

HENNEPIN COUNTY

MINNESOTA

FINAL COMMITTEE AGENDA

PUBLIC WORKS COMMITTEE
TUESDAY, JANUARY 30, 2024
1:30 PM

Chair: Kevin Anderson, District 7
ViceChair: Marion Greene, District 3
Members: Jeff Lunde, District 1
Irene Fernando, District 2
Angela Conley, District 4
Debbie Goettel, District 5
Vacant, District 6

1. Minutes from Previous Meeting

1.A. January 9, 2024 Meeting Minutes

2. New Business

Routine Items

2.A. [24-0048](#)

Contract No. CM00001155 with Millerbernd Manufacturing Co. to purchase traffic signal poles for Wayzata Boulevard and Minnetonka Boulevard (CPs 2091103 and 2168100), 03/01/24-06/30/25; est county cost \$495,000 (\$138,000 state turnback, \$312,355 state aid, and \$44,645 recv)

2.B. [24-0049](#)

Agmt PR00005867 with HDR Engineering, Inc. for design engineering and professional services for Park Avenue (CSAH 33) and Portland Avenue (CSAH 35) multimodal improvements (CP 2220300 and 2220700), 02/26/24-12/31/27, county cost NTE \$1.9 million state aid

2.C. [24-0050](#)

Designate new roadway, Fletcher Bypass between Territorial Road and CR 81, as CSAH 116; designate and number part of CR 116 as CSAH 159; renumber part of CSAH 116 as CSAH 159 (no county cost)

2.D. [24-0051](#)

Neg Agmt PR00005964 with Ever-Green Energy to manage, operate and maintain the Hennepin County Energy Center, 03/01/24-12/31/34, estimated NTE \$40,000,000

Items for Discussion and Action

2.E. [24-0052](#)

Neg 12 fall 2023 ERF grant agmts for cleanup and assessment of contaminated sites, various periods, total combined NTE \$1,842,279

2.F. [24-0053](#)

Authorization to apply for federal discretionary grants through the 2024 RAISE program for projects on West Broadway Avenue, CSAH 81 (CP 1005877) and Washington Avenue, CSAH 152 (CP 2221000)

Addendum2.G. [24-0061](#)

Approval of agreements for operations and maintenance of HERC (A165757), ash disposal services (PR00005989), metal recovery and recycling services (A2412182), and steam service from HERC (A2412184)

HENNEPIN COUNTY

300 South Sixth Street
Minneapolis, MN
55487-0240

MINNESOTA

Board Action Request

TMP-0809

Item Description:

January 9, 2024 Meeting Minutes

HENNEPIN COUNTY

MINNESOTA

COMMITTEE MINUTES

PUBLIC WORKS COMMITTEE
TUESDAY, JANUARY 9, 2024
1:30 PM

Chair: Kevin Anderson, District 7
ViceChair: Marion Greene, District 3
Members: Jeff Lunde, District 1
Irene Fernando, District 2
Angela Conley, District 4
Debbie Goettel, District 5
Vacant, District 6

Commissioner Kevin Anderson, Chair, called the meeting of the Public Works Committee for Tuesday, January 9, 2024 to order at 2:40 p.m.

Present: Kevin Anderson, Marion Greene, Irene Fernando, Angela Conley, Debbie Goettel and Jeff Lunde

1. Minutes from Previous Meeting

1.A. November 14, 2023 Public Works Minutes

APPROVE

Commissioner Angela Conley moved, seconded by Commissioner Jeff Lunde, to approve the Minutes.

Aye: Commissioner Anderson, Commissioner Greene, Commissioner Fernando, Commissioner Conley, Commissioner Goettel and Commissioner Lunde

2. New Business

Routine Items

2.A. [24-0020](#)

Amd 2 to work authorization under Agmt PR00002153 and new Agmt PR00005723 with Bolton & Menk, Inc. relating to multimodal improvements along CSAHs 23, 52 and 952; transfer funds (CP 2201200 to CP 2182100); county cost NTE: \$1,650,000 State Aid, \$1,497,000 Wheelage Tax

REVISE

Commissioner Irene Fernando moved, seconded by Commissioner Marion Greene, to revise the Resolution.

Aye: Commissioner Anderson, Commissioner Greene, Commissioner Fernando, Commissioner Conley, Commissioner Goettel and Commissioner Lunde

[24-0020R1](#)

Amd 2 to work authorization under Agmt PR00002153 and new Agmt PR00005723 with Bolton & Menk, Inc. relating to multimodal improvements along CSAHs 23, 52 and 952; amend budget for CP2182100; transfer funds (CP 2201200 to CP 2182100); county cost NTE: \$4,000,000 State Aid, \$1,497,000 Wheelage Tax est receivable \$2,264,381

CONSENT

Commissioner Irene Fernando moved, seconded by Commissioner Marion Greene, to approve the Resolution .

Aye: Commissioner Anderson, Commissioner Greene, Commissioner Fernando, Commissioner Conley, Commissioner Goettel and Commissioner Lunde

2.B. [24-0021](#)

Agmt PW 06-40-24 with MnDOT for a grant from the State Funded Program for IJJA Discretionary Grant Assistance for multimodal improvements along CSAH 3 and CSAH 43 as part of the Metropolitan Council’s B Line BRT project (phase two); adjust budget for CP 2193300; est recv \$3,000,000

CONSENT

Commissioner Irene Fernando moved, seconded by Commissioner Marion Greene, to approve the Resolution.

Aye: Commissioner Anderson, Commissioner Greene, Commissioner Fernando, Commissioner Conley, Commissioner Goettel and Commissioner Lunde

2.C. [24-0022](#)

Neg Agmt PW 02-44-24 with Three Rivers Park District for cost participation in CSAH 66 multimodal safety improvements, CP 2211000 (est county cost: \$180,000 state aid)

CONSENT

Commissioner Irene Fernando moved, seconded by Commissioner Marion Greene, to approve the Resolution.

Aye: Commissioner Anderson, Commissioner Greene, Commissioner Fernando, Commissioner Conley, Commissioner Goettel and Commissioner Lunde

2.D. [24-0023](#)

Neg agmts PW 03-40-24 with MnDOT and Minneapolis and PW 04-20-24 with Minneapolis for a CSAH 52 safety improvement project (CP 2210100); (est county cost: \$1,368,000 federal funds, \$649,381 state aid; est recv \$262,611)

CONSENT

Commissioner Irene Fernando moved, seconded by Commissioner Marion Greene, to approve the Resolution.

Aye: Commissioner Anderson, Commissioner Greene, Commissioner Fernando, Commissioner Conley, Commissioner Goettel and Commissioner Lunde

2.E. [24-0024](#)

Neg agmts PW 08-40-24 with MnDOT and Plymouth and PW 09-17-24 with Plymouth relating to TH 55 Pavement Improvement Project and CSAH 61 at TH 55 multi-use trail and accessibility upgrades (CP 2183500); amend budget (est county cost: \$31,196 County Bonds; est recv \$20,598)

CONSENT

Commissioner Irene Fernando moved, seconded by Commissioner Marion Greene, to approve the Resolution.

Aye: Commissioner Anderson, Commissioner Greene, Commissioner Fernando, Commissioner Conley, Commissioner Goettel and Commissioner Lunde

2.F. [24-0025](#)

Agmt PR00005863 with the City of Edina to expand organics drop-off sites, 01/22/24-01/22/26, NTE \$12,000

CONSENT

Commissioner Irene Fernando moved, seconded by Commissioner Marion Greene, to approve the Resolution.

Aye: Commissioner Anderson, Commissioner Greene, Commissioner Fernando, Commissioner Conley, Commissioner Goettel and Commissioner Lunde

2.G. [24-0026](#)

Agmt PR00005904 with Better Futures Minnesota and Agmt PR00005905 with Birch Group to provide deconstruction services, 01/01/24-12/31/25, total combined NTE \$600,000

CONSENT

Commissioner Irene Fernando moved, seconded by Commissioner Marion Greene, to approve the Resolution.

Aye: Commissioner Anderson, Commissioner Greene, Commissioner Fernando, Commissioner Conley, Commissioner Goettel and Commissioner Lunde

Addendum

2.H. [24-0030](#)

Neg Amd 11 to Agmt PR00000689 with Met Council and HCRRA for METRO Green Line Ext LRT Project (CP 1005876), extend to 01/31/25, incr grant amt by \$100,000,000 for new NTE \$1,078,080,704

NON-CONSENT

Commissioner Irene Fernando moved, seconded by Commissioner Debbie Goettel, to non-consent the Resolution.

Aye: Commissioner Greene, Commissioner Fernando, Commissioner Conley, Commissioner Goettel and Commissioner Lunde

Nay: Commissioner Anderson

2.1. [24-0031](#)

Authorization to amend budget for CP 2167301 - multimodal improvements along CSAH 36 and CSAH 37; (county recv: \$2,080,377 Minneapolis, \$1,016,932 Met Council)

CONSENT

Commissioner Irene Fernando moved, seconded by Commissioner Jeff Lunde, to approve the Resolution.

Aye: Commissioner Anderson, Commissioner Greene, Commissioner Fernando, Commissioner Conley, Commissioner Goettel and Commissioner Lunde

There being no further business, the Public Works Committee for Tuesday, January 9, 2024 was declared adjourned at 2:56 p.m.

Maria Rose
Clerk to the County Board

MINNESOTA

Board Action Request

24-0048

Item Description:

Contract No. CM00001155 with Millerbernd Manufacturing Co. to purchase traffic signal poles for Wayzata Boulevard and Minnetonka Boulevard (CPs 2091103 and 2168100), 03/01/24-06/30/25; est county cost \$495,000 (\$138,000 state turnback, \$312,355 state aid, and \$44,645 recv)

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to execute Contract No. CM00001155 with Millerbernd Manufacturing Company to purchase mast arm signal poles with anchor bolts for the reconstruction of County State Aid Highway (CSAH) 112 (Wayzata Boulevard) from CSAH 6 (Sixth Avenue North) to Willow Drive in the cities of Long Lake and Orono, county project (CP) 2091103, and CSAH 5 (Minnetonka Boulevard) from Trunk Highway 100 to CSAH 17 (France Avenue) in St. Louis Park, CP 2168100, during the period March 1, 2024 through June 30, 2025, at an estimated cost of \$495,000; that following review and approval by the County Attorney's office, the Chair of the Board be authorized to sign the contract on behalf of the county; and that the Controller be authorized to disburse funds as directed.

Background:

The county is leading the following two reconstruction projects, which are planned to begin construction in 2024: Wayzata Boulevard from CSAH 6 (Sixth Avenue North) to Willow Drive in Long Lake and Orono, and Minnetonka Boulevard between TH 100 and France Avenue in St. Louis Park. Both projects include signal replacements, with long lead times for traffic signals. To reduce risks of construction delays and lock in the purchase price, staff engaged Millerbernd Manufacturing Company, who is the sole source signal steel supplier in Minnesota, to purchase these materials in advance of the projects.

Staff is seeking the county board's authorization to enter into a contract with Millerbernd Manufacturing Company, for CP 2091103 and CP 2168100, because the total purchase price exceeds the annual allowable limits of \$250,000 for a sole source supplier.

Funding for the purchase of this signal equipment is available in the project budget CP 2091103 with expenses tracked in its subproject CP 2091104 and CP 2168100 with expenses tracked in its subproject CP 2168101.

Current Request:

This request seeks authorization to execute Contract No. CM00001155 with Millerbernd Manufacturing Company to purchase signal equipment in advance of projects 2091103 and 2168100, during the period March 1, 2024 through June 30, 2025, at an estimated cost of \$495,000.

Impacts/Outcomes:

These projects will support the county's Mobility 2040 goals, climate action, and disparity reduction efforts by improving accessibility, mobility, and safety for multimodal transportation.

Recommendation from County Administrator: Recommend Approval

CP 2091103 | CP 2168100

CSAH 112 (Wayzata Blvd) Reconstruction in Long Lake & Orono, CSAH 5/25 (Minnetonka Blvd/West Lake St) Reconstruction in St. Louis Park



Disclaimer: This map (i) is furnished "AS IS" with no representation as to completeness or accuracy; (ii) is furnished with no warranty of any kind; and (iii) is not suitable for legal, engineering or surveying purposes. Hennepin County shall not be liable for any damage, injury or loss resulting from this map.



Board Action Request

24-0049

Item Description:

Agmt PR00005867 with HDR Engineering, Inc. for design engineering and professional services for Park Avenue (CSAH 33) and Portland Avenue (CSAH 35) multimodal improvements (CP 2220300 and 2220700), 02/26/24-12/31/27, county cost NTE \$1.9 million state aid

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to execute Agreement PR00005867 with HDR Engineering, Inc. to provide preliminary and final design engineering and professional services for County State Aid Highway (CSAH) 33 (Park Avenue) and CSAH 35 (Portland Avenue) multimodal improvements between Midtown Greenway and 18th Street, county project (CP) 2220300, and between 38th and 42nd streets, CP 2220700, in the City of Minneapolis, during the period February 26, 2024 through December 31, 2027, in an amount not to exceed \$1.9 million; that following review and approval by the County Attorney's office, the Chair of the Board be authorized to sign the agreement on behalf of the county; and that the Controller be authorized to disburse funds as directed.

Background:

Hennepin County, in collaboration with the City of Minneapolis, is leading two multimodal improvement projects along Park and Portland Avenues. One is between the Midtown Greenway and 18th Street and the other is between 38th and 42nd streets.

The projects will include:

- Safety and accessibility improvements
- Signal upgrades
- Complete and green street elements
- Protected bikeways
- Pavement rehabilitation

On July 19, 2023, the county sent out a request for proposals using the enterprise contracting process and four firms responded. Through a quality based competitive selection process, HDR Engineering, Inc. was selected. The firm is committed to meeting the small and minority business project goal of 13% for both projects.

Federal funding was awarded in 2022 through the Regional Solicitation for CP 2220300 and through the Highway Safety Improvement Program for CP 2220700. Adequate consulting funding is available in the current project budgets.

As design begins for these projects, the project team will be engaging with the community through a variety of methods to gather their input. The project is scheduled for construction in 2027.

Current Request:

This request seeks authorization to execute Agreement PR00005867 with HDR Engineering, Inc. to provide

preliminary and final design engineering and professional services for Park and Portland Avenues multimodal improvements, (CP 2220300 and 2220700), during the period February 26, 2024 through December 31, 2027, in an amount not to exceed \$1.9 million.

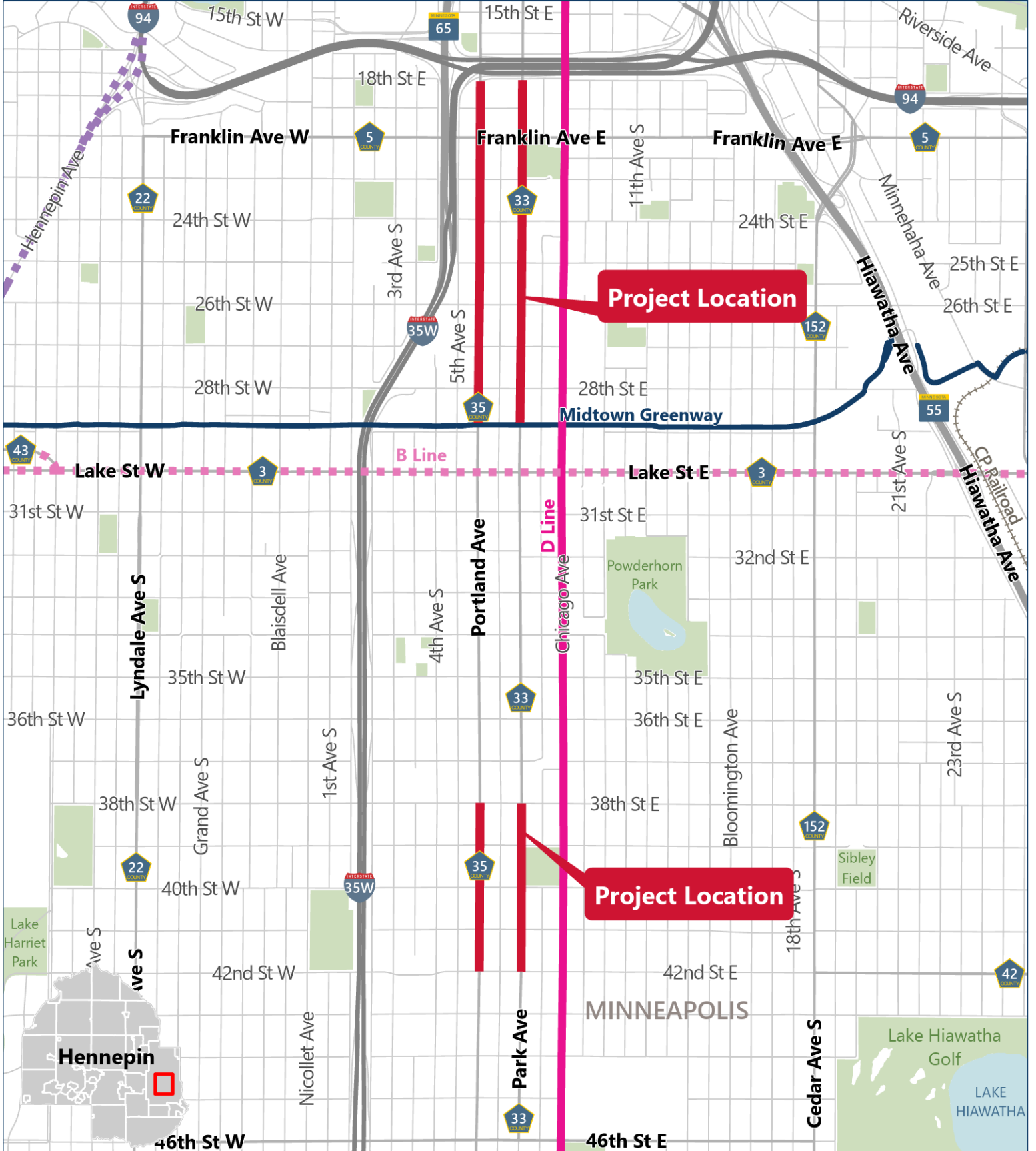
Impacts/Outcomes:

This project aligns with Hennepin County's Mobility 2040 goals, climate action, and disparity reduction efforts by improving accessibility, mobility, and safety for multimodal transportation. The improvements will also provide connections to the B Line and D Line arterial bus rapid transit.

Recommendation from County Administrator: Recommend Approval

CP 2220300/2220700

CSAH 33 & 35 (Park Ave & Portland Ave) Multimodal Safety Improvements in Minneapolis



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MINNESOTA

Board Action Request

24-0050

Item Description:

Designate new roadway, Fletcher Bypass between Territorial Road and CR 81, as CSAH 116; designate and number part of CR 116 as CSAH 159; renumber part of CSAH 116 as CSAH 159 (no county cost)

Resolution:

BE IT RESOLVED, that a new roadway, Fletcher Bypass described as follows, to-wit: beginning approximately 370 feet southeast of the existing junction of Fletcher Lane and County Road 159 (Territorial Road), thence continuing along a new northeasterly alignment approximately 0.51 mile to the junction of County State Aid Highway (CSAH) 81 and there terminating, as shown in Attachment A, be and hereby is established, located, and designated as a CSAH of Hennepin County to be numbered and known as CSAH 116 subject to the approval of the Commissioner of Transportation of the State of Minnesota; and

BE IT FURTHER RESOLVED, that County Road 116 (Territorial Road) described as follows, to-wit: beginning at the junction of CSAH 116 (Territorial Road) and CSAH 150 (Main Street), thence continuing along the centerline of Territorial Road southeasterly a distance of approximately 0.60 mile to the junction of Territorial Road and the new Fletcher Bypass and there terminating, as shown in Attachment A, be and hereby is established, located, and designated as a CSAH of Hennepin County to be numbered and known as CSAH 159 subject to the approval of the Commissioner of Transportation of the State of Minnesota; and

BE IT FURTHER RESOLVED, that CSAH 116 (Territorial Road) described as follows, to-wit: beginning at the west county border (bridge over the Crow River), thence continuing along the centerline of Territorial Road southeasterly a distance of approximately 4.82 miles to the junction of Territorial Road and CSAH 150 (Main Street) as shown in Attachment A, be and hereby is renumbered as CSAH 159 subject to the approval of the Commissioner of Transportation of the State of Minnesota.

Background:

Fletcher Bypass, between Territorial Road and County Road 81, has been identified in the long-range vision of the county's 2040 comprehensive plan as a county road which is consistent with proper jurisdictional hierarchy. The City of Rogers, in coordination with the county, is leading the Fletcher Bypass roadway construction project between Territorial Road and County Road 81. The new roadway, which the city plans to begin constructing in 2024, will include multi-use trails, a roundabout at Territorial Road and a traffic signal or roundabout at County Road 81.

Current Request:

This request seeks authorization to:

- Designate Fletcher Bypass as CSAH 116;
- Designate CR 116 (Territorial Road) between Main Street and the new Fletcher Bypass as CSAH 159; and
- Renumber CSAH 116 (Territorial Road) between the west county border and CSAH 150 (Main Street) to CSAH 159.

24-0050

Impacts/Outcomes:

Approval of these requests will enable the county to designate these roadways as County State Aid Highways in alignment with the county's long-range vision and renumber other adjacent county roadways for clarity and simplicity.

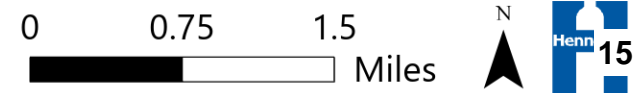
Recommendation from County Administrator: Recommend Approval

Attachment A | County State Aid Highway (CSAH) Designation/Renumber

Fletcher Bypass (Future CSAH 116) & Territorial Rd (Future CSAH 159) Roadway Designation in Rogers



BAR map date:
1/5/2024



Board Action Request

24-0051

Item Description:

Neg Agmt PR00005964 with Ever-Green Energy to manage, operate and maintain the Hennepin County Energy Center, 03/01/24-12/31/34, estimated NTE \$40,000,000

Resolution:

BE IT RESOLVED, the County Administrator be authorized to negotiate Agreement PR00005964 with Ever-Green Energy, Inc. to manage, operate and maintain the Hennepin County Energy Center, during the period March 1, 2024 through December 31, 2034, with a not-to-exceed amount of \$40,000,000, be approved, that following review and approval by the County Attorney's Office, the County Administrator be authorized to sign the agreements on behalf of the county; and that the Controller be authorized to disburse funds as directed.

Background:

The Hennepin County Energy Center (HCEC), located at 600 10th Avenue South in Minneapolis, is owned by Hennepin County and operated for the county by Energy Center HCEC LLC (Clearway). HCEC supplies steam for heat and chilled water to cool the Hennepin County Government Center, Hennepin County Medical Center, Public Safety Facility, Forensic Sciences Building, Juvenile Justice Center, Health Services Building, Municipal Building, and several buildings owned by private customers.

In 2019, the board approved Agreement A090990 with Energy Center HCEC LLC (Clearway), formerly NRG to operate the facility (Resolution 19-0475). In 2023, the county issued a request for proposals for the management, operation, and maintenance of HCEC. The county received proposals from two companies and selected Ever-Green Energy because it had the most responsive and lowest-cost proposal that met the requirements to operate and maintain the HCEC. Ever-Green Energy is based in St. Paul, Minnesota and has decades of experience operating district energy facilities like the Hennepin County Energy Center.

Current Request:

This request is for approval of authorizing the County Administrator to negotiate Agreement PR00005964 with Ever-Green Energy, Inc. to manage, operate and maintain the HCEC, including routinely scheduled maintenance, during the period March 1, 2024 through December 31, 2034, with a not-to-exceed amount of \$40,000,000.

This contract will be a pass-through contract along with paying Ever-Green Energy a monthly management fee. Eligible pass-through costs will include, but are not limited to, expenditures for labor associated with operating the plant 24 hours per day, 7 days per week, 365 days per year. The remaining costs are for supplies, parts, and other contract services needed by Ever-Green Energy to perform all routine maintenance and repairs at the plant and the steam and chilled water distribution pipes serving customers, as well as assist in the implementation of county approved capital projects.

Impact/Outcomes:

This agreement will ensure that the HCEC continues to provide efficient and reliable heating and cooling to county buildings and private customers.

24-0051

Recommendation from County Administrator: Recommend Approval

MINNESOTA

Board Action Request

24-0052

Item Description:

Neg 12 fall 2023 ERF grant agmts for cleanup and assessment of contaminated sites, various periods, total combined NTE \$1,842,279

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to negotiate the following Environmental Response Fund grant agreements for the cleanup of contaminated sites, during periods of one and two years beginning on the dates of execution:

- Agreement PR00005956 with 3561 Minnehaha LLC or affiliated entity, with the amount not to exceed \$25,000;
- Agreement PR00005959 with Aster Commons-GP LLC or affiliated entity, with the amount not to exceed \$21,641;
- Agreement PR00005954 with the City of Minneapolis, with the amount not to exceed \$303,550;
- Agreement PR00005946 with the City of Bloomington, with the amount not to exceed \$119,000;
- Agreement PR00005948 with the City of Lakes Community Land Trust or affiliated entity, with the amount not to exceed \$220,000;
- Agreement PR00005957 with 2545 Portland GP LLC or affiliated entity, with the amount not to exceed \$50,000;
- Agreement PR00005962 with the City of Minneapolis, with the amount not to exceed \$202,790;
- Agreement PR00005958 with the City of Minneapolis, with the amount not to exceed \$191,513;
- Agreement PR00005949 with the Minneapolis Park and Recreation Board, with the amount not to exceed \$102,959;
- Agreement PR00005955 with the City of Plymouth, with the amount not to exceed \$193,000;
- Agreement PR00005953 with the City of Minneapolis, with the amount not to exceed \$189,913;
- Agreement PR00005947 with the Three Rivers Park District, with the amount not to exceed \$222,913; and

BE IT FURTHER RESOLVED, that following review and approval by the County Attorney's Office, the County Administrator be authorized to sign the agreements on behalf of the county; that costs incurred by the grantees after the board approval date be eligible for reimbursement upon execution of the agreements; that the County Administrator be authorized to approve extensions of a 12-month period to the agreements; and that the Controller be authorized to disburse funds as directed.

Background:

The Environmental Response Fund (ERF) helps revitalize sites by providing funds to assess and clean up contamination. The grants reduce barriers to site improvement or redevelopment caused by the added costs of environmental cleanup and lessen the risk to human health and the environment posed by the contamination.

Minnesota Statutes, sections 383B.80 and 383B.81, authorize the county to collect a mortgage registry and deed tax for the purpose of establishing an environmental response fund. The board established the ERF in 1997 (Resolution 97 06 410R1) and authorized the grant program in 2001 (Resolution 01 615).

Since 2001, ERF has funded 468 projects totaling \$70,238,626.

Projects supported by ERF grants provide a variety of community benefits, including creating affordable and moderately priced housing, supporting economic development, improving green space, and making infrastructure improvements. Many ERF grants address environmental contamination in communities with significant disparities in health, including low-income areas and communities of color. Some of these sites become catalysts for new development in neighboring areas, which can help address racial disparities in housing, employment, and income.

As a major economic center for 150 years, the county has a concentration of contaminated sites. Much of this contamination was caused by chemical spills or improper disposal of hazardous waste prior to the existence of environmental regulations. These improper disposal practices of the past can still cause soil and groundwater pollution that present environmental risks today. In addition, many buildings in Hennepin County, particularly in Minneapolis and the inner ring suburbs, were constructed prior to 1970 when the use of asbestos and lead-based paint was prevalent.

Current Request: This request is to authorize the County Administrator to negotiate 12 ERF grant agreements during various periods, with the total combined amount not to exceed \$1,842,279.

In August 2023, the county solicited proposals from municipalities and nonprofit and for-profit developers. To maximize collaboration between funders, the timing of the ERF grant round coincides with additional contamination cleanup grant programs administered by the Minnesota Department of Employment and Economic Development and the Metropolitan Council.

The county received 14 applications. A committee of staff from Environment and Energy, Housing and Economic Development and Land Information and Tax Services reviewed the grant applications and recommended funding 12 projects. Applications were evaluated on:

- eligibility,
- project need,
- degree of contamination,
- appropriateness of the cleanup approach,
- creation or preservation of affordable and/or moderately priced market-rate housing,
- creation of economic development, and
- the readiness of the project to proceed.

The fall 2023 ERF requests recommended for approval are summarized as follows and are described in the attached report, “Environmental Response Fund Fall 2023 Funding Recommendations.”

- **3561 Minnehaha, Minneapolis** - \$25,000 for asbestos abatement costs associated with the construction of a mixed-use building comprised of 32 affordable housing units and approximately 1,550 square feet of commercial space. (Grantee: 3561 Minnehaha LLC)
- **Aster Commons, Richfield** - \$21,641 for assessment costs associated with the redevelopment of a vacant site into 38 deeply affordable housing units targeting young adults with neurodiverse conditions with select units set aside for High Priority Homeless and Persons with Disabilities. (Grantee: Aster Commons-GP LLC)
- **Avenues for Youth, Minneapolis** - \$303,550 for soil cleanup costs associated with the construction of eight temporary affordable housing units and 23 emergency beds for young adults facing homelessness or needing supportive services. (Grantee: City of Minneapolis on behalf of Avenues for Youth)
- **Bloomington 78th Street Project, Bloomington** - \$119,000 for soil cleanup costs associated with the

development of a five-story apartment complex with 79 affordable and 122 market-rate housing units and onsite daycare center. (Grantee: City of Bloomington on behalf of Enclave Development, LLC)

- **CLCLT Homes - Fall 2023 - Minneapolis** - \$220,000 for lead and asbestos abatement costs associated with the rehabilitation of one duplex and nine affordable owner-occupied single-family homes. (Grantee: City of Lakes Community Land Trust)
- **Ebenezer Redevelopment, Minneapolis** - \$50,000 for assessment costs associated with renovating 110 small senior long-term care facility rooms into 54 new larger affordable residential units. (Grantee: 2545 Portland GP LLC)
- **Mikwanedun Audisookon Center for Art and Wellness, Minneapolis** - \$202,790 for soil cleanup costs associated with construction of a community center building to support youth programs, education, and work force development for the Native American community. (Grantee: City of Minneapolis on behalf of Indigenous People's Task Force)
- **Park Plaza, Minneapolis** - \$191,513 for asbestos and lead abatement costs associated with the rehabilitation of five six-story buildings with approximately 134 affordable housing units. (Applicant: City of Minneapolis on behalf of Trellis)
- **Powderhorn Park, Minneapolis** - \$102,959 for soil cleanup costs associated with the playground and landscape renovation at Powderhorn Park. (Grantee: Minneapolis Park and Recreation Board)
- **Prudential Campus Redevelopment, Plymouth** - \$193,000 for asbestos abatement costs associated with demolishing the existing building and constructing 20 affordable housing unit, 180 market rate units, and commercial space, with future construction plans to include a public park. (Grantee: City of Plymouth on behalf of Scannell Properties and Roers Companies - (SPRC Land Ventures Plymouth, LLC))
- **Snelling Yards Family Housing, Minneapolis** - \$189,913 for soil cleanup and vapor mitigation costs associated with the redevelopment of 90 affordable housing units with a portion targeted to veterans experiencing homelessness. (Grantee: City of Minneapolis on behalf of Snelling Yards Family Housing)
- **Sochacki Park Classroom Development, Robbinsdale** - \$222,913 for soil cleanup associated with the development of a one-story public park classroom building and associated park facilities. (Grantee: Three Rivers Park District)

This request also seeks approval for the county administrator to sign the agreements; allows the grantees to incur costs after the board approval date, with reimbursements being paid upon execution of the grant agreements; and authorizes the county administrator to approve extensions of a 12-month period to the grant agreements.

Impact/Outcome:

The recommended ERF grant awards will fund soil cleanup, vapor mitigation, asbestos and lead abatement, and pre-development assessments. The awards will also assist developments that increase the tax base, create permanent jobs, enhance green space, and create affordable and moderately priced market-rate housing. The recommended grants support the renovation or construction of 466 affordable housing units and 302 units of market-rate units.

ERF grants reduce environmental contamination and support projects in communities with disparities in health, housing, employment, and income. Many of the projects supported by these grants include the construction or renovation of buildings that incorporate sustainable features, including electric vehicle infrastructure, a solar array, and stormwater management, which support the county's climate action goals.

Recommendation from County Administrator: Recommend Approval

HENNEPIN COUNTY

MINNESOTA

Environmental Response Fund Fall 2023 Funding Recommendations



Lyndale Flats in Bloomington received a fall 2020 ERF grant to clean up contaminated soil. This ERF grant helped turn a vacant lot into an affordable housing complex with most units being two- or three-bedrooms for families. The image above shows the site condition after redevelopment.

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Overview

Background

The Environmental Response Fund (ERF) helps revitalize properties by providing funding to assess and cleanup contamination. This helps recipients overcome barriers that the cost of environmental cleanup pose 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
- Protection from contaminated soil gas vapor intrusion

Since 2001, ERF has funded 468 projects totaling \$70,238,626. 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 Environment and Energy, Housing and Economic Development, and Land Information and Tax Services 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 applications and recommended award

Fourteen applications were received and reviewed. The committee recommends awarding 12 grants totaling \$1,842,279. All 14 applications and the requested funding amounts are described below. Funding recommendations for each project are provided in the individual application summaries that follow.

- **3561 Minnehaha, Minneapolis** — \$25,000 for asbestos abatement costs associated with the construction of a mixed-use building comprised of 32 affordable housing units and approximately 1,550 square feet of commercial space. (Applicant: 3561 Minnehaha LLC) Recommended Award: \$25,000
- **Aster Commons, Richfield** — \$21,641 for assessment costs associated with the redevelopment of a vacant site into 38 deeply affordable housing units targeting young adults with neurodiverse conditions with select units set aside for High Priority Homeless and Persons with Disabilities. (Applicant: Aster Commons-GP LLC) Recommended Award: \$21,641
- **Avenues for Youth, Minneapolis** — \$474,550 for soil cleanup costs associated with the construction of eight temporary affordable housing units and 23 emergency beds for young

adults facing homelessness or needing supportive services. (Applicant: City of Minneapolis on behalf of Avenues for Youth) Recommended Award: \$303,550

- **Bloomington 78th Street Project, Bloomington** — \$119,000 for soil cleanup costs associated with the development of a five-story apartment complex with 79 affordable and 122 market-rate housing units and onsite daycare center. (Applicant: City of Bloomington on behalf of Enclave Development, LLC) Recommended Award: \$119,000
- **CLCLT Homes – Fall 2023 – Minneapolis** — \$330,000 for lead and asbestos abatement costs associated with the rehabilitation of one duplex and nine affordable owner-occupied single-family homes. (Applicant: City of Lakes Community Land Trust) Recommended Award: \$220,000
- **Ebenezer Redevelopment, Minneapolis** — \$50,000 for assessment costs associated with renovating 110 small senior long-term care facility rooms into 54 new larger affordable residential units. (Applicant: 2545 Portland GP LLC) Recommended Award: \$50,000
- **Mikwanedun Audisookon Center for Art and Wellness, Minneapolis** — \$202,790 for soil cleanup costs associated with construction of a community center building to support youth programs, education, and work force development for the Native American community. (Applicant: City of Minneapolis on behalf of Indigenous People’s Task Force) Recommended Award: \$202,790
- **O’Shaughnessy Distillery Expansion Project, Minneapolis** — \$98,168 for soil cleanup costs associated with the expansion of the distillery through the construction of a 24,242 square-foot warehouse building and office. (Applicant: City of Minneapolis on behalf of O’Shaughnessy Distilling Company) Recommended Award: \$0, DEED has agreed to fund this project.
- **Park Plaza, Minneapolis** — \$191,513 for asbestos and lead abatement costs associated with the rehabilitation of five six-story buildings with approximately 134 affordable housing units. (Applicant: City of Minneapolis on behalf of Trellis) Recommended Award: \$191,513
- **Powderhorn Park, Minneapolis** — \$152,959 for soil cleanup costs associated with the playground and landscape renovation at Powderhorn Park. (Applicant: Minneapolis Park and Recreation Board) Recommended Award: \$102,959
- **Prudential Campus Redevelopment, Plymouth** — \$386,533 for asbestos abatement costs associated with demolishing the existing building and constructing 20 affordable housing units, 180 market-rate units, and commercial space, with future construction phases to include a public park. (Applicant: City of Plymouth on behalf of Scannell Properties and Roers Companies - (SPRC Land Ventures Plymouth, LLC)) Recommended Award: \$193,000
- **Snelling Yards Family Housing, Minneapolis** — \$189,913 for soil cleanup and vapor mitigation costs associated with the redevelopment of 90 affordable housing units with some intended for veterans experiencing homelessness. (Applicant: City of Minneapolis on behalf of Snelling Yards Family Housing) Recommended Award: \$189,913
- **Sochacki Park Classroom Development, Robbinsdale** — \$445,825 for soil cleanup associated with the development of a one-story public park classroom building and associated park facilities. (Applicant: Three Rivers Park District) Recommended Award: \$222,913
- **Stinson Apartments, Minneapolis** — \$156,000 for soil cleanup and vapor mitigation costs associated with the construction of a 24-unit apartment with mixed market-rate and affordable housing rental rates. (Applicant: City of Minneapolis on behalf of 1714 E

Hennepin LLC) Recommended Award: \$0. Metropolitan Council has agreed to fund this project.

Expected outcomes

The recommended ERF grant awards will fund soil cleanup, vapor mitigation, abatement activities, and assessment. The awards will also assist developments that increase the tax base, create permanent jobs, enhance green space, and create affordable and moderately priced market-rate housing. The recommended grants provide for the renovation or construction of 466 affordable housing units, 302 market-rate units, and 23 emergency shelter beds. Affordable housing units include single-family, multi-family, senior, and temporary/emergency occupants. ERF grants reduce environmental contamination and support projects in communities with disparities in health, housing, employment, and income.

Other program accomplishments

In 2023, ERF staff conducted a survey of city partners to assess awareness of the ERF program, identify barriers to accessing funding, and get feedback to improve the program. An online survey was sent to 173 city partners from the 45 cities in Hennepin County. Multiple representatives for each city were contacted, apart from very small cities where one person covers multiple roles. Reminder emails were sent, and the survey deadline extended to encourage respondents. A total of 27 staff from at least 15 cities responded to the survey (several respondents didn't identify which entity they represented). While one-third of the cities provided feedback, ERF staff also conducted individual interviews to gather additional feedback from and connect with representatives from more cities.

Feedback from the survey and follow-up interviews provided the following key findings:

- The ERF program is effectively operating as designed, consistent with governing statutes and program criteria.
- Cities with regular brownfields redevelopment were aware of the ERF program and provided favorable feedback on the process and county staff assistance.
- City partners were less familiar with the assessment funding the county and other local programs offer, which is a key tool in helping mitigate surprises and avoiding unexpected contamination.
- Several cities mentioned the desire for funding of sustainability features and other types of development costs that the ERF does not fund.

Based on the feedback obtained, the following recommendations and next steps were determined:

- Increase the frequency and methods of outreach to all municipal partners.
- Conduct more regular outreach to keep city staff up to date and address information loss that can occur with staffing changes.
- Provide case examples of how others used these funds for environmental investigation and planning.
- Highlight sustainability funding provided by other funding programs, such as Property Assessed Clean Energy (PACE) or Transit Oriented Development (TOD), to the ERF development community.
- Support emerging developers by coordinating outreach with other local governments and Minnesota Brownfields.

In follow-up to the above recommendations, ERF staff has conducted additional outreach with city representatives and partnered with local grantors to jointly host two educational workshops on the grant programs, one of which was specifically focused on emerging developers.

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 in the 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 14 ERF fall 2023 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)

Affordable Housing Trust Fund (AHTF)

Area Median Income (AMI)

Full Time Equivalent (FTE)

Metropolitan Council Tax-Base Revitalization Account (TBRA)

Minnesota Department of Employment and Economic Development (DEED)

Polycyclic Aromatic Hydrocarbons (PAHs)

United States Environmental Protection Agency (EPA)

Volatile Organic Compounds (VOCs)

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3561 Minnehaha

Address: 3561 Minnehaha Avenue, Minneapolis

Applicant: 3561 Minnehaha LLC

Property owner: Drew Hoefler

Recommended award: \$25,000

Award recommendation

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

Previous ERF awards: None

Other funding sources

None

Economic development/housing impact

- Increases the tax base
- Near transit and job access
- Adds nine studio, 15 one-bedroom, and 8 two-bedroom units priced at 60% AMI and 80% of the AMI

Site description

Residential lot

Contamination issues: Asbestos-containing materials and lead-based paint are present in the existing home that will be demolished.

Project plans: Creates a five-story mixed-use residential building with approximately 1,550 square feet of commercial space

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



Aster Commons

Address: 6613-6625 Portland Avenue South, Richfield

Applicant: Aster Commons-GP LLC

Property owner: City of Richfield HRA

Recommended award: \$21,641

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) \$14,997

Other funding sources:

- Metropolitan Council \$1,000,000 (requested)
- Hennepin County Supportive Housing Capital \$950,000 (committed)
- Hennepin County Supportive Housing Strategy \$285,000 (committed)

Economic development/housing impact

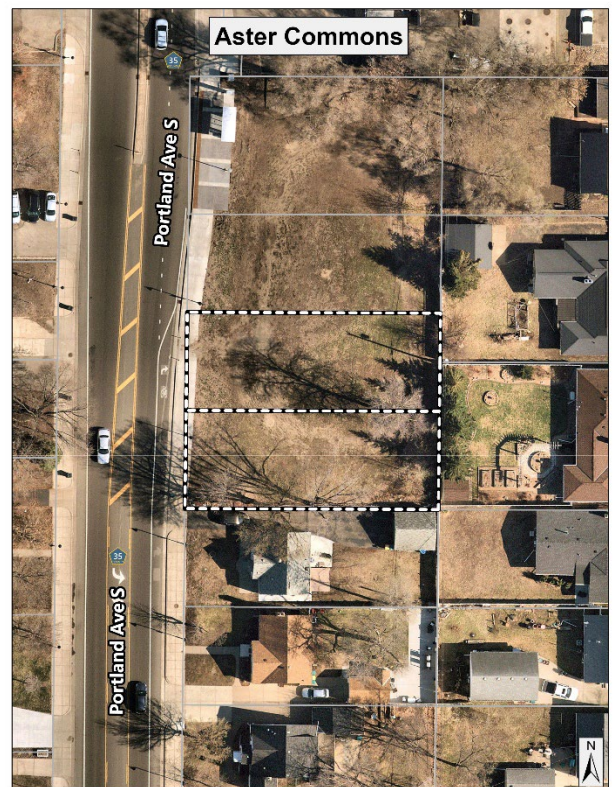
- Increases the tax base
- Estimated three new FTEs
- Adds 20 studios at 30% of the AMI and 18 studios at 50% of the AMI

Site description: Vacant greenspace

Contamination issues: Soils contaminated with petroleum and arsenic. Soil vapor contaminated with benzene, solvents, and 1,3-butadiene.

Project plans: Construction of a deeply affordable housing complex with rental assistance for young adults with neurodiverse conditions with seven units set aside for High Priority Homeless and six units set aside for persons with disabilities

Requested use of ERF grant: Funding for additional assessment activities



Avenues for Youth

Address: 1400, 1406, 1412 and 1418 Eighth Avenue North, Minneapolis

Applicant: City of Minneapolis on behalf of Avenues for Youth

Property owner: Latitia Johnson and David Youmans

Recommended award: \$303,550 (\$474,550 requested)

Award recommendation

The activities are eligible for funding. However, the recommended award is reduced to exclude costs associated with removal and disposal of soils buried deeper than four feet. These deeper soils are being removed for geotechnical purposes and have minimal evidence of contamination.

Previous ERF awards: Minnesota Brownfields Gap Financing Program (ERF funded) \$14,974

Other funding sources: None

Economic development/housing impact:

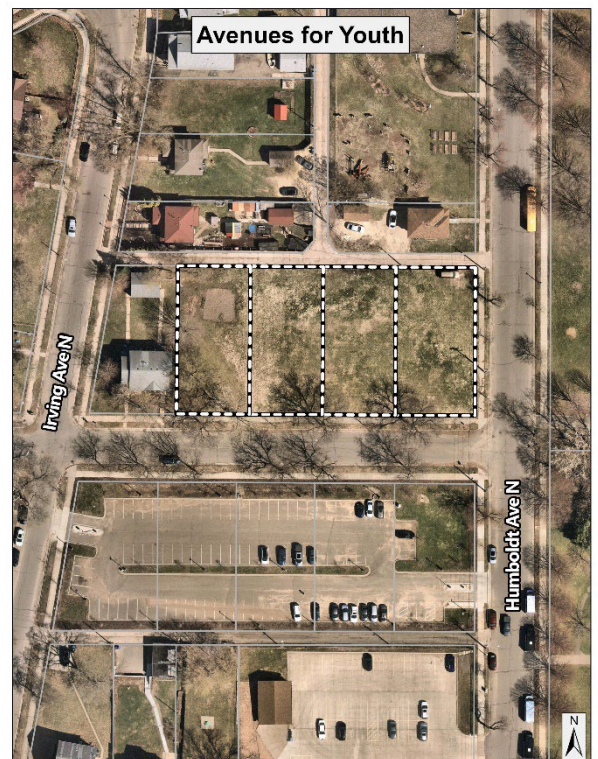
- Estimated seven new FTEs and 20 retained FTEs
- Adds 23 emergency shelter beds and eight units of affordable temporary housing at 30% AMI. Includes six studio and two one-bedroom units.

Site description: Vacant green space

Contamination issues: Soil contaminated with arsenic

Project plans: Construct a three-story residential building intended for young adults that are facing homelessness or in need of emergency shelter, transitional living, or supportive services.

Requested use of ERF grant: Funding for soil cleanup



Bloomington 78th Street Project

Address: 6701 West 78th Street, Bloomington

Applicant: City of Bloomington on behalf of Enclave Development, LLC

Property owner: LTF Real Estate Company Inc.

Recommended award: \$119,000

Award recommendation

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

Previous ERF awards: None

Other funding sources:

- Metropolitan Council TBRA: \$228,000 (requested)
- Minnesota DEED: \$458,000 (requested)

Economic development/housing impact:

- Increases the tax base
- Estimated six to 10 new FTEs
- Adds 25 studio, 46 one-bedroom, six two-bedroom, and two three-bedroom units priced at 60% and 70% of the AMI.
- Adds 122 market-rate units ranging from one to three-bedrooms.

Site description: Vacant

Contamination issues: Soil contaminated with asbestos

Project plans: Construction of new five-story residential building with an onsite daycare

Requested use of ERF grant: Funding for part of soil cleanup costs



CLCLT Homes

Addresses: 1933-35 Hillside Ave N, 5356 45th Ave S, 3111 10th Ave S, 1810 Russell Ave N, 2939 Penn Ave N, 902 22nd Ave N, 2427 17th Ave S, 3428 Sheridan Ave N, 1718 Oliver Ave N, and 5246 Knox Ave N, in Minneapolis

Applicant: City of Lakes Community Land Trust

Property owner: Individual homeowners and CLCLT

Recommended award: \$220,000 (\$330,000 requested)

Award recommendation

The activities are eligible for funding. However, the abatement needs for 2024 are reported by CLCLT to be closer to \$220,000, with the remaining portion of the funding request anticipated to support future projects. Therefore, we recommend a reduced award of \$220,000 and that CLCLT applies for future funding needs in future ERF grant cycles. This reduced award amount is consistent with previous program support.

Previous ERF awards: \$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; \$170,000 fall 2014

Other funding sources:

Hennepin County AHIF \$140,000 (committed)

Economic development/housing impact:

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

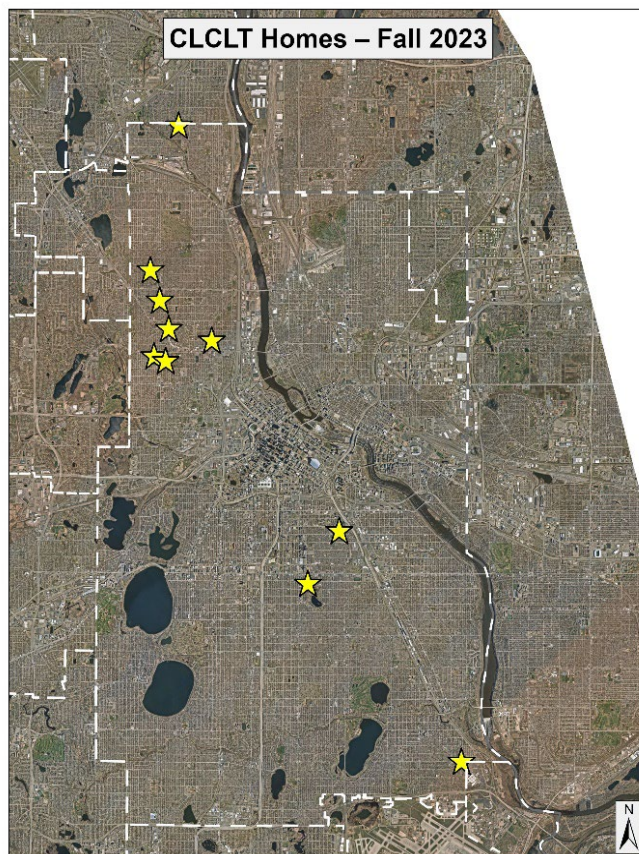
Site description:

Occupied single-family homes and one duplex

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

Project plans: Rehabilitation of homes in exchange for making the homes permanently affordable

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



Ebenezer Redevelopment

Address: 2544 Oakland Avenue and 2545 Portland Avenue South, Minneapolis

Applicant: 2545 Portland GP LLC

Property owners: Ebenezer Society

Recommended award: \$50,000

Award recommendation

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

Previous ERF awards: None

Other funding sources:

- Low-Income Housing Tax Credits \$8,209,431 (requested)
- Housing Infrastructure Bonds \$10,000,000 (requested)

Economic development/housing impact:

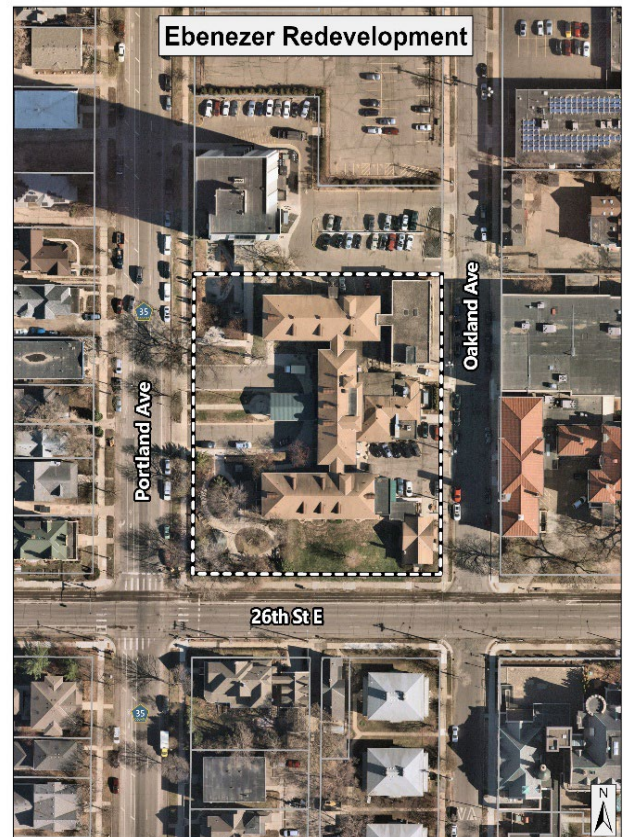
- Estimated three new FTEs
- Increases the tax base
- Adds 17 studio and 37 one-bedroom units at rental rates of 30% or 50% AMI

Site description: Senior long-term care facility

Contamination issues: Unknown

Project plans: Renovating the existing building to replace 110 small residential rooms into 54 new larger residential units of affordable senior housing.

Requested use of ERF grant: Funding for assessment activities



Mikwanedum Audisookon Center for Art and Wellness

Address: 2313 13th Avenue South, Minneapolis

Applicant: City of Minneapolis on behalf of Indigenous Peoples Task Force

Property owner: City of Minneapolis

Recommended award: \$202,790

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:

- Hennepin County Community Investment Grant Initiative \$750,000 (committed)
- State Appropriation through DEED \$6,000,000 (committed)

Economic development/housing impact

Estimated 12.5 new FTEs and retains 19 FTEs

Site description: Vacant site

Contamination issues: Arsenic, PAHs, petroleum, and PCE in soils

Project plans: Construct a community center to provide office, employment, educational, and creative programming spaces for the Native American community. Includes kitchen and a teaching garden, native plantings, and harvesting rainwater for garden use.

Requested use of ERF grant: Funding for soil cleanup costs



O'Shaughnessy Distillery Expansion Project

Address: 526 and 528 Malcolm Avenue SE, Minneapolis

Applicant: City of Minneapolis on behalf of O'Shaughnessy Distilling Company

Property owner: O'Shaughnessy Distilling R/E LLC

Recommended award: \$0 (requested \$98,168)

Award recommendation

The activities are eligible for funding. However, DEED has agreed to fund this project.

Previous ERF awards: None

Other funding sources

- Metropolitan Council \$125,100 (requested)
- Minnesota DEED \$293,970 (requested)

Economic development/housing impact

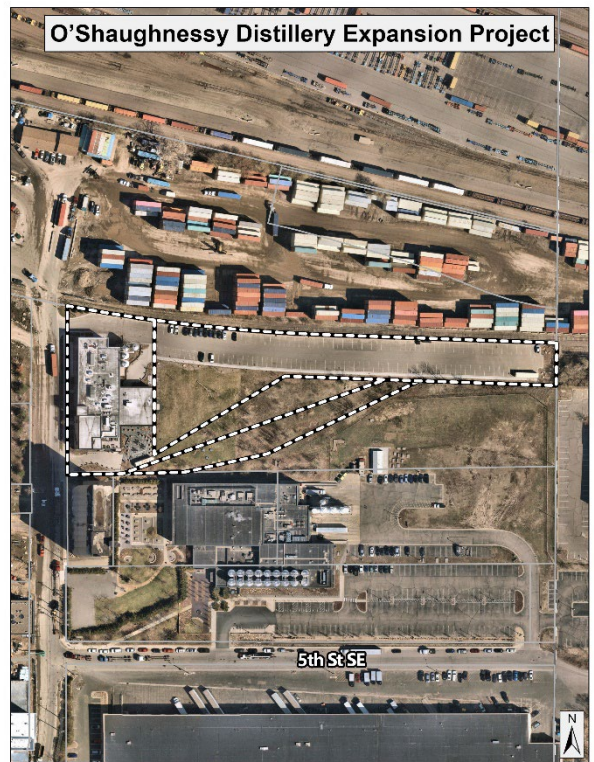
- Increases the tax base
- Adds six new FTEs and retains 20 FTEs

Site description: Vacant

Contamination issues: Soils contaminated with arsenic, petroleum, and PAHs

Project plans: Construct a warehouse building with office space to expand distillery operations

Requested use of ERF grant: Funding for part of soil cleanup costs



Park Plaza

Address: 525 Humboldt Avenue North and 1315 Olson Memorial Highway

Applicant: City of Minneapolis on behalf of Trellis Company

Property owners: CHDC Park Plaza LTD Partnership

Recommended award: \$191,513

Award recommendation

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

Previous ERF awards: None

Other funding sources

- Hennepin County ATHF \$1,000,000 (committed)
- Hennepin County Supportive Housing Strategy \$500,000 (committed)
- Metropolitan Council \$584,237 (requested)
- Assessment funds from Hennepin County Revolving Loan Fund loan repayment proceeds \$50,840 (committed)

Economic development/housing impact

- Increases the tax base
- Estimated 5.75 new FTEs and retains 3.5 FTEs
- Retains 134 affordable housing units through the renovation of five aging residential building. Adds 62 one-bedroom, 59 two-bedroom, and 13 three-bedroom units at 50% or 60% AMI.

Site description: Occupied, five multi-story residential units

Contamination issues: Asbestos and lead dust in the existing buildings

Project plans: Renovation of occupied affordable housing residential units

Requested use of ERF grant: Funding for part of the asbestos abatement and lead dust cleanup in housing units



Powderhorn Park

Address: 3400 15th Avenue South Minneapolis.

Applicant: Minneapolis Park and Recreation Board

Property owners: Minneapolis Park and Recreation Board

Recommended award: \$102,959 (\$152,959 requested)

Award recommendation

The applicant's request includes ineligible costs. The recommended award is reduced to exclude soil management for a portion of the site where sample analytical data does not support evidence of contamination.

Previous ERF awards: Minnesota Brownfields Gap Financing Program (ERF funded) \$9,019

Other funding sources: None

Economic development/housing impact

Creates new park amenities in an underserved community

Site description: Municipal park and recreation center

Contamination issues: Soil contaminated with petroleum and PAHs.

Project plans: Replacement and expansion of the existing park playground and creation of path routes.

Requested use of ERF grant: Funding for part of the soil cleanup costs



Prudential Campus Redevelopment

Address: 13001 Bass Lake Road, Plymouth

Applicant: City of Plymouth on behalf of Scannell Properties and Roers Companies - (SPRC Land Ventures Plymouth, LLC)

Property owner: SPRC Land Ventures Plymouth, LLC

Recommended award: \$193,000 (\$386,533 requested)

Award recommendation

The activities are eligible for funding. However, this project ranked low in comparison with other applications received. Due to the low ranking and limited number of affordable housing units, the recommended award has been reduced by 50%.

Previous ERF awards: None

Other funding sources:

Metropolitan Council \$850,000 (requested)

Economic development/housing impact

- Increases the tax base
- Adds 20 affordable units ranging from one- to three-bedroom priced between 51% and 60% AMI.
- Adds 180 market-rate units ranging from one- to three-bedrooms.

Site description: Vacant commercial office space

Contamination issues: Asbestos is present in the current building

Project plans: Multi-phased redevelopment site with future construction planned to include over 1,000 units of multi-family housing (10% affordable units); 500,000 square feet of commercial space, and a public park.

Requested use of ERF grant: Funding for part of the asbestos abatement costs



Snelling Yards Family Housing

Address: 3601 East 44th Street, Minneapolis

Applicant: City of Minneapolis on behalf of Snelling Yards Development Co. LLC

Property owner: City of Minneapolis

Recommended award: \$189,913

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) - \$40,850 in 2018 through 2021, Hennepin County ERF - \$315,000 in spring 2023

Other funding sources

- Hennepin County AHIF \$900,000 (committed)
- Metropolitan Council \$238,838 (requested)
- Minneapolis AHTF \$2,070,000 (committed)

Economic development/housing impact

- Increases the tax base
- Estimated three new FTEs
- Adds 17 studio, 15 two-bedroom, 43 three-bedroom, and 15 four-bedroom affordable housing units priced at 30%, 50%, 60%, and/or 80% AMI

Site description: Vacant public works building

Contamination issues: Soil contaminated with metals and petroleum, and soil vapor contaminated with VOCs

Project plans: Construction of a five-story affordable housing building with some of the units intended for homeless veterans

Requested use of ERF grant: Funding for part of the soil cleanup costs and installation of a soil vapor mitigation system



Sochacki Park Classroom Development

Address: 3500 June Avenue North, Robbinsdale

Applicant: Three Rivers Park District

Property owner: City of Robbinsdale

Recommended award: \$222,913 (\$445,825 requested)

Award recommendation

The activities are eligible for funding. However, this project ranked lower in comparison to other applications. The recommended award is reduced by 50% due to the low ranking and to exclude costs associated with removal and disposal of soils buried deeper than four feet. These deeper soils are being removed for geotechnical purposes and have minimal evidence of contamination.

Previous ERF awards: None

Other funding sources

- Federal congressional appropriation \$805,000 (requested)
- Three Rivers Park District \$805,000 (committed)

Economic development/housing impact

Creates a classroom building, trail, and new park amenities in an underserved community

Site description: Regional public park

Contamination issues: Soil contaminated with petroleum, metals, and PAHs

Project plans: Construction of a one-story classroom with a new trail and other park amenities

Requested use of ERF grant: Funding for part of soil cleanup costs



Stinson Apartments

Address: 1111 18th Avenue SE, Minneapolis

Applicant: City of Minneapolis on behalf of 1714 E Hennepin LLC

Property owners: RPM Holdings, LLC

Recommended award: \$0 (\$156,000 requested)

Award recommendation

The activities are eligible for funding. However, the Metropolitan Council has agreed to fund this project's ERF request.

Previous ERF awards: Spring 2023 - \$93,950

Other funding sources:

Metropolitan Council \$103,650 (requested)

Economic development/housing impact

- Estimated two new FTEs
- Increases the tax base
- Adds five affordable housing units priced at 60% of the AMI and 19 market-rate housing units consisting of one-bedroom and two-bedrooms

Site description: Vacant site

Contamination issues:

- Soil contaminated with metals, PAHs and petroleum
- Soil vapor contaminated with VOCs
- Abandoned underground storage tank

Project plans: Construct a multi-story residential building

Requested use of ERF grant: Funding for soil cleanup costs, vapor mitigation system installation costs, and removal of underground storage tank



MINNESOTA

Board Action Request

24-0053

Item Description:

Authorization to apply for federal discretionary grants through the 2024 RAISE program for projects on West Broadway Avenue, CSAH 81 (CP 1005877) and Washington Avenue, CSAH 152 (CP 2221000)

WHEREAS:

WHEREAS, the United States Department of Transportation (USDOT) has given notice of funding opportunity for fiscal year 2024 through the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program for fiscal year 2024 is available.

Resolution:

BE IT RESOLVED, that the county administrator be authorized to apply for RAISE grants for the following County Projects (CP):

- County State Aid Highway (CSAH) 81 (West Broadway Avenue) from Lyndale Avenue North to West River Road, CP 1005877; and
- CSAH 152 (Washington Avenue) from Fifth Avenue South to CSAH 122 (Washington Ave SE) eastbound ramp, CP 2221000

BE IT FURTHER RESOLVED, that the sponsorship and acceptance of grant funding for these projects by the Hennepin County Board of Commissioners does not imply a continued funding commitment by the county for these projects when grant funds are no longer available.

Background:

The USDOT RAISE discretionary grant program has \$1.5 billion available in federal fiscal year 2024 to award on a merit-based, competitive basis. USDOT evaluates applications based on criteria of safety, environmental sustainability, quality of life, mobility and community connectivity, economic competitiveness and opportunity, state of good repair, partnership and collaboration, and innovation. Applications are due February 28, 2024, and selections will occur by July 2024. Funding would cover project costs during construction, which is predicted to start in 2026 and go through 2029.

The RAISE awards range from \$5 million to \$25 million per project. The county's applications will request between \$7-10 million for CP 10005877 and \$15-\$20 million for CP 2221000. A local match of 20% is required for projects unless they are located in areas of persistent poverty or historically disadvantaged communities, which are eligible for 100% federal cost share. Due to the project locations, no cost share will be required for local match.

The recommended projects on CSAHs 81 and 152 reflect the county's priorities for transit and transportation needs in terms of asset condition, safety, and accessibility. In addition, these projects would be coordinated with two major regional transit investments, the Blue Line Extension light rail and H Line arterial bus rapid transit.

The county previously received a \$12 million RAISE grant for improvements along Lake Street and Lagoon

Avenue as part of the METRO B Line Project (phase two), CP 2193300 (Resolution 23-0287).

Current Request:

This request seeks to authorize the county administrator to apply for two RAISE grants for the following projects:

- CSAH 81 (West Broadway Avenue) from Lyndale Avenue North to West River Road, CP 1005877; and
- CSAH 152 (Washington Avenue) from Fifth Avenue South to CSAH 122 (Washington Ave SE) eastbound ramp, CP 2221000

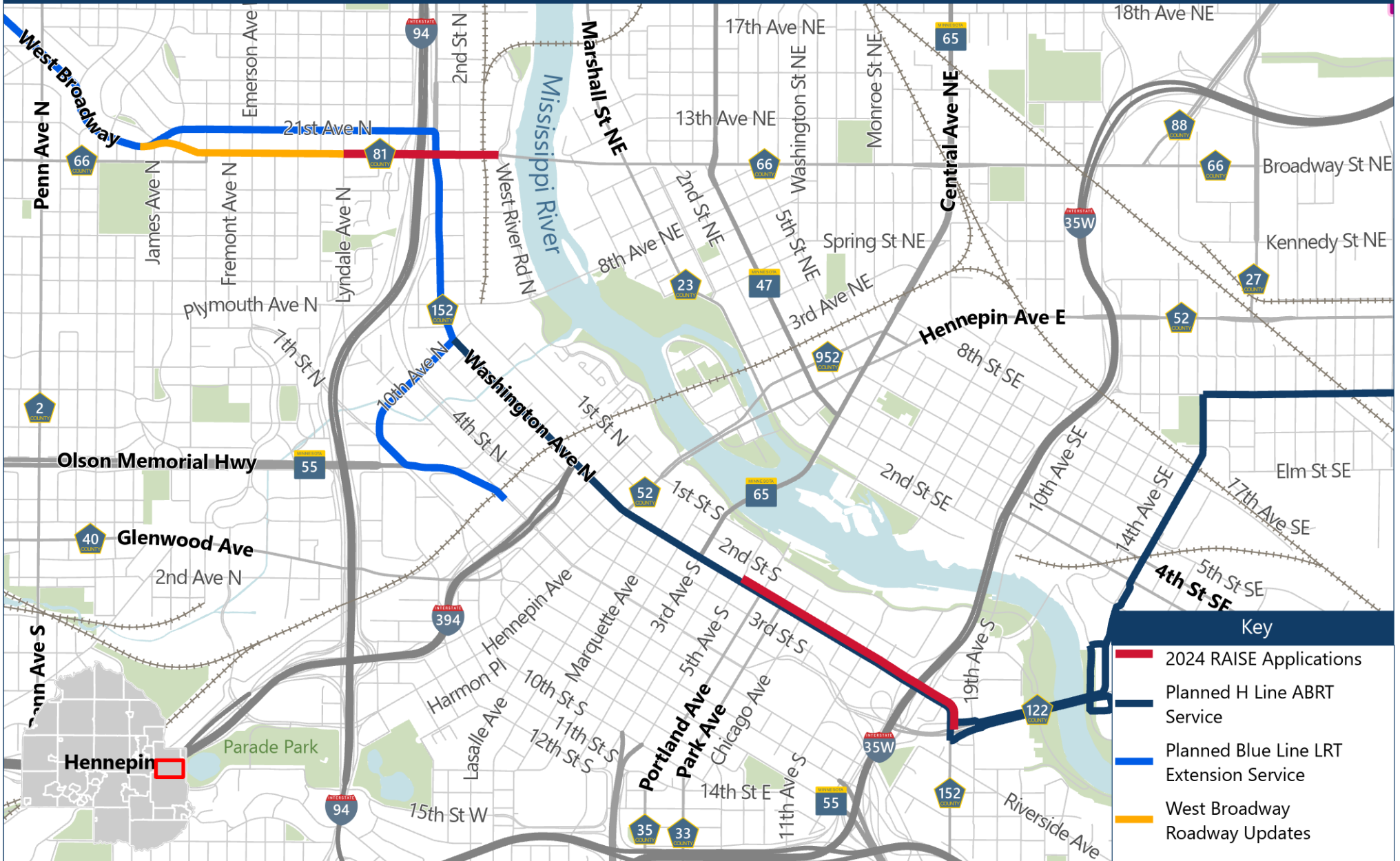
Impacts/Outcomes:

Approval of this request will authorize county staff to apply for federal funding through the RAISE discretionary grant program for fiscal year 2024. If successful, this will help address the county's transit and transportation needs, reduce state aid programming, and support the county's disparity reduction efforts and climate action goals by improving accessibility, mobility and safety through complete and greens streets projects.

Recommendation from County Administrator: Recommend Approval

2024 RAISE Applications

Project Locations | Hennepin County Public Works



Disclaimer: This map (i) is furnished "AS IS" with no representation as to completeness or accuracy; (ii) is furnished with no warranty of any kind; and (iii) is not suitable for legal, engineering or surveying purposes. Hennepin County shall not be liable for any damage, injury or loss resulting from this map.

Publication date: 1/3/2024

Data sources (if applicable):



Board Action Request

24-0061

Item Description:

Approval of agreements for operations and maintenance of HERC (A165757), ash disposal services (PR00005989), metal recovery and recycling services (A2412182), and steam service from HERC (A2412184)

Resolution:

WHEREAS the county has a Plan to Reinvent the County's Solid Waste System to accelerate closure and repurposing of the Hennepin Energy Recovery Center (HERC), which establishes a zero-waste dashboard with criteria to be met to responsibly close HERC and identifies 22 policies that need to be adopted by the State Legislature to realize this zero-waste future and this plan builds on the county's Climate Action Plan and Zero Waste Plan; and

WHEREAS state leadership is needed to make the transition to zero waste, including financing to match desired outcomes, changing state statutes to support the shift away from disposal and toward a circular economy, expanding accountability for zero waste outcomes to include producer responsibility, redeveloping infrastructure to meet state waste reduction and recycling goals, and supporting markets to adapt to changing demands; and

WHEREAS state law requires the county to comply with landfill abatement policies, which currently prioritize waste-to-energy as a means of processing trash, over landfilling; and

WHEREAS these Agreements allow for continuity of service and operations with existing contractors while also containing provisions that allow the county to terminate the contracts early, in the event the State Legislature or county board closes the facility prior to December 31, 2033; therefore

BE IT RESOLVED, the Amended and Restated Agreement (A165757) with Great River Energy HERC Services for the continued operation and maintenance of the HERC, for the period upon execution through December 31, 2033, be approved; that following review and approval by the County Attorney's Office, the Chair of the Board be authorized to sign the Amended and Restated Agreement on behalf of the county; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED that Agreements with SKB Environmental for ash disposal (PR00005989) and metal recovery (A2412182), for the period upon execution through December 31, 2033, be approved; that following review and approval by the County Attorney's Office, the Chair of the Board be authorized to sign the Agreements on behalf of the county; and that the Controller be authorized to disburse and receive funds as directed; and

BE IT FURTHER RESOLVED that Agreement A2412184 with Energy Center Minneapolis, LLC (Cordia Energy) to sell steam from HERC, for the period upon execution through December 31, 2033, be approved; that following review and approval by the County Attorney's Office, the Chair of the Board be authorized to sign the Agreement on behalf of the county; and that the Controller be authorized to disburse and receive funds as directed.

Background:

The county finalized the Zero Waste Plan and defined zero waste as preventing 90% or more of all discarded materials from being landfilled or incinerated. The county's Zero Waste Plan and Climate Action Plan will serve as the foundation of the county's Solid Waste Management Plan that will be developed in late 2024, after the Minnesota Pollution Control Agency releases its Metropolitan Policy Plan. The county also developed a plan to reinvent the county's solid waste system to accelerate closure and repurposing of the Hennepin Energy Recovery Center (HERC). This plan establishes a zero-waste dashboard to define the criteria to be met to responsibly close HERC and identifies 22 policies that need to be adopted by the State Legislature to realize this zero-waste future.

Counties are responsible for managing their solid waste systems in accordance with the state's Waste Management Act, which establishes a waste management hierarchy (Minn. Stat. § 115A.02). The hierarchy prioritizes, in descending order of preference: reduce, reuse, recycle, organics recycling, waste-to-energy, landfill with gas recovery, and landfill without gas recovery.

In 2022, approximately 1.27 million tons of waste was generated in Hennepin County, with 42% of this waste recycled or composted. The material that remained after waste prevention, recycling and composting was more than 750,000 tons that was managed as trash.

The county owns and operates the HERC, which combusts approximately 365,000 tons of trash produced by households and businesses each year. From the trash, HERC recovers metals and energy in the form of steam and electricity. Since HERC opened in 1989, it has processed 12 million tons of trash - enough to fill Target Field 100 times. HERC has produced enough electricity to power 25,000 homes for 34 years and has recovered 350,000 tons of metal.

The county contracts for various services related to HERC, including an operation and maintenance agreement, ash disposal agreement, metal recycling agreement, and steam service agreement. To ensure continuity of operations, these contracts need to be renewed. In negotiating these contracts, the county has minimized potential liability if the county needs to terminate these contracts early due to a HERC decommissioning required by federal or state law, or by county action.

The county board previously approved and amended Agreement (A165757) with Great River Energy HERC Services (GREHS) to manage, operate and maintain HERC (Resolutions 16-0312 and 17-0216). This Agreement covers all the costs to manage, operate, and maintain HERC and complete capital improvement projects authorized by the county. This Agreement is scheduled to terminate on December 31, 2025.

Under the terms of the Agreement, the county reimburses GREHS for all operating, maintenance and capital project expenditures. Additionally, the county pays GREHS a monthly management fee.

The Agreement established an operations committee composed of representatives from the county and GREHS who meet monthly to discuss matters related to the implementation and performance of this Agreement and compliance with federal and state environmental laws.

GREHS continues to demonstrate its ability to comply with the terms and performance goals of the Agreement. Performance goals include accepting and processing trash delivered by waste haulers, maintaining the facility in accordance with good industry standards and practices, producing electricity for sale to Xcel Energy, producing steam for distribution to Energy Center Minneapolis and to Target Field, complying with the Title V Clean Air Permit and other federal and state environmental standards, controlling odors and litter, and completing capital improvement projects. In addition to meeting performance goals, GREHS employs 53 people in mostly union positions to operate HERC and has been fully transparent in all aspects of its operations and maintenance activities, including financial reporting and maintenance records.

The HERC facility generates approximately 80,000 tons of non-hazardous ash each year from the combustion of trash. The county contracts with SKB for transport the ash to its industrial landfill located in Rosemount, Minnesota for disposal. SKB Environmental also recovers metal from the ash and sells that metal on behalf of the county. In 2022, approximately 17,000 tons of metal were recovered from the trash processed at HERC.

The county sells steam generated from HERC to Energy Center Minneapolis, LLC (Cordia Energy), which operates a district energy system in downtown Minneapolis. The steam from HERC supplements the steam generated by Cordia. Typically, HERC sends Cordia between 5,000 and 17,000 pounds of steam per hour.

Current Request: This request is seeking approval of the four agreements previously described: (1) an amended and restated agreement with Great River Energy HERC Services for operations and maintenance of HERC; agreements with SKB Environmental Services for (2) ash disposal and (3) metal recovery; and (4) an agreement with Energy Center Minneapolis, LLC for the sale of HERC steam. All of the agreements have a term of upon execution through December 31, 2033. The GREHS and steam sales agreements contain provisions allowing for the county's early termination of the contracts in the event that the State Legislature or county board determine that the facility will close prior to December 31, 2033. The SKB agreements are dependent on ash and metal produced and therefore do not require early termination clauses.

Impact/Outcomes: This request ensures continuity of operations at the HERC. Until the county achieves its zero-waste goals and state-mandated recycling rates, this action keeps the county in compliance with state statutes, makes progress toward climate action goals, generates revenue for natural resources programming, keeps trash bills stable for residents and businesses, and provides more than 350 high-wage jobs.

Recommendation from County Administrator: Recommend Approval