directors

2011: A Year in Review



EDUCATION & OUTREACH

Minnesota Brownfields hosted forums on key brownfield issues that enable successful redevelopment throughout Minnesota.

February - Economics of Revitalization I

The first of a two-part forum series focused on the economic, environmental and social benefits of public investment in redevelopment. Speakers included: Jon Commers of Strong Towns; Chris De Sousa of University of Wisconsin-Milwaukee; and Evans Paull of Redevelopment Economics. This event, held at the University of Minnesota's Humphrey School, coincided with the release of a policy paper measuring the disparate benefits of past public investments in cleanup and redevelopment funding programs.

March - Economics of Revitalization II

Part Two of this series examined the financial dimensions of brownfield reuse and redevelopment, including barriers and potential solutions. Speakers included: Charlie Bartsch of the U.S. Environmental Protection Agency; Rick Ferguson of the National Environmental Bankers' Association; Alex Giuliani of Duluth's Clyde Park development; and Mark Nordland of Nordland Partners.

Findings from the Economics of Revitalization forum series were used to support our advocacy work during the 2011 Minnesota Legislative Session.

August - 4th Annual State of Brownfields Update & Roundtable

This popular summer event draws a diverse range of practitioners for discussion of current technical and policy issues, including the tumultuous 2011 MN Legislative Session and the status of Federal Brownfields Reauthorization. Breakout sessions considered these topics: stormwater management, vapor intrusion, liability issues, soil reuse, funding challenges and opportunities, green remediation, and addressing brownfields in economically distressed and rural areas.

December - TOD & Brownfields: Making the Connection

We examined the complicated opportunity presented by brownfields within transit corridors, looking at LRT and BRT success and challenges in Houston, TX, Cleveland, OH, and the Central and other local transit corridors, funding opportunities, and tools directed at redeveloping contaminated land.



Collaboration and innovation are central themes in our work and that of our public, private sector and nonprofits partners.

Photos (clockwise from top left): Guest speaker Charlie Bartsch of the U.S. Environmental Protection Agency, Andrea Long, Monte Hilleman and Heidi Timm-Bijold at a MNB event at the University of Minnesota Humphrey School, and Mayor Coleman and Senator Klobuchar viewing soil samples taken from the Midway Chev site on University Avenue.

Brownfield Success Story: MoZaic, Minneapolis



The Mozaic development will bring new office and restaurant space, expanded parking options, and a public plaza to Uptown Minneapolis. City leaders expect that this mixed-use 10-story building at Lagoon and Hennepin Avenues will attract small businesses, boost daytime foot traffic, and bring office workers back to Uptown.

Once a vacated right-of-way and housing in the early 1900s, this 2.13-acre site was contaminated with petroleum and lead from fill activities. Twin Cities developer Stuart Ackerberg started MoZaic's first phase of environmental cleanup and construction in 2011 with help from Minnesota DEED cleanup funds. Ackerberg plans to welcome the building's first office tenant in 2012.

Site development features include stormwater collection and improved connection to the Uptown Transit Station and Midtown Greenway trail. The building incorporates LED lighting, a white roof, and energy efficiencies. The redevelopment plans to retain 175 jobs and create an additional 101 jobs.

Photo courtesy of Joel Koyama, Star Tribune
References: Minnesota DEED Project Summary Report, Ackerberg Group MoZaic Update, and <http://www.startribune.com/business/148173065.html>



Brownfield Success Story: Canal Park Brew Co., Duluth



The final industrial waterfront lot in Duluth's Canal Park entertainment district was remediated in 2011. It will now house a 200-seat restaurant and craft brewing facility that overlooks Lake Superior and borders the Lakewalk, hotels and shops.

Formerly Duluth Spring Co., the half-acre site was used for various industrial projects and a junkyard. The land was heavily polluted with petroleum and lead, and was vacant for two years prior to the redevelopment. Minnesota DEED's Contamination Clean Up and Investigation program provided grant funds to help clean up the property. The developer, Island Investments, matched 25% of the grant funds for the clean up.

Canal Park Brewing Company welcomes its first customers in summer 2012. In honor of the environmental cleanup and brownfield redevelopment, the brew pub will showcase its Clean Dirt Eco Ale, an English Ale that "was created to celebrate the plant we love" and tell the story of the former contaminated site.

Mayor Don Ness said this of the project: *"The Canal Park Brewery is a great example of a public grant leveraging private investment to help Duluth rebuild and reuse its contaminated sites and spur economic growth. Located at the gateway to Canal Park, this new brewery stands to energize Canal Park but also stay true to the company's goal of protecting Mother Earth and its resources."*

Photo courtesy of Wagner Zaun Architecture
References: City of Duluth, Canal Park Brewing Company, Wagner Zaun Architecture, and Minnesota DEED

RESEARCH & ADVOCACY

Minnesota Brownfields responds to research requests by diverse stakeholders on barriers to redevelopment. We act as an objective party, advocating for best practices and policies.

In 2011, we analyzed the benefits of past public investment in land cleanup and redevelopment. An estimated 10,000 brownfield sites statewide remain eligible for redevelopment. We used our findings to successfully advocate for continued funding of cleanup and redevelopment grant programs.

We used national case studies to explore the potential for transit-oriented development (TOD) to successfully address underutilized brownfield sites.

With financial support from Hennepin County, we launched an ambitious study to measure the economic and environmental costs of current regulations on reuse of moderately contaminated soil, and to outline potential policy & regulatory options.

Partnering with the University of Minnesota Center for Urban and Regional Affairs and the Humphrey School, we led graduate student research on the barriers to redevelopment in economically distressed areas.

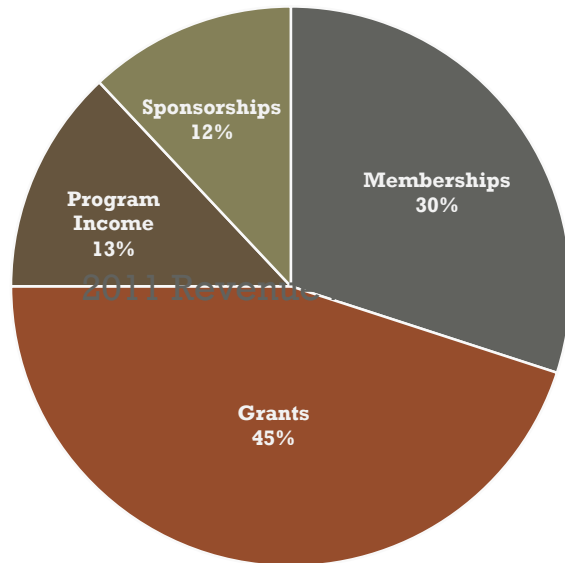
- February:** *Benefits of Brownfield Redevelopment* policy paper published
- January-March:** Legislative advocacy for cleanup & redevelopment funding
- June-October:** National TOD case studies
- September-December:** Redevelopment barriers in distressed areas
- October-December:** Soil reuse cost & policy study initiated

PARTNERSHIPS

Our approach to problem-solving centers on building strong relationships with stakeholders involved in land reuse and redevelopment spanning the private, public and non-profit sectors. These partnerships enable effective collaboration on innovative policy solutions to redevelopment challenges, enabling cost savings and making redevelopment activities more efficient. Following is a partial list of partnerships and new relationships:

- | | |
|---|---|
| BlueGreen Alliance | Minnesota Department of Transportation |
| Catalyst Community Partners | Minnesota Pollution Control Agency |
| Center for Urban and Regional Affairs | National Brownfields Coalition |
| Central Corridor Funders Collaborative | Smart Growth America |
| Economic Development Assn. of MN (EDAM) | St. Paul Port Authority |
| Environmental Initiative | Strong Towns |
| League of Minnesota Cities | Sustainable Urban Redevelopment Forum (SURF) |
| Metro Cities | Twin Cities Community Land Bank |
| Metropolitan Council | University of Minnesota Humphrey School of Public Affairs |
| Minnesota Department of Agriculture | Urban Land Institute - Minnesota Chapter |
| Minnesota Department of Commerce | U.S. Environmental Protection Agency |
| Minnesota DEED | U.S. Green Building Council |
| Minnesota Department of Health | Virginia Polytechnic Institute |

Funding Structure



Minnesota Brownfields is a 501 (c) (3) non-profit organization. Membership is a fundamental source of our ongoing financial support, and we are gratified that this support continues to grow even in difficult financial times. In 2011, membership and grant funds from the McKnight Foundation were key resources that supported our educational forums, research, advocacy, newsletter and website.

2011 Membership Levels

Redevelopment	\$2,500
Remediation	\$1,000
RAP Development	\$500
Phase II	\$250
Phase I	\$100

Finance History & Budget Projection

	2007	2008	2009	2010	2011	Projected Budget 2012
Income:						
Gov't/Other Contract	\$0	\$0	\$0	\$0	\$0	\$51,000
Grants	\$50,000	\$0	\$42,000	\$12,000	\$37,000	\$15,000
Memberships	\$2,050	\$10,000	\$13,050	\$25,400	\$27,580	\$25,000
Sponsorships	\$0	\$3,500	\$5,000	\$5,700	\$8,500	\$10,000
Program Revenue	\$465	\$5,200	\$5,506	\$11,900	\$11,258	\$10,000
In Kind Contributions	\$0	\$0	\$0	\$0	\$16,320	
Interest	\$0	\$817	\$60	\$100	\$87	
Total Income	\$52,515	\$19,517	\$65,616	\$55,100	\$100,745	\$111,000
Expenses						
Salaries (ED)	\$0	\$0	\$0	\$0	\$25,000 ¹	\$41,800
Payroll Taxes					\$1,171	\$15,800
Contractor Expenses	\$0	\$28,033	\$42,948	\$48,600	\$40,050	\$40,000
Program Expenses	\$0	\$5,664	\$5,431	\$4,700	\$21,794	\$8,000
Communications	\$0	\$615	\$2,183	\$1,800	\$1,282	\$1,500
Misc. Fees & Eqpt.	\$774	\$1,332	\$1,511	\$1,300	\$1,055	\$3,000
Total Expenses	\$774	\$35,644	\$52,073	\$56,400	\$90,352	\$110,100
Income-Expenses	\$51,741	-\$16,127	\$13,544	-\$1,300	\$10,393	\$900
Year end assets	\$ 52,071	\$ 35,809	\$49,352	\$48,100	\$61,372	

¹ *Salaried Executive Director position established effective July 1, 2011.



With Gratitude

Our programs rely on the ability to establish strong partnerships with other individuals and organizations that share common goals of improving the environmental quality and economic vitality of our communities. We thank and acknowledge the financial contributions and in-kind services provided by the following:

FOUNDATIONS

The McKnight Foundation
The Patagonia Foundation

REDEVELOPMENT MEMBERS

AMEC Geomatrix
Braun Intertec Corporation
Landmark Environmental, LLC
Minnesota DEED
Saint Paul Port Authority

REMEDIATION MEMBERS

Barr Engineering Company
Fredrickson & Byron, P.A.
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RAP DEVELOPMENT MEMBERS

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Real Estate Recycling

PHASE II MEMBERS

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Dakota County Water Resources
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Deborah DeLuca
Duluth Seaway Port Authority
Economic Development Association of
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Barb Kiedrowski
Lindsey Knutson
Colleen Kutter
Andrea Long
John Meyer
Xin Pan

For more information on membership, please visit:
www.mnbrownfields.org