BENEFITS of BROWNFIELD REDEVELOPMENT in MINNESOTA
# Table of Contents

**INTRODUCTION**  
2  

**MINNESOTA’S BROWNFIELDS**  
3  

**THE BENEFITS OF BROWNFIELD CLEANUP AND REDEVELOPMENT**  
4  
  - Economic Benefits  
  - Social Benefits  
  - Environmental Benefits  
5  
7  
9  

**DOING NOTHING: CONSEQUENCES OF IDLE BROWNFIELDS**  
10  

**CURRENT OPPORTUNITIES**  
10  

**THE IMPORTANCE OF STATE BROWNFIELDS FUNDING**  
12  

**CONCLUSIONS AND RECOMMENDATIONS**  
13  

**AN INTERNATIONAL PERSPECTIVE**  
14

---

*Minnesota Brownfields is a 501-c3 non-profit organization.  
Our mission is to promote the efficient cleanup and reuse of contaminated land as a means of generating economic growth, strengthening communities, and enabling sustainable land use and development.  
For more information visit www.mnbrownfields.org.*

*This report was made possible, in part, with funding from the Minnesota Pollution Control Agency.*

Writing Credits:  
Natalie Brown  
Martha Faust  
Terese Nygard
Minnesota’s growing economy, as well as its cultural and natural amenities has transformed the Twin Cities Metro Area into the second fastest growing metro area in the Midwest. The growth will put a burden on Minneapolis’ aging infrastructure, finite public resources, and fragile natural resources. Economic competition and demographic shifts demand solutions that strengthen Minnesota’s communities, making them economically and environmentally sustainable now and in the future.

This report presents the environmental, social, and economical aspects of reintegrating brownfield sites into Minnesota’s economy and communities. Historical industrial and economic transformations have left Minnesota with thousands of idled, contaminated commercial and industrial brownfield properties that lie stagnant across the state. If unattended, these sites can cause negative environmental, economic, and social impacts on communities. If successful, the redevelopment of brownfield sites can bolster Minnesota’s economy, revitalize distressed communities, and improve the environment. Brownfield redevelopment strengthens Minnesota’s communities, making them economically and environmentally sustainable in the future.

The following sections analyze approximately 20 years of performance data on past brownfield cleanup and redevelopment in order to explain the economic, environmental, and social benefits of brownfield redevelopment for Minnesota’s communities.
Introduction

The 2002 Small Business Liability Relief and Brownfields Revitalization Act defines a brownfield as:

“real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.” (EPA, 2017)

Brownfields exist in a number of forms: as abandoned industrial factories, gas stations, dry cleaners, landfills and any other industrial or commercial sites where chemicals were spilled or released during prior operations. The higher cost and longer timeline associated with brownfield redevelopment, compared to development of “greenfields”, act as barriers to redevelopment on these sites.

In 1992, Minnesota pioneered the process for brownfield reuse and redevelopment by authoring the nation’s first land recycling legislation. Since then, many of our most visible brownfield sites have been cleaned up and repurposed.

Today, the Minnesota Pollution Control Agency (MPCA) enables the sale and redevelopment of brownfield sites through the Voluntary Investigation and Cleanup (VIC) Program, the MPCA Petroleum Brownfields (PB) Program, and the Minnesota Department of Agriculture (MDA) Voluntary Investigation and Cleanup (AgVIC) Program. Since the first brownfields grants were offered in Minnesota in 1995, the Department of Employment and Economic Development, the Metropolitan Council, Hennepin County, and Ramsey County have awarded $383,525,750 for redevelopment of contaminated land (through 2015).

Yet vast opportunities remain. Since the inception of the MPCA VIC and PB programs, a total of 7,217 sites have been enrolled in both programs (4,804 in the VIC program, 2,413 in PB). Nevertheless, an estimated 10,000 or more additional sites in Minnesota are still contaminated, while tens of thousands of sites beyond that have yet to be identified. When contamination is identified or suspected, these sites drag down area property values, causing blight and increased crime, posing public health threats and creating functional holes in the fabric of our communities.

Timely clean up and revitalization of contaminated properties is key to the future economic vitality and sustainability of Minnesota’s communities. While unaddressed brownfield sites can hurt communities, a number of successful redevelopment projects in Minnesota have demonstrated the significant and enduring economic, environmental, and social benefits that brownfield redevelopment can bring, including:

- Job creation
- Local economic growth and investment
- Revitalization of tax base
- Efficient use of existing infrastructure
- Neighborhood revitalization

- Reuse of existing commercial properties
- Property value increases
- Reduced threats to public health
- Air and water quality improvements
- Reduced urban sprawl

Brownfields in Minnesota

More than 450,000 brownfields exist throughout the United States. In Minnesota, brownfields are concentrated in the state's urban and industrial centers, but also exist in smaller communities and rural areas.

Between 1995-2017, nearly 8,000 unique brownfield sites enrolled in MPCA cleanup programs. The year 2016 represented a record year for new applicants to the Voluntary Investigation and Cleanup Program and the Petroleum Brownfields Program, with 283 and 252 (1,375 acres) new applicants, respectively. A total of 72,280 acres were enrolled in the VIC program as of 2016, and 17,559 acres in the PBP program (MPCA, 2017).

Despite Minnesota’s brownfield cleanup and redevelopment successes, the MPCA estimates that there are 5,000-10,000 brownfields or potential brownfields sites in Minnesota in addition to countless additional sites that likely exist but have yet to be identified. Identified sites range from small corner gas stations with leaking underground storage tanks to large abandoned industrial complexes with plumes of contaminated groundwater migrating off-site. Map 1 on the left shows the distribution of such brownfield sites throughout Minnesota.

Most of these sites will remain idle or underutilized without private and public investment. Cleanup and redevelopment of these sites, particularly those that are currently idle, brings economic, social, and environmental benefits to the communities in which they are located.
When contamination is identified or suspected, these sites drag down area property value, causing blight and increased crime, posing public health threats and creating functional holes in the fabric of our communities. Timely clean up and revitalization of contaminated properties are key to the future economic vitality and sustainability of Minnesota’s communities.

A number of successful redevelopment projects in Minnesota have demonstrated the significant and enduring economic, environmental, and social benefits that brownfield redevelopment can bring. Businesses, governments, and other organizations find redeveloped brownfield sites to be opportune locations for their new facilities. In Minnesota, redeveloped brownfield sites have attracted a wide range of new occupants and uses.

Benefits of Brownfield Cleanup and Redevelopment

Blighted and contaminated land harms the vitality and health of a community, while cleaning up and redeveloping brownfields can restore economic dynamism, community vibrancy, and environmental health. Furthermore, the success of several redevelopment projects can lead to significant secondary developments, and the resurgence of surrounding areas.

The benefits of brownfield redevelopment extend far beyond the removal of contaminants. Regeneration efforts address economic, social, and environmental issues that offer significant benefits such as increasing jobs, increasing tax revenues and property values, limiting urban sprawl, protecting natural and agricultural resources, and promoting overall well-being. Brownfield revitalization creates opportunities for economic growth through new businesses and jobs while utilizing existing infrastructure for development.

“When brownfield sites are redeveloped...

- Communities retain and add jobs
- Property values increase, expanding local tax base and attracting further development
- Communities become healthier, more vibrant, and prosperous through increased investment and the cleanup of contamination
- Urban sprawl slows and pollution, emissions, and runoff are reduced due to the centrality and density of brownfield sites
- Community revitalization catalyzes further cleanup and redevelopment

“Redeveloping brownfields enables infill development that takes advantage of existing infrastructure. This increases density and regenerates community vitality with underused parcels.” - Abbie Loosen, Project for Pride in Living
Economic development is a central policy goal in most brownfield programs. Economic impact is also one of the most visible and measurable results of remediating and redeveloping a brownfield site. Brownfield redevelopment enables job creation and retention, private investment, tax base revitalization, and efficient use of existing infrastructure. Additionally, redeveloping brownfields benefits surrounding properties by attracting new businesses, often leading to further economic development and tax base expansion. Collectively, these benefits contribute to economic competitiveness at the local and regional level, providing a substantial return on public investment.

Job Retention and Creation

Brownfield redevelopment helps communities retain and create jobs. These vacant properties, often located in urban areas, offer opportunities for economic growth.

In FY2016 alone, funding from the U.S. EPA Brownfields Program created 1,461 jobs, and the program has created 117,525 jobs since its inception. A 2008 national study estimated that one permanent job is leveraged per $10,000-$13,000 invested in a brownfield redevelopment project. Closer to home, the Minnesota Department of Employment & Economic Development (DEED) reports that projects funded through its Contamination Cleanup and Investigation Grant Program during 1995-2015 retained 24,250 jobs and created 21,370 new jobs.

Leveraging Private Investment

By off-setting the costs and liabilities associated with redeveloping contaminated property, public assistance can unlock significant private investment. The majority of investment in brownfield redevelopment comes from private sources.

Economic Benefits

BAE Technology Center
Fridley

- This 41 acre site was previously the highest scored Superfund site in the US; remediation of the site added $15,765,700 in property value.
- The project increased the tax base by $595,643 annually.
- 40 new jobs have already been added since the site opened in 2016, with 560 new jobs anticipated over the next 10 years.

$44
Average private investment leveraged for each $1 grant funding from the Minnesota Department of Employment & Economic Development’s two main Brownfields grant programs
The EPA reports that its brownfield grants have leveraged more than $22 billion in public and private investment since the program’s inception. Since 1995, 1380 state and local grants have been funded in Minnesota, leveraging more than $9 billion in private investment. Public investment makes brownfield sites financially viable for private developers. The private development that follows can power the economic resurgence of an entire community. Within the past two decades, a number of major multi-national corporations have chosen to build on remediated brownfield sites within the MSP metro region. Corporations such as Best Buy, Medtronic, Target, and U.S. Bank were each attracted to the locational efficiency and ready availability of brownfield sites. Attracting and maintaining such large employers is critical to Minnesota’s future economic success.

Recent market trends show renewed interest in residential development within inner urban areas. In the past decade, consumer demand for residential land uses has shifted inwards, reversing the demand for suburban and exurban locales of the past several decades. Area developers note that their commercial properties located on infill brownfield sites have significantly outperformed businesses located on greenfield sites.

**Highlight Center**

*Minneapolis*

- The Highlight Center started as a old lightbulb factory and has become an incredible asset within the community. It now houses a variety of tenants and locally-owned businesses.
- The project has brought more than 550 living wage jobs to the site, and serves as a model for redevelopment in adaptive reuse.
- The Highlight Center is now home to a solar array that produces 35,000kW hours of electricity per year.

**Tax Base Expansion and Revitalization**

Brownfield redevelopment enables tax base expansion. A U.S. Conference of Mayors study found that redevelopment of 654 brownfield sites in 50 cities between 1993-2010 yielded a $309 million collective tax base increase. Yet there is still greater potential. The same survey showed that 58 cities projected that if their known brownfields were redeveloped, they could collect $872 million-$1.3 billion/year in incremental local tax revenue, an annual projected increase per municipality of between $15 -22 million. Many brownfield sites are located in declining urban areas, so this level of tax base revitalization provides economic stimulation beyond what any state or federal subsidy could alone produce. In Minnesota, projects supported through DEED’s Contamination Cleanup and Investigation Program have contributed an estimated $93.3 million to the collective local tax base. In Hennepin County, Environmental Response Fund (ERF)-aided projects have generated at least $66 million more in incremental property taxes.

Redevelopment projects are usually more fiscally productive than traditional developments. A Florida study of relative fiscal productivity in various land uses revealed that compact, mixed-use developments in central locations, like those of many brownfield projects, generate more property tax revenue per acre than single-use developments in suburban areas. Brownfield redevelopment can expand tax base at a higher rate than single-use developments on greenfields.
Efficient Use of Existing Infrastructure

Brownfield redevelopment reduces public infrastructure costs. Development on greenfield sites requires the expansion of public sewage and water systems, utilities, streets and other transportation facilities, schools, and parks. Greenfield infrastructure is less dense than urban infrastructure. Brownfield sites enable reuse of existing infrastructure and preservation of undeveloped land at the urban fringe. Municipalities and developers can forego considerable infrastructure costs by supporting infill development on brownfield sites. A study of potential nationwide cost savings from compact development found that developers and new building occupants could save almost $250 billion in infrastructure costs over 25 years if the projected 25 million new housing units built during that time followed smart growth principles and occurred in infill locations.

Economic Benefits of Density and Connectivity

Brownfield sites can host compact, dense development, which increases economic productivity. Why? Easier and more efficient transportation access enhances connectivity and flow of people and ideas between businesses. Cities have recently capitalized on the benefits of dense development by investing in cluster-based economic development strategies to create high-skilled and high-paying jobs in groups of interrelated firms and industries. This approach fosters innovation, enhances productivity, and improves regional economic performance. Large urban brownfields, such as St. Paul’s former Ford Plant site and the former Twin Cities Army Ammunition Plant site (now called Rice Creek Commons) have considerable potential for cluster-based economic development due to the large property size and prime location.

Social Benefits

Brownfield cleanup and redevelopment makes Minnesota’s communities safer, stronger, and more vibrant. Not only can brownfield reuse improve the perception of blighted areas and increase property values and investment, it improves public health and livability.

Removing Blight, Reversing Negative Perceptions, and Increasing Property Values

When brownfield sites are remediated and returned to productive use, benefits extend to the surrounding community. The removal of blight and contamination makes an area more attractive to investment and results in increased adjacent property values. Although the exact impact on adjacent property values depends on the condition of the neighborhood, size of the brownfield, and many other factors, property values almost always increase. A national study found that the cleanup and redevelopment of brownfield sites led to property value increases ranging from 5-15% for properties within three-quarters miles. The study yielded the following results for Minneapolis:

<table>
<thead>
<tr>
<th>Project Type (Geographic Radius = 2,500 ft)</th>
<th>Property Value Increase Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>3.1%</td>
</tr>
<tr>
<td>Commercial</td>
<td>4.6%</td>
</tr>
<tr>
<td>Parks</td>
<td>4.4%</td>
</tr>
<tr>
<td>Industrial</td>
<td>3.2%</td>
</tr>
<tr>
<td>All sample (net)</td>
<td>2.7%</td>
</tr>
</tbody>
</table>
Public Health Improvements and Environmental Justice

Communities with concentrated and untended brownfields face multiple public health threats, including exposure to harmful chemicals, poor air quality, a lack of green space or recreation areas, elevated blood lead levels, and asthma prevalence. Adverse health outcomes from concentrated brownfields include excess deaths due to respiratory illness and cancer. Residents in minority or low-income communities are disproportionately put at risk to environmental pollution. Cleanup of contamination at brownfield sites has been shown to ensure better health, including reduced cancer risk, for the surrounding community. When brownfield cleanup occurs at a community-wide or regional scale, public health benefits are compounded, including reducing healthcare costs and making communities more resilient. In 2013, MPCA updated their commitment to environmental justice by adding strategic goals that align with its current policy framework and agency mission.

Minnesota Brownfields recently partnered with the Minnesota Department of Health to create a Brownfield Health Indicator Tool to encourage brownfield project influencers to identify potential community health risks, assess a project’s proposed benefits, engage with project stakeholders, and prioritize long-term redevelopment and health co-benefits. The tool is available on Minnesota Brownfields website.

New Brighton Exchange

New Brighton

- For over 100 years this site had a range of industrial and commercial uses across 15 properties, including a former petroleum refinery, two rendering plants, a solvent-recycling facility, railroad spurs, two former dumps that received municipal and demolition wastes, an asphalt mix plant, stockyards, and gasoline stations.
- Long-range planning and commitment by city leaders were key to success for the New Brighton Exchange redevelopment, which proceeded despite economic variability and changing market preferences.
- A wave of new projects have been completed since 2015. These include: new corporate headquarters for a high-tech medical device firm, headquarters for a parent company of specialty construction firms located worldwide, and the creation of 56 single-family homes and 32 townhomes in Pulte Home’s development.
Meeting Increasing Demand for Urban Living

Urban infill development and smart growth help meet increased demand for housing by renters and homebuyers who prefer homes in compact, urban neighborhoods. Surveys indicate that a majority of Americans want short commutes, sidewalks, and walkable destinations. This shift in demand is occurring with older adults seeking the accessibility offered by urban locations, as well as young adults who favor urban living with short commutes, vibrant neighborhoods, accessibility, and mixed-uses. Redeveloped brownfield sites, often located along existing transit lines, assist cities in meeting their goals by creating new market rate and affordable mixed-use housing. Mixed-use development using brownfield sites can create vibrant, diverse communities and address housing problems in places that previously suffered from blight and shortages of affordable or market-rate housing.

Environmental Benefits

Brownfield cleanup and redevelopment health benefits also translate to the environment. Many brownfield sites in Minnesota contain soil and groundwater contamination at levels posing unacceptable risks to human health and the environment, based on EPA and MPCA guidelines.

The EPA emphasizes several environmental benefits resulting from brownfield redevelopment, such as preserving greenfields, improving air quality, and reducing natural habitat destruction.

As these sites are redeveloped, contaminated soils are removed or isolated to prevent exposure, buildings can be constructed to keep contaminant vapors from seeping in, and groundwater may be treated to remove contaminants. The MPCA's remediation programs investigate and determine the appropriate clean-up and development strategy for sites that have impacted human health and the environment. MPCA works with owners and operators, community groups, and surrounding residents to develop a plan to remediate the site for future use while addressing past contamination issues.

Beyond the site-specific benefits of brownfield redevelopment, redeveloping brownfields can provide positive environmental impacts to surrounding communities by:

Pier B Resort

- Pier B Resort is Duluth’s largest private development on the Lake Superior waterfront since the 1960s. The project remediated and restored a two-acre slip burdened with legacy industrial contaminants.
- The project required multi-agency environmental coordination between the U.S. Army Corps of Engineers, Minnesota Department of Natural Resources, and Minnesota Pollution Control Agency, as well as a State Historical Preservation review.
- The end result is a unique, 140-room, 84,500 square foot resort hotel with a restaurant, pool, conference space, boat docking area, board walk, and a one-of-a-kind pedestrian bridge connecting Pier B to Bayfront Festival Park.

4.5

The average number of greenfield acres preserved per acre of brownfield redeveloped

4.5

The average number of greenfield acres preserved per acre of brownfield redeveloped
Reducing energy consumption and emissions: The density and urban location of most brownfield sites reduce demand for transportation, resulting in energy savings and reduced emissions. Brownfield redevelopment reduces transportation-related VMT (vehicle miles travelled) and GHG (greenhouse gas) emissions per capita by 20-57% relative to conventional greenfield development.

Improving air quality: Reduction in VMT and GHG emissions achieved through redevelopment reduces air pollution. The EPA reports that brownfield redevelopments produce 32-57% less air pollutant emissions per capita relative to greenfield developments.

Reducing storm water runoff: The relative density of redevelopment improves water quality by reducing storm water runoff. One study estimated that “total runoff in the [Minneapolis-St. Paul metro area] would be 59-69% lower if development occurred on brownfields rather than pasture areas.”

Curbing sprawl and conserving land: Redeveloping brownfield sites, vs. greenfield or “sprawl” development, enables conservation of undeveloped land and habitat at the urban fringe. Reducing greenfield development and repurposing brownfields for residential and other uses is the most land-efficient way to accommodate population growth.

Providing urban green space: Brownfields can be repurposed for green and recreational spaces, including community gardens, pocket parks, and green infrastructure. Greening brownfields improves quality of life for residents, especially in underserved neighborhoods, and incentivizes private investment in surrounding area.

So What? The High Cost of Doing Nothing

Idle and blighted brownfields produce negative consequences. These “orphan” sites limit local job opportunities and tax base, community activity and vibrancy, while increasing the potential for crime, increased risk of exposure to contaminants, and depressed property values. At the regional and state scale, this translates to increased public infrastructure and health care costs, more traffic and air pollution, and diminished economic competitiveness. The EPA has found that areas with brownfield cleanup or redevelopment in process have higher median household incomes, and have lower poverty, unemployment, and housing vacancy rates than in similar neighborhoods where redevelopment is not occurring.

The negative influence of brownfields on nearby property values seems to be strongest for properties located within 500 feet of the brownfield site. On average, commercial and industrial properties located near brownfields have property values 10% lower than other properties after other factors are considered.

Redevelopment Opportunities

Across Minnesota — from Bemidji to Rochester and Marshall to Duluth — locations exist for brownfield redevelopment that will stimulate economic growth and community revitalization. Assembling smaller, available parcels can yield attractive, developable sites or corridors for future in-fill development.

Specific opportunities for brownfield redevelopment in Minnesota include:
Rice Creek Commons, Arden Hills: The former Twin Cities Army Ammunition Plant (TCAAP) site was a WWII-era ammunition factory with significant contamination of soil and groundwater, and was at one time the state’s largest Superfund site. In 2012, Ramsey County purchased 427 acres of TCAAP property, renaming it Rice Creek Commons. The City of Arden Hills and Ramsey County are jointly implementing a Master Plan to convert the state’s largest Superfund site into a mix of residential, commercial, light industrial, and other uses. Future development is expected to generate millions of dollars annually in county and state property taxes.

Former Ford Plant Site, St. Paul: In 2011, Ford Motors ceased operations at its Twin Cities Assembly Plant, a 125-acre property situated on the Mississippi River. The City of St. Paul is positioning the site as a mixed-use neighborhood, equipped with high quality design for energy, buildings, and infrastructure to support walking, biking, and transit. In 2015, environmental remediation will be completed and Ford will market the site to master developers. Mayor Chris Coleman described the Ford site as “the best site in the country for building a 21st-century community.”

Towerside, Minneapolis/St. Paul: Just east of the University of Minnesota along the Green Line lies a district with 70+ acres of underdeveloped, formerly industrial land. A public-private partnership is forging an ambitious redevelopment agenda, aptly titled “Good to Great” that will create a national model of compelling place-making via integrated development, new technologies and increased tax base. Key features include integrated district systems (energy, parking, stormwater), enhanced density, and a Bio-Discovery center between the University of Minnesota and regional Fortune 500 companies.

Renewable Energy Generation Facilities: As Minnesota diversifies its energy production, brownfield sites offer advantageous locations for renewable energy generation. Brownfield sites can improve project economics through reduced land costs and tax incentives specific to contaminated land, reduced project cycle times through streamlined permitting and zoning, and existing infrastructure. Former landfills and other industrial land are well-equipped for the development of mid to larger scale solar and wind generation operations and/or biomass refinery facilities.
Brownfield sites pose complex fiscal challenges to potential developers, municipalities and broader communities alike. The need for up-front capital to clean contaminated sites, paired with a shortage of loan availability and private equity investment monies, require developers to seek public assistance. Government grants help defray upfront cleanup costs and make a brownfield project financially viable. Loans are historically more difficult to obtain on brownfield sites due to lenders’ reluctance to become involved with contaminated properties. While public funding for brownfield revitalization in Minnesota exists, it is often unreliable.

Brownfield grant funding is available from the EPA, and through Minnesota’s grant programs: the Minnesota Department of Employment & Economic Development’s Brownfields Grant Programs, the Metropolitan Council’s Tax Base Revitalization Account, and Hennepin and Ramsey County’s Environmental Response Funds.

Spurring Development & Economic Growth Through Brownfield Funding

Most brownfield projects using public resources – both nationally and in Minnesota – rely on a combination of funding sources to successfully clean up a site. Many redevelopment projects that take place on properties with a history of commercial or industrial use encounter contamination issues. The longer the history of commercial and/or industrial use, the greater the probability that a property will require some level of remediation. Private developers need sufficient return on investment to justify redevelopment activities and have limited ability to absorb the unpredictable added costs of completing environmental investigations and cleanups. Public-private partnerships have proven to be an effective strategy to spur development that benefits the entire community.

Minnesota’s Brownfields Funding

Past public investments in Minnesota’s brownfield grant programs have leveraged significant private investment, produced jobs, and increased local tax bases. The Minnesota Department of Employment & Economic Development (DEED) provides the state’s largest source of funds for brownfield cleanup and redevelopment. Since 1995, DEED’s two main brownfield grant programs have leveraged $44 of private investment for every $1 of grant funding, creating or retaining a total of 71,163 jobs throughout Minnesota, and increasing local tax bases by over $1.15 billion. The Metropolitan Council’s Tax Base Revitalization Account and Hennepin & Ramsey Counties’ Environmental Response Funds have also proven to be efficient tools to enable brownfield remediation and reuse and for leveraging private investment.

While these economic results are impressive, thousands of brownfields remain idle and unused across Minnesota. There is potential for spurring further economic growth in Minnesota’s communities by addressing these sites. These redeveloped parcels can create jobs, spur private investment, increase tax base, and revitalize communities.
Barriers to Capitalizing on Minnesota’s Brownfield Opportunities

Funding for Minnesota’s main brownfields grant programs has been volatile due to fluctuations in the state’s economy and politics. The 2012 Minnesota Legislature ended the Hennepin and Ramsey County Environmental Response Funds for six months, only to reinstate the Funds in 2013 for the next fifteen years. Up to half of the Metropolitan Council’s brownfield grant funds were earmarked to cover a transit operating deficit during 2009-11. Meanwhile, DEED’s Redevelopment Grant Program relies on annual State General Fund appropriations. The program is chronically oversubscribed, running out of funds in 2015 and again in 2017.

Meanwhile, funding for the federal EPA Brownfields Grant Program has also been cyclical, peaking in 2009, then dropping nearly 50% between 2009-2014. There is intense national competition for EPA grants. The future outlook for federal funding is now more uncertain than ever. All of this puts even greater pressure on Minnesota’s in-state brownfield grant programs.

Conclusions and Recommendations

Remediating and redeveloping brownfield properties supports Minnesota’s future economic competitiveness and environmental sustainability. Revitalizing contaminated sites can improve economic and environmental health at all levels: neighborhood, regional, and statewide.

In a time of state and local budget constraints paired with challenging social and environmental demands, redevelopment is an efficient and effective way for Minnesota to ensure a strong economy, protect the environment, and provide a high standard of living for all Minnesotans – now and for generations to come. We can ensure this future by:

• Strengthening the commitment to brownfield redevelopment by Minnesota’s state, regional, and local government, as well as its real estate community, environmental professionals, corporate community, lenders, and nonprofit community.

• Encouraging local governments to support redevelopment and brownfield cleanup by establishing redevelopment policies and best practices outlined in the Urban Land Insitute’s (Re)development Ready Guide. This proactive framework provides clarity, transparency, collaboration, and efficiency to support thriving, sustainable communities.

• Ensuring that Minnesota’s brownfield funding programs are stable, consistent, and sufficient to support the cleanup and redevelopment of our state’s brownfields. In particular, funding programs should not be vulnerable to reallocation of their funds to competing programs, and income obtained by the state through the voluntary cleanup programs (which assess a fee for services) should be used exclusively for the operation, expansion, and innovation of the voluntary cleanup programs.

• Incorporating broader community and regional objectives into the brownfield redevelopment decision-making process, to ensure that public funding of brownfield projects continues to benefit the communities surrounding the projects and appropriately leverages private investment.
The United States provides only one example of bringing brownfields back to productive use. Even across individual states one can find variations in the legal definitions of what constitutes a brownfield. Looking at an international view, the difference is even greater. Within the EU, the term brownfields also includes the most heavily contaminated and dangerous sites. While the conversation related to brownfields in the U.S. has focused on economic benefits, the main focus of the United Kingdom (U.K.) and Scotland has been residential redevelopment. Approximately 70 per cent of all recent residential developments in the U.K. have been on brownfield sites. The U.K. also emphasizes access to comprehensive statistics and national information systems, whereas the U.S. lacks systematic and detailed data but allows for more innovation on a local scale through public-private partnerships and voluntary environmental engagement.

Industrial production, commercial service, municipal waste treatment and disposal, and oil industry are the main activities causing soil contamination in Europe, where heavy metals and mineral oil are the main contaminants. The annual national expenditure for remediation management ranges from 0.2 to 20 EUR per capita.

In the U.S., there are approximately 425,000 brownfields, which constitutes about $2 trillion of undervalued real estate. In comparison, there are 2.5 million contaminated sites in the European Economic Area (EEA) member countries, 45% of which have been identified. In the last 30 years, 80,000 sites have been cleaned up, but if the investigation continues, the number of sites that need remediation is expected to increase by 50% by 2025.

This chart shows an overview of activities causing soil contamination in Europe (European Environment Agency, 2017).
References


Litt, Jill, Nga Tran, and Thomas Burke, “Examining Urban Brownfields through the Public Health ‘Macroscope,’” Environmental Health Perspectives 110.2 (2002)


Hennepin County Environmental Response Fund data provided by John Evans.
Ramsey County Environmental Response Fund data provided by Denise Beigbeder.