

HENNEPIN COUNTY

MINNESOTA

Environmental Response Fund Fall 2025 Funding Recommendations



3030 Nicollet Apartments in Minneapolis received a Spring 2022 ERF grant to install a soil gas vapor mitigation system. This former banking property was damaged by fire in the 2020 civil unrest and has been replaced with a residential apartment with 110 units of affordable housing, a Wells Fargo bank, and several commercial condos designated for local BIPOC-owned business entrepreneurs.

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Overview

Background

The Environmental Response Fund (ERF) helps revitalize properties by providing funding to assess and clean up contamination. This helps recipients overcome barriers that the cost of environmental cleanup poses to site improvement or redevelopment. Cleaning up these sites also reduces the risk to human health and the environment.

ERF grants are used for a variety of activities that provide community benefit, including:

- Assessment and cleanup of soil and groundwater
- Evaluation and abatement of asbestos and lead-based paint
- Protecting buildings and occupants from contaminated soil gas vapor building intrusion

Since 2001, ERF has funded 510 projects totaling \$82,568,503. Funding for the ERF grant program comes from the Hennepin County mortgage registry and deed tax that was authorized in 1997 under Minnesota Statutes, section 383B.80. The board established the ERF in 1997 (Resolution 97-06-410R1) and authorized the grant program in 2001 (Resolution 01-615).

Applications and review process

A committee of seven staff from Hennepin County's Environment and Energy, Housing and Economic Development, and Land Information and Tax Services departments reviewed the applications and made recommendations for funding. Applications were evaluated on project need, the risk posed by the contamination and the appropriateness of the cleanup approach, creation or preservation of affordable and/or moderately priced market-rate housing, the fostering of economic development, and the readiness of the project to proceed.

The timing of the ERF grant round coincides with contamination cleanup grant programs administered by the Minnesota Department of Employment and Economic Development (DEED) and the Metropolitan Council to maximize collaboration among the three funders.

Summary of award recommendations

Nine applications were received and reviewed. The committee recommends awarding nine grants totaling \$2,252,887. Details on funding recommendations for each project are provided in the individual application summaries that follow.

- **Beltline Boulevard Station Apartments, St. Louis Park** — \$153,525 requested for installation of a soil vapor mitigation system into a new mixed-used commercial and residential building with affordable and market-rate units. (Grantee: St. Louis Park Economic Development Authority on behalf of Sherman Associates) Recommended award: \$153,525
- **Central Park Improvements & Pavillion Expansion, Hopkins** — \$2,100,000 requested for soil cleanup associated with completion of park and stormwater

management improvements. (Grantee: City of Hopkins) Recommended award: \$800,000

- **CLCLT Homes – Fall 2025**— \$140,000 requested for asbestos and lead-based paint abatement associated with the rehabilitation of six affordable owner-occupied single-family homes. (Grantee: City of Lakes Community Land Trust) Recommended award: \$140,000
- **Henn 25 Shops, Minneapolis** — \$27,400 requested for installation of a soil vapor mitigation system into the existing buildings. (Grantee: City of Minneapolis on behalf of Michael Tadros) Recommended award: \$27,400
- **Landmark Wayzata, Wayzata** — \$1,772,590 requested for soil cleanup, management of contaminated groundwater during dewatering, and installation of a soil vapor mitigation system in new residential condominiums with street level shops. (Grantee: 200 Lake Street LLC) Recommended award: \$200,000
- **Lundstrum Performing Arts, Minneapolis** — \$185,514 requested for additional soil sampling, soil cleanup, and installation of a soil vapor mitigation system associated with expansion of the existing performing arts facility. (Grantee: City of Minneapolis on behalf of Lundstrum Performing Arts) Recommended award: \$185,514
- **Minnetonka Boulevard Twin Homes, St. Louis Park** — \$440,000 requested for soil cleanup associated with the development of four new duplexes for first-time homeowners. (Grantee: St. Louis Park Economic Development Authority on behalf of Greater Metropolitan Housing Corporation) Recommended award: \$440,000
- **Native American Community Clinic, Minneapolis** — \$106,448 requested for soil cleanup associated with development of a new community clinic and affordable housing building. (Grantee: City Minneapolis on behalf of Native American Community Clinic & Wellington Management, Inc.) Recommended award: \$106,448
- **Willis Trucking Redevelopment, Rogers** — \$422,980 requested for soil cleanup associated with the development of a new residential building. (Grantee: Bader Development, LLC) Recommended Award: \$200,000

The recommended ERF grant awards will fund soil cleanup, vapor mitigation and sampling, abatement activities, and assessment. The awards will also assist developments that increase the tax base, create or retain permanent jobs, and create and retain affordable housing. The recommended grants provide for the renovation or construction of 180 affordable housing units. Affordable housing units include single-family and multi-family occupants. ERF grants reduce environmental contamination and support projects in communities with disparities in health, housing, employment, and income.

Additional funding mechanisms

In addition to the ERF, Hennepin County offers several other funding mechanisms for brownfields assessment and cleanup.

Through grants from the U.S. Environmental Protection Agency (EPA), Hennepin County has low-interest loans available for brownfields cleanup from its Revolving Loan Fund (RLF) program.

Hennepin County also provides funding for brownfields environmental assessments to cities and nonprofit organizations on a rolling basis. This assessment funding comes from the county's RLF loan repayment proceeds and the Minnesota Brownfields Gap Financing Program (funded through an ERF grant).

These flexible funding sources have helped many organizations develop the environmental assessment information needed to submit applications to the ERF, DEED, and the Metropolitan Council for cleanup funding. Four of the ERF Fall 2025 applicants have received assessment funding from one or more of these other county funding sources.

Application summaries

Summaries of the individual applications received are attached to this report and include a description of each project and the funding rationale.

Key of acronyms

Affordable Housing Incentive Fund (AHIF)

Area Median Income (AMI)

Black, Indigenous, and People of Color (BIPOC)

Full Time Equivalent (FTE)

Local Housing Incentive Account (LHIA)

Minnesota Department of Employment and Economic Development (DEED)

Minnesota Park and Recreation Board (MPRB)

Minnesota Pollution Control Agency (MPCA)

Polychlorinated Biphenyls (PCBs)

Polycyclic Aromatic Hydrocarbons (PAHs)

Transit Oriented Communities (TOC)

United States Environmental Protection Agency (EPA)

Volatile Organic Compounds (VOCs)

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Beltline Boulevard Station Apartments

Address: 3251 and 3309 Beltline Boulevard, and 3130 Monterey Avenue South, St. Louis Park, MN

Applicant: St. Louis Park EDA on behalf of Sherman Associates

Property owners: Beltline Mixed Use LLC, and Beltline Apartments Limited Partnership.

Recommended award: \$153,525

Award recommendation

The activities are eligible for funding. The recommended award is equal to the amount requested in the grant application.

Previous ERF awards: None.

Other funding sources

- DEED \$459,191 (committed)
- Metropolitan Council \$342,500 (committed)
- Hennepin County Southwest Community Works Program \$300,000 (committed)

Economic development/housing impact

- Estimated 56 new FTEs
- Adds 82 units of affordable housing at 60 to 80% AMI and 298 units of market-rate housing. Units include a mix of studio to three bedrooms.
- Creates approximately 20,000 square feet of new commercial space.

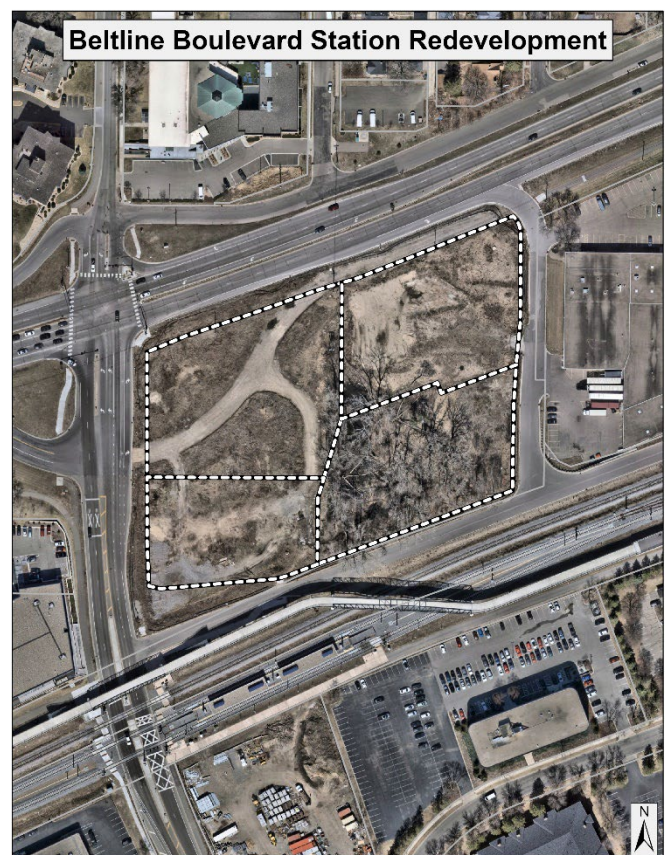
Site description:

Vacant commercial property that was formerly used for offices and a machine shop.

Contamination issues: Soil, groundwater, and soil vapor contaminated with solvents. PFAS contamination in groundwater.

Project plans: Development of mixed-use residential and commercial building.

Requested use of ERF grant: Funding for installation of a soil vapor mitigation system.



Central Park Improvements & Pavillion Expansion

Address: 11100 Excelsior Boulevard, 1600 Main Street, and 101 16th Avenue S, Hopkins

Applicant: City of Hopkins

Property owner: City of Hopkins and Independent School District No 274

Recommended award: \$800,000 (\$2,100,000 requested)

Award recommendation

The activities are eligible for funding. The recommended award is reduced due to the funding available this round. This project scored high in comparison with other applications received. It is recommended that the applicant consider phasing cleanup activities to pursue additional funding needs in future grant rounds.

Previous ERF awards: Minnesota Brownfields Gap Financing Program (ERF funded) — \$7,231

Other funding sources

- MPCA Stormwater Resilience Grant \$4,999,782 (committed)
- Nine Mile Creek Watershed District \$1,000,000 (committed)
- City of Hopkins \$7,880,471 (committed)

Economic development/housing impact

- Supports nearby housing and other developments through creation of new park features and increased stormwater management capacity.
- Creates new headwaters for Nine Mile Creek and improves stormwater management for the area and water quality of Nine Mile Creek.

Site description

Existing Central Park in Hopkins that was historically used as an unregulated landfill.

Contamination issues: Soil contaminated with petroleum and arsenic. Groundwater contaminated with petroleum, PAHs, and other VOCs.

Project plans: Construction of additional park amenities and stormwater management features to address vulnerability of watershed to impacts of climate change.

Requested use of ERF grant: Funding for soil cleanup.



CLCLT Homes – Fall 2025

Addresses: 1206 Irving Avenue N, 210 29th Street W, 2114 Irving Avenue N, 3219 Upton Avenue N, 4330 James Ave N, and 5106 Aldrich Avenue N, Minneapolis

Applicant: City of Lakes Community Land Trust

Property owners: Various

Recommended award: \$140,000

Award recommendation

The activities are eligible for funding. The recommended award is equal to the amount requested in the grant application.

Previous ERF awards: 102 homes through 10 previous ERF grants (\$480,000 Fall 2024, \$220,000 Fall 2023, \$175,000 Fall 2022, \$270,000 Fall 2021, \$150,000 Fall 2020, \$200,000 Fall 2018, \$225,000 Fall 2017, \$230,000 Fall 2016, \$115,000 Fall 2015, and \$170,000 Fall 2014)

Other funding sources

- Hennepin County AHIF \$60,000 (committed)

Economic development/housing impact

- Creates and preserves six permanently affordable single-family homes. The CLCLT program provides a pathway for low-income families to become homeowners with support and has an emphasis on improving minority homeownership rates.

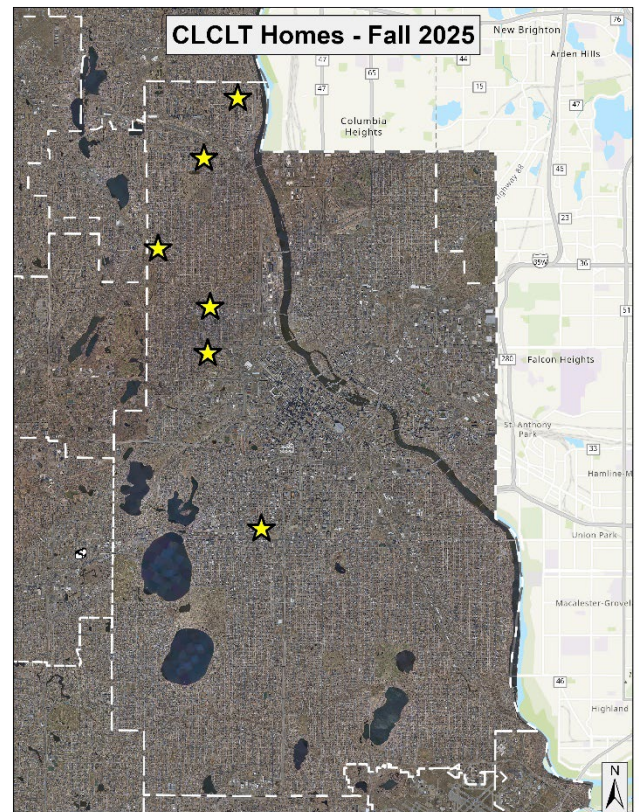
Site description:

Occupied single-family homes.

Contamination issues: Asbestos-containing materials and lead-based paint are present in the existing homes.

Project plans: Rehabilitation of single-family homes in exchange for making the homes permanently affordable.

Requested use of ERF grant: Funding for asbestos and lead-based paint abatement.



Henn 25 Shops

Address: 2400-2416 Hennepin Avenue S, Minneapolis

Applicant: City of Minneapolis on behalf of Michael Tadros

Property owners: Robert G Haverstock Jr

Recommended award: \$27,400

Award recommendation

The activities are eligible for funding. The recommended award is equal to the amount requested in the grant application.

Previous ERF awards: Minnesota Brownfields Gap Financing Program (ERF funded) — \$25,000

Other funding sources

- Metropolitan Council \$130,900 (committed)

Economic development/housing impact

- Estimated 21 new and 8 retained FTEs.
- Rehabilitation of a predominantly vacant site along newly reopened Hennepin Avenue.

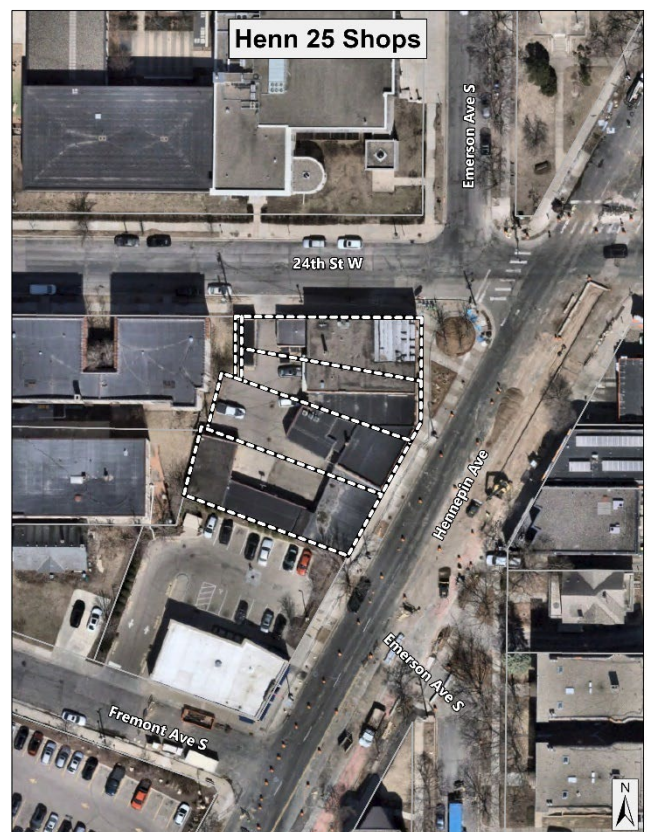
Site description:

Predominantly vacant site that was historically occupied by various commercial tenants, including bike and automobile repair.

Contamination issues: Soil is contaminated with petroleum and PAHs. Soil vapor is contaminated with VOCs.

Project plans: Renovate the existing buildings to be filled with local entrepreneurs and BIPOC-owned small businesses.

Requested use of ERF grant: Funding for installation of a soil vapor mitigation system.



Landmark Wayzata

Address: 200 Lake Street E, Wayzata

Applicant: 200 Lake Street LLC

Property owners: 200 Lake Street LLC

Recommended award: \$200,000 (\$1,772,590 requested)

Award recommendation

The recommended award is reduced to exclude ineligible costs and due to the funding available this round. This project scored low in comparison to other applications received and is expected to proceed without additional ERF funding.

Previous ERF awards: None

Other funding sources

- None

Economic development/housing impact

- Increases the tax base
- Estimated 115 new FTEs
- Creates 50 new market-rate housing units and 23,690 square feet of commercial space
- Redevelopment will clean up contamination adjacent to Lake Minnetonka

Site description:

Vacant building and paved parking lot historically occupied by a gas station, lumber yard, and bulk petroleum storage facility.

Contamination issues: Soil contaminated with petroleum, PAHs, and metals, including hazardous levels of lead. Groundwater and soil vapor contaminated with petroleum and other VOCs.

Project plans: Development of 50 new residential units across multiple buildings and creation of street level commercial shops.

Requested use of ERF grant: Funding for soil cleanup, management of contaminated groundwater during dewatering, and installation of a soil vapor mitigation system.



Lundstrum Performing Arts

Address: 1617 N 2nd Street and 211 17th Avenue N, Minneapolis

Applicant: City of Minneapolis on behalf of Lundstrum Performing Arts

Property owner: Lundstrum Center for the Performing Arts

Recommended award: \$185,514

Award recommendation

The activities are eligible for funding. The recommended award is equal to the amount requested in the grant application.

Previous ERF awards: Minnesota Brownfields Gap Financing Program (ERF Funded) – \$14,000

Other funding sources

- DEED \$191,947 (committed)

Economic development/housing impact

- Estimated five new and 10 retained FTE
- Expands capabilities of the performing arts center by adding a theater space.

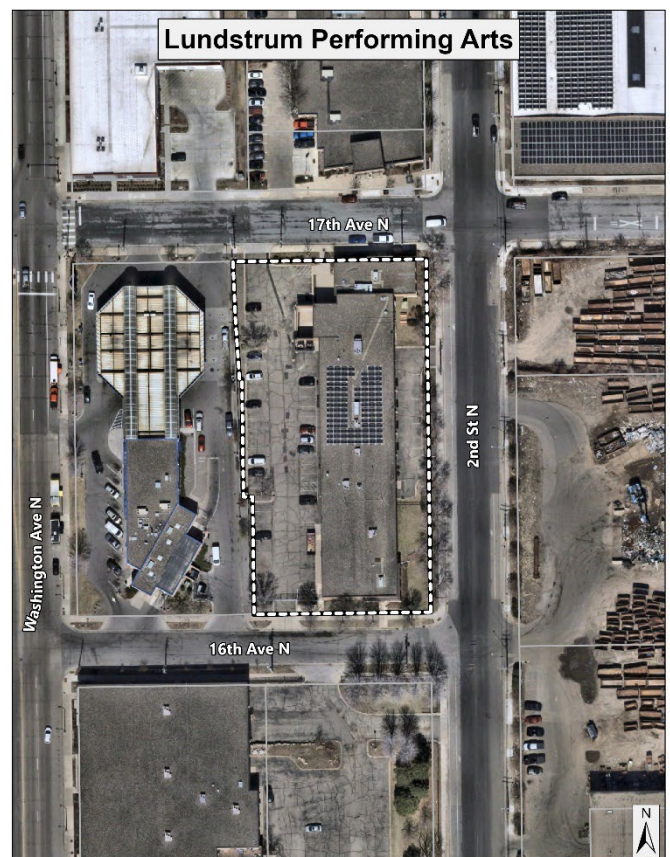
Site description:

Existing performing arts center that was historically occupied by a scrap metal recycling facility, an automobile salvage business, a metal processor, and a coal yard.

Contamination issues: Soil contaminated with petroleum, PAHs, PCBs, and metals. Soil vapor contaminated with VOCs.

Project plans: The existing building will be expanded to include a 300-person theater.

Requested use of ERF grant: Funding for soil cleanup, additional soil assessment, and installation of a soil vapor mitigation system.



Minnetonka Boulevard Twin Homes

Address: 5707, 5647, 5643, and 5639 Minnetonka Boulevard, St. Louis Park

Applicant: St. Louis Park EDA on behalf of Greater Metropolitan Housing Corporation

Property owner: St. Louis Park Economic Development Authority

Recommended award: \$440,000

Award recommendation

The activities are eligible for funding. The recommended award is equal to the amount requested in the grant application.

Previous ERF awards: Minnesota Brownfield Gap Financing Program –\$22,300

Other funding sources

- Hennepin County AHIF \$800,000 (to be requested)
- Metropolitan Council \$689,904 (committed)

Economic development/housing impact

- Eight new affordable housing units at 60 to 80% AMI. All units will have three or four bedrooms.
- Increases the tax base

Site description:

Site consists of vacant lots that were historically used for an unpermitted dump site.

Contamination issues: Soil contaminated with VOCs, asbestos-containing material, and metals, including hazardous levels of lead.

Project plans: Construct four new duplexes with rates targeted at being affordable for first-time homebuyers.

Requested use of ERF grant: Funding for soil cleanup.



Native American Community Clinic

Address: 1213-1215 Franklin Avenue E, Minneapolis

Applicant: City of Minneapolis on behalf of Native American Community Clinic & Wellington Management, Inc.

Property owner: NACC Holding Company/1213 Franklin LP

Recommended award: \$106,448

Award recommendation

The activities are eligible for funding. The recommended award is equal to the amount requested in the grant application.

Previous ERF awards: Spring 2024 ERF - \$137,250; Minnesota Brownfields Brownfield Gap Financing Program - \$14,999

Other funding sources

- Hennepin County AHIF \$1,460,000 (committed)
- Hennepin County TOC \$400,000 (committed)
- Hennepin County Supportive Housing Services \$1,050,000 (committed)
- Metropolitan Council \$3,371,017 (committed)

Economic development/housing impact

- Estimated 28 new and 101 retained FTEs
- Adds 83 units of affordable housing at 30-60% AMI

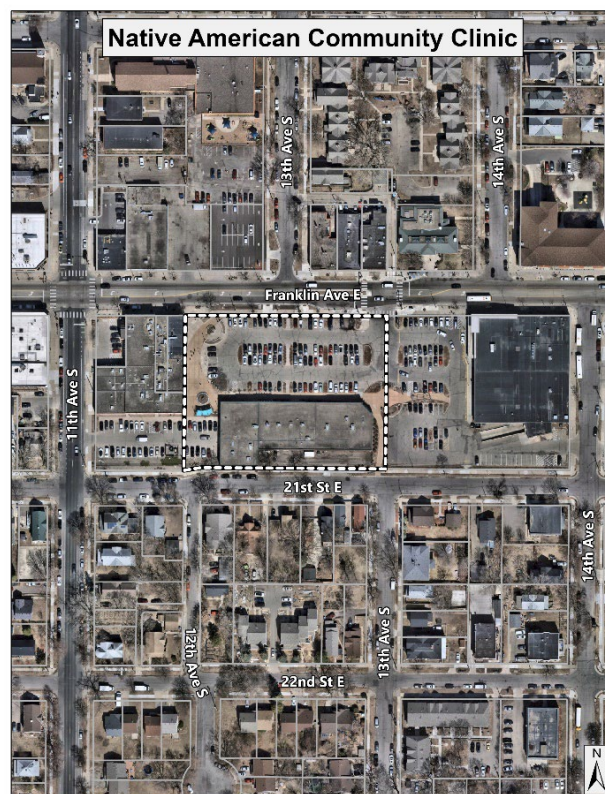
Site description:

Renovated shopping center being used as the Native American Community Clinic. Historical site uses included dry cleaning and automobile repair.

Contamination issues: Soil contaminated with petroleum and PAHs. Soil vapor contaminated with VOCs.

Project plans: Demolish existing building to construct a new affordable housing and larger clinic building and associated features to serve additional patients. Clinic supports residents in the nearby Little Earth housing complex.

Requested use of ERF grant: Funding for soil cleanup.



Willis Trucking Redevelopment

Address: 21601 John Deere Lane, Rogers

Applicant: Ebert, Inc. and Bader Development, LLC

Property owner: Willis Enterprises Inc.

Recommended award: \$200,000 (\$422,980 requested)

Award recommendation

The recommended award is reduced to exclude ineligible costs and due to the funding available this round. This project scored low in comparison to other applications received.

Previous ERF awards: None

Other funding sources

- DEED \$ 605,862 (committed)

Economic development/housing impact

- Increases the tax base
- Adds 181 units of market-rate housing. Units range in size from studio to three bedrooms.

Site description

Commercial truck service business and storage yard.

Contamination issues: Soil contaminated with petroleum and metals. Soil vapor contaminated with solvents.

Project plans: Remove existing building and construct multi-tenant residential building.

Requested use of ERF grant: Funding for soil cleanup.

