

Business Item

Community Development Committee



Committee meeting date: June 16, 2025

For the Metropolitan Council: June 25, 2025

Business Item: 2025-148

Funding Recommendations for 2025 Livable Communities Act Round One Tax Base Revitalization Account Grants

District(s), member(s): All
Policy/legal reference: Livable Communities Act, Minn. Stat. § 473.25
Staff prepared/presented: Marcus Martin, Senior Planner, 651-602-1054
Division/department: Community Development / Regional Planning

Proposed action

That the Metropolitan Council:

1. Award seven Livable Communities Tax Base Revitalization Account grants totaling \$2,023,700 as shown in Table 1 below.
2. Authorize its Executive Director of Community Development to execute the grant agreements on behalf of the Council.

Table 1. Tax Base Revitalization Account Grant Recommendations

Applicant	Seeding Equitable Environmental Development (SEED)	Recommended Amount
Richfield	American Legion	\$35,000
Applicant	Environmental Site Investigation Projects	Recommended Amount
Inver Grove Heights EDA	Dickman Trail Industrial Development	\$29,300
Applicant	Contamination Cleanup Projects	Recommended Amount
Saint Paul	The Beasley	\$150,000
Minneapolis	NE Green Campus Expansion	\$965,900
Richfield HRA	Penn Station	\$303,200
Minneapolis	The Curve Nordeast	\$477,000
South Saint Paul EDA	Wakota Crossing	\$471,800
TOTAL		\$2,023,700

Background

The 1995 Livable Communities Act (LCA) funds local projects that revitalize local economies, create housing choice, and support closer links between land use and transportation. Under State statute, cities and townships choosing to participate in the program are eligible to compete for LCA funds. Participation is voluntary.

The Tax Base Revitalization Account (TBRA) is one of three active accounts established by the Livable Communities Act. The TBRA provides grants to clean up and redevelop contaminated land and buildings. The Council adopted the 2025 TBRA guidelines, criteria, schedule, and evaluation process as part of the 2025 Livable Communities Act Fund Distribution Plan (FDP) ([Business Item 2025-46](#)) earlier this year. The Council awards funds through TBRA in two grant cycle rounds each year. The attached Review Record describes the applications and recommended awards for round one in 2025.

Rationale

Since the Livable Communities FDP was adopted before the approval of the new redevelopment guide, the grant recommendations are based on how well the proposals meet the requirements of LCA and Council development goals described in Thrive MSP 2040. (Next year, the FDP will be aligned with the Council's development goals described in Imagine 2050.) Each of the recommended proposals implements Council policy by working with local communities to accommodate growth in a flexible, connected, and efficient manner. All the recommended projects comply with guidelines established in the 2025 FDP. Once complete, the proposed projects will have cleaned up five acres of contaminated sites, added over \$300,000 to the regional annual tax base, supported over 100 new and retained jobs, and added 75 affordable housing units to the region.

Thrive lens analysis

The Livable Communities Act programs represent one of the Council's primary financial tools to advance and encourage development and redevelopment that advance Thrive 2040 outcomes of Livability, Sustainability, Equity, and Prosperity. Several grant distribution criteria further the Council's Equity outcome by better accounting for measurable equity impacts. Finally, the LCA programs are an important way the Council advances Stewardship by making strategic investments in our region's future to ensure orderly and financially economical development.

Funding

Funds are available in the Livable Communities authorized 2025 budget and Livable Communities reserve accounts. Reserves may need to be amended into a future annual budget to meet cashflow needs on Livable Communities multi-year grants.

The seven projects recommended for funding total \$2,023,700. The balance of available funds not awarded in this round will be available for future programming later in 2025.



REVIEW RECORD

Review Process

Council staff issued an initial notice of funding availability in March 2025. Staff provided additional notification at the state brownfield conference in April. Staff hosted a technical assistance workshop in early March for prospective applicants, in collaboration with the Minnesota Department of Employment and Economic Development (DEED), Hennepin County, and Ramsey County. Staff also provided additional technical assistance to applicants when requested prior to the application deadline.

The Council received seven applications in May, totaling \$2.5M in requests. The total funding recommendation has been reduced from the total amount requested to adjust for necessary volume of cleanup and to only pay for eligible expenses.

Table 2. Application Summary

Grant Category	Submitted Applications	Applications Eligible for Review	Applications that met the minimum score	Applications recommended for funding
SEED	1	1	1	1
Investigation	1	1	1	1
Cleanup	5	5	5	5
TOTAL	7	7	7	7

Staff reviewed the applications in May and June using the following evaluation categories approved in the Fund Distribution Plan:

- project outcomes and impact
 - increase to the tax base
 - jobs and/or affordable housing
 - compact, connected development
- environment & livability
- project process
- project capacity

Council staff in Environmental Services, Transportation, Regional Parks, Local Planning Assistance, and the Livable Communities Act and Housing team provided additional evaluation and comments. The Minnesota Department of Employment and Economic Development (DEED), the Council's largest brownfield funding partner in the metro area (as measured by funding available), and staff from the Minnesota Pollution Control Agency (MPCA) also provided comments. Per Local Planning Assistance staff, all of the projects recommended for funding are consistent with 2040 comprehensive plan requirements. Concerns regarding potential impacts to regional systems were primarily reminders to request direct connection or discharge permits when accessing the metropolitan wastewater disposal system prior to starting construction. Projects near the regional trail system, such as Penn Station, The Curve Nordeast, and Wakota Crossing, are encouraged to add bicycle amenities to encourage use of the system.



Project Recommendations

The following projects applied for TBRA funding:

Table 3. SEED Application Scoring Summary

Rank	Applicant – Project	Score	TBRA Request	Recommended Funding*
1	Richfield – American Legion ±	35	\$35,000	\$35,000

* Recommended funds are rounded down to the nearest \$100.

± Located in a Transit Oriented Development Area.

Table 4. Investigation Application Scoring Summary

Rank	Applicant – Project	Score	TBRA Request	Recommended Funding*
1	Inver Grove Heights EDA – Dickman Trail Industrial Development	39	\$29,313	\$29,300

* Recommended funds are rounded down to the nearest \$100.

Table 5. Contamination Cleanup Application Scoring Summary

Rank	Applicant – Project	Score	TBRA Request	Recommended Funding*
1	Saint Paul – The Beasley ±	109	\$150,054	\$150,000
2	Minneapolis – NE Green Campus Expansion ± ^	107	\$557,431	\$965,900
3	Richfield HRA - Penn Station ^	100	\$153,092	\$303,200
4	Minneapolis – The Curve Nordeast ± ^	87	\$395,476	\$477,000
5	South Saint Paul EDA – Wakota Crossing **	76	\$1,205,918	\$471,800
	SUBTOTAL – CLEANUP			\$1,896,100

* Recommended funds are rounded down to the nearest \$100.

± Located in a Transit Oriented Development Area.

^ Additional funding recommended to fill an anticipated funding shortfall

** Recommended funds reduced to match eligible costs verified by data provided in environmental reports

Additional Funding Considerations

As outlined in the Fund Distribution Plan, the Council approved up to \$6M in funding for TBRA grants in 2025:

- The approved plan included \$2,750,000 for investigation and cleanup grants to be awarded in two funding cycles for the calendar year, and
- \$500,000 for Seeding Equitable Environmental Development (SEED) to encourage development on strategic sites.

Sufficient funding is available to fund the grant recommendations. Unallocated funds are available for future programming.

Statutory limits

The LCA statutes limit funding when competition for funds exceeds the amount available. To comply with the statute, no more than 75% of the available TBRA funding may be awarded to

Minneapolis and Saint Paul, and no more than 50% of the available funding may be awarded to a single city.

In this grant cycle, the total amount requested (\$2.5M) is below the amount of funding made available in this funding cycle (\$3M). Therefore, the statutory funding limits for a single city and central cities do not apply.

Partner funding

In addition to the Council's TBRA funding, other sources of public funding are available to investigate and clean up contaminated sites. In the current funding cycle, several projects also applied for state and/or county cleanup funding. By statute, the Council must consider the probability of funding from other sources when making grants (Minn. Stat. § 473.252, subd. 3). For projects that are a priority for the Metropolitan Council, the Council has the discretion to increase funding to make up for shortfalls or reduce Council funding due to sources expected from other funding partners. Priorities are evaluated using evaluation criteria approved in the annual FDP, and funding awarded by the Council is limited to TBRA-eligible cleanup expenses. As of the writing of this report, funding partners DEED, Hennepin County, and Ramsey County are near completing their funding recommendations. TBRA funding recommendations include funding more than the requested amount for three projects (Penn Station, The Curve Northeast, and the NE Green Campus Expansion) that are likely to have a shortfall from these partner sources.

Affordable Housing Need

The housing units proposed by projects in this grant cycle are projected to be available for occupancy in the year 2026-27. The following table shows the projected affordable housing need for the decade between 2021 and 2030 and the number affordable homes that are expected to be built as a result of the projects recommended for funding. Not all proposals included a housing component. If completed as planned, the proposed affordable homes supported by TBRA grant funding will address part of the affordable housing need in the current decade.



Table 6: Affordable Housing Need 2021-2030 and Proposed Affordable Units within 2025 Round One TBRA Cleanup Projects by City

City	Housing Units	Total Affordable	At or below 30% of AM (up to \$39,700)	31% to 50% of AMI (up to \$66,200)	51% to 80% of AMI* (up to \$104,200)
Minneapolis	Proposed Units	33	33	0	0
	% Need Met by TBRA Project	1%	2%	0%	0%
	Total Affordable Units Needed	3,499	1,551	494	1,454
Richfield	Proposed Units	42	16	0	26
	% Need Met by TBRA Project	9%	6%	0%	67%
	Total Affordable Units Needed	486	284	163	39
Saint Paul	Proposed Units	20	0	0	20
	% Need Met by TBRA Project	1%	0%	0%	2%
	Total Affordable Units Needed	1,973	832	128	1,013
TOTAL	Proposed Units	75	49	0	46

* The Council only projects the need for rental housing for households living on up to 60% AMI (\$79,440) and homeownership opportunities affordable to households earning up to 80% AMI (\$104,200).

Demonstrated Need for TBRA Funding

Eligible applications must demonstrate that the project requires TBRA funding to be completed as proposed. This determination is made by reviewing the applications, verifying eligible costs and sources, and obtaining additional information from the various partners.

For cleanup assistance requests, staff first compares the amount of the eligible cleanup funding requested to the overall project costs. Where the eligible cleanup costs are 1% or less of the total development costs, the program expectation is that the cleanup cost can be reasonably absorbed in the development costs without Council assistance. The second measure considered is the amount of funding committed from other public and private sources to conduct the environmental work.

All the applications recommended demonstrated a need for TBRA funding.



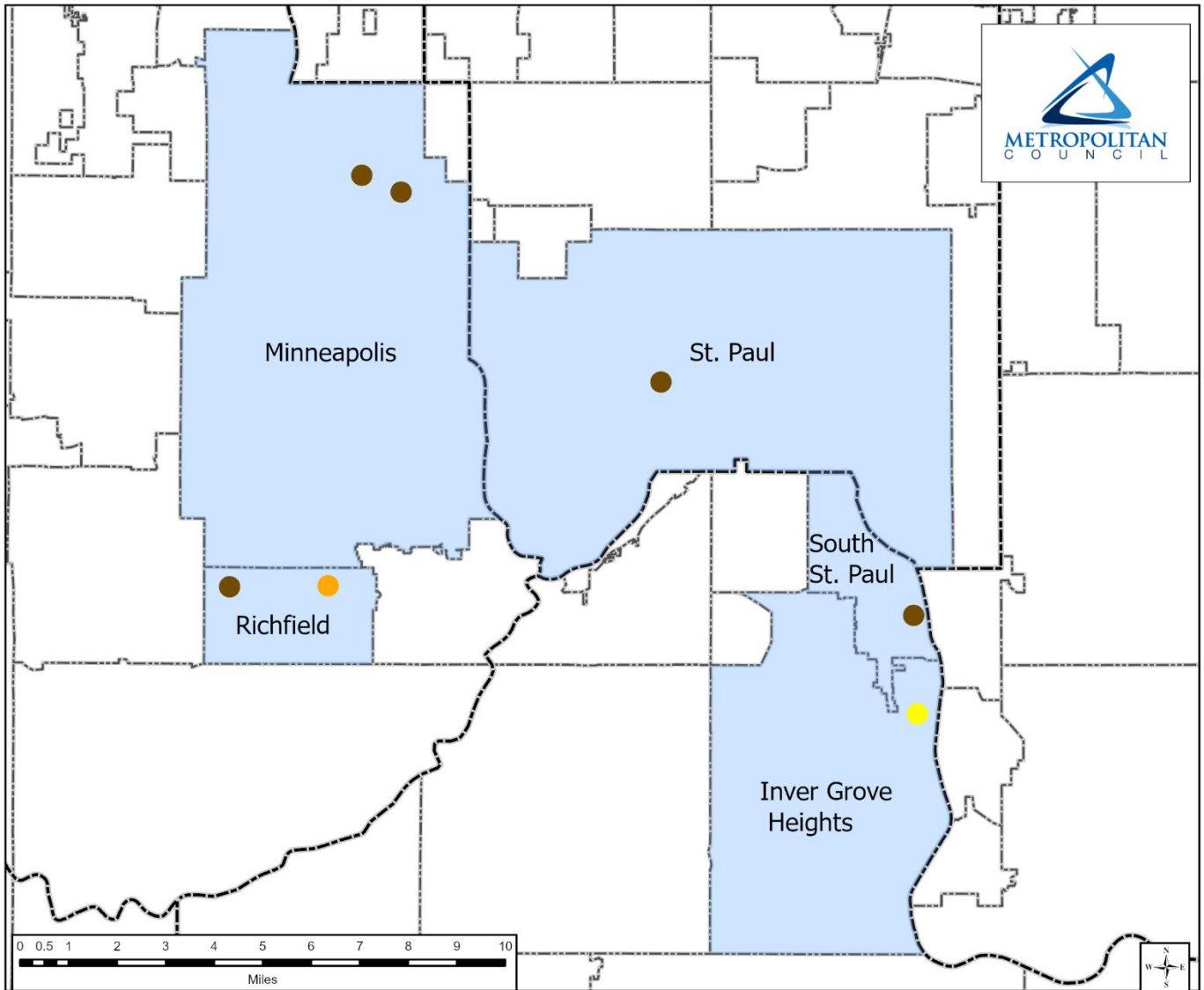
Projects Recommended for TBRA Funding

A summary follows for each project recommended for funding, listed alphabetically by applicant and grant type. See Figure 1 for a map of recommended projects. For evaluation purposes, please note:

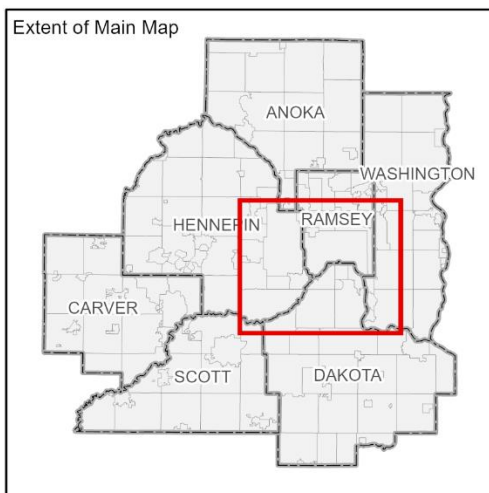
- The grant-funded activities for each of the projects are expected to be completed within the grant term, and each redevelopment project facilitated by the grant must start construction within the grant term (for example, three years for cleanup grants).
- Recommended funds are rounded down to the nearest \$100.
- It is possible that not all the total estimated cleanup costs submitted in an application are eligible for reimbursement due to several factors. These factors can include the responsibility by the individual or organization that caused the pollution; the type of contamination; the date the costs were incurred; costs that are not part of a Response Approval Plan approved by the Minnesota Pollution Control Agency or Minnesota Department of Agriculture; costs for soil management that were not demonstrated to exceed or do not exceed regulatory thresholds or cleanup guidance, estimates of contaminated soil volume do not match areas or volumes confirmed to be contaminated during investigation sampling provided for review, ineligibility according to Council grant administration guidelines; or insufficient documentation of the proposed costs.
- For cleanup grants, increases in the annual net tax capacity were calculated using a comparison of the net tax capacity using valuations assessed in 2024 with the future estimated net tax capacity for improvements that will be completed within a three-year grant term.
- Full-time equivalent (FTE) jobs are based on the number of full-time and part-time hours divided by a 40-hour work week.
- For grant evaluation purposes in 2025, living wage jobs have an annual wage equal to 185% of the federal poverty level for a family of four per job (\$59,500).
- For grant evaluation purposes, affordable housing includes units affordable to a household of four earning 60% of the regional area median income (AMI) or less (\$79,440). The number of proposed units by affordability tiers are specified in each project summary.
- Funding Partner Requests listed in the summaries are limited to costs associated with brownfield investigation and/or cleanup.



Figure 1. Map of Recommended TBRA Projects



6/11/2025



Grant Type

- Cleanup
- Investigation
- SEED
- City with project recommended for funding

Project Summary

Grant #**Grant Type**

SEED

Applicant

City of Richfield

Project Name

American Legion

Project Location

6501 Portland Avenue South, Richfield

Council District

5 – John Pacheco Jr.

Project Detail	
Contaminant history	The 2.2- acre site includes a vacant former American Legion building. Potential contaminants of concern include metals and polynuclear aromatic hydrocarbons (PAHs) mixed with debris in the fill soil and possible petroleum-impacts for adjacent properties and a former underground storage tank on the site.
Funding	
Recommended amount	\$35,000
Funding partner requests	\$0
Previous LCA funding	\$0
Use of Funds	
Eligible uses (to be completed by the end of the grant term)	For Phase I Environmental Site Assessment (ESA), Phase II ESA, and related environmental oversight.
Comments	Costs incurred prior the date of grant award are <u>not</u> eligible for reimbursement using grant funds.



Project Summary

Grant #

Grant Type

Contamination Investigation

Applicant

Inver Grove Heights EDA

Project Name

Dickman Trail Industrial Development

Project Location

6910, 6940, 6950 Dixie Avenue and 6971 Dickman Trail, Inver Grove Heights

Council District

15 – Vacant

Project Detail

Contaminant history

The 14.7-acre commercial site includes four vacant industrial buildings and one vacant residence. Historically, the site was used as a salvage yard and a trucking company maintenance facility, garbage hauling and a metal fabrication shop. Potential contaminants of concern based on recent uses of the property include metals, volatile organic compounds (VOCs), polynuclear aromatic hydrocarbons (PAHs) and diesel-range organics (DRO) in the soil.

Potential redevelopment project

Potential benefits include 27,000 square feet of industrial space in 3 buildings including office and warehousing with both indoor and outdoor storage.

Funding

Estimated Project Amount

\$39,083

Recommended amount

\$29,300

Funding partner requests

\$29,312 DEED (Duplicate request not expected to be funded)

Match

\$9,770 (or 25% of total eligible costs requested for reimbursement, whichever is less)

Previous LCA funding

\$0

Use of Funds

Eligible Uses (to be completed by the end of the grant term)

For Phase I Environmental Site Assessment, Phase II ESA, Response Action Plan (RAP), and related environmental oversight.

Comments

Previous site investigation costs, if any, incurred within 180 days of the date of application may be eligible as part of the required matching costs.



Project Summary

Grant #

Grant Type

Contamination Cleanup

Applicant

City of Saint Paul

Project Name

The Beasley

Project Location

642 Selby Avenue, Saint Paul

Council District

14 – Toni Carter

Project Detail	
Contaminant history	The 0.3-acre mixed-use site includes two vacant apartments over a former drycleaner. Contaminants of concern include Tetrachloroethene (PCE) in the soil and soil vapor.
Redevelopment project to start construction by the end of the grant term	Expected benefits include a new 5-story building with 20 ownership condos affordable to households earning 80% of the area median income (AMI) or less, with 2,840 square feet of ground level retail.
Jobs (FTEs)	9
Net tax capacity increase	\$120,031
Acres cleaned	0.3
Total housing units	20
Affordable units	20 ownership units at 80% of Area Median Income (AMI)
Recommended amount	\$150,000
Funding partner requests	\$149,834 Ramsey County ERF (\$50,000 Ramsey ERF grant awarded in Jan 2025), \$148,574 DEED
Previous LCA funding	\$0
Use of Funds	
Eligible uses (to be completed by the end of the grant term)	For Phase I Environmental Site Assessment Update, additional environmental site investigation, abatement plans, asbestos abatement, soil remediation, soil vapor mitigation, and related environmental oversight.
Comments	Additional soil investigation is eligible for reimbursement using grant funds. Demolition, geotechnical work, and costs associated with preparing and filing an environmental covenant are <u>not</u> eligible for reimbursement using grant funds.



Project Summary

Grant #

Grant Type

Contamination Cleanup

Applicant

City of Minneapolis

Project Name

NE Green Campus Expansion

Project Location

1900, 1912, 1922 Monroe Street NE and 661 19th Avenue NE, Minneapolis

Council District

7 – Yassin Osman

Project Detail

Contaminant history	The vacant 1.7-acre industrial site most recently included an electroplating facility. Other historic uses include a metal foundry, an auto repair facility, a construction company, and warehousing. Contaminants of concern include metals, polynuclear aromatic hydrocarbons (PAHs), and diesel-range organics (DRO) in soil, as well as trichloroethene (TCE) in the soil vapor and volatile organic compounds (VOCs) in the groundwater.
Redevelopment project to start construction by the end of the grant term	Expected benefits include an office and training facility with a garage and greenhouse, hoop building, and a timber frame building for an agricultural nonprofit focused on youth training and a 33-unit affordable senior housing development, including 10 units for high-priority homeless households living with HIV/AIDS
Jobs (FTEs)	15.5
Net tax capacity increase	\$17,700
Acres cleaned	1.7
Total housing units	33
Affordable units	33 at 30% Area Median Income (AMI) or below
Recommended amount	\$965,900
Funding partner requests	\$908,560 Hennepin County ERF, \$759,333 DEED
Previous LCA funding	\$0
Use of Funds	
Eligible uses (to be completed by the end of the grant term)	For soil remediation, soil vapor mitigation (including confirmation sampling after installation), and related environmental oversight.
Comments	Costs for demolition and removal and testing of buried contaminated concrete slabs on site are eligible for reimbursement using grant funds. Geotechnical costs and costs associated with preparing and filing an environmental covenant are <u>not</u> eligible for reimbursement using grant funds



Project Summary

Grant #

Grant Type

Contamination Cleanup

Applicant

City of Richfield HRA

Project Name

Penn Station

Project Location

6501 and 6525 Penn Avenue South, Richfield

Council District

5 – John Pacheco Jr.

Project Detail	
Contaminant history	The mostly vacant 0.9-acre site includes an unoccupied single-story commercial building. Past uses include auto supply companies, a camping supply store, auto repair shops, cabinet makers, electronic sales and repair shops, and a motorcycle/scooter dealership. Contaminants of concern include metals, volatile organic compounds (VOCs), and diesel-range organics (DRO) in the soil and polynuclear aromatic hydrocarbons (PAHs) in the soil vapor.
Redevelopment project to start construction by the end of the grant term	Expected benefits include 42 affordable apartments (including seven units for high-priority homeless individuals and six units for people with disabilities)
Jobs (FTEs)	1.5
Net tax capacity increase	\$19,250
Acres cleaned	0.9
Total housing units	42
Affordable units	42 (16 at 30% Area Median Income (AMI) or below; 26 at 51%-60% AMI)
Recommended amount	\$303,200
Funding partner requests	\$150,191 Hennepin County ERF
Previous LCA funding	\$850,000 LHIA and \$100,000 LCA Predevelopment awarded in 2024.
Use of Funds	
Eligible uses (to be completed by the end of the grant term)	For Response Action Plan (RAP) preparation, abatement plans, additional environmental site investigation, asbestos abatement, soil remediation, soil vapor mitigation (including confirmation sampling after installation), and related environmental oversight.
Comments	Costs for additional investigation of the south parcel and sealing the well on site are eligible for reimbursement using grant funds. Demolition of remaining buildings and costs associated with preparing and filing an environmental covenant are <u>not</u> eligible for reimbursement using grant funds.



Project Summary

Grant #

Grant Type

Contamination Cleanup

Applicant

City of Minneapolis

Project Name

The Curve Northeast

Project Location

1501 Johnson Street NE, Minneapolis

Council District

7 – Yassin Osman

Project Detail	
Contaminant history	The 2.2-acre industrial site most recently included an industrial building used for semi-truck repair with a small office area and outdoor storage. Historically, the site has also been used as a public dump. Contaminants of concern include metals, polychlorinated biphenyls (PCBs), volatile organic compounds (VOCs), polynuclear aromatic hydrocarbons (PAHs) and diesel-range organics (DRO) in the soil and VOCs in the soil vapor.
Redevelopment project to start construction by the end of the grant term	Expected benefits include a 34,400 square foot commercial development with a ground-level grocery and upper-level daycare and the addition of two stormwater treatment areas.
Jobs (FTEs)	75
Net tax capacity increase	\$152,700
Acres cleaned	2.2
Total housing units	0
Affordable units	0
Use of Funds	
Recommended amount	\$477,000
Funding partner requests	\$81,606 Hennepin County; \$652,849 DEED
Previous LCA funding	\$0
Eligible uses (to be completed by the end of the grant term)	For soil remediation, soil vapor mitigation (including confirmation sampling after installation), and related environmental oversight.
Comments	Geotechnical costs and costs associated with preparing and filing an environmental covenant are <u>not</u> eligible for reimbursement using grant funds.



Project Summary

Grant #

Grant Type

Contamination Cleanup

Applicant

South Saint Paul EDA

Project Name

Wakota Crossing

Project Location

843 Hardman Avenue South, South Saint Paul

Council District

12 – Susan Vento

Project Detail	
Contaminant history	The 13.6-acre portion of the larger 36-acre industrial site includes a service garage and filling station and outdoor storage. Historically, the vacant portion of the 13.6-acre site included an unpermitted dump. Contaminants of concern diesel-range organics (DRO) with debris in the soil, petroleum-related impacts in the groundwater and methane in the soil vapor.
Redevelopment project to start construction by the end of the grant term	Expected benefits include construction of a 79,200 square foot industrial building, renovation of an existing maintenance garage with office space and the addition of two stormwater treatment areas. (Construction of two additional industrial buildings are expected in a future development phase.)
Jobs (FTEs)	104
Net tax capacity increase	\$123,906
Acres cleaned	13.6
Total housing units	0
Affordable units	0
Use of Funds	
Recommended amount	\$471,800
Funding partner requests	\$1,205,918 DEED
Previous LCA funding	\$44,400 TBRA investigation grant in January 2025. (A prior TBRA cleanup grant with a similar name adjacent to the subject property awarded in 2023 was relinquished in full.)
Eligible uses (to be completed by the end of the grant term)	For contaminated soil remediation, soil vapor mitigation (including confirmation sampling after installation), lining of the stormwater ponds, and related environmental oversight.
Comments	Eligible costs were reduced to reflect estimated volume of soils proposed for excavation that were confirmed as contaminated using the data provided. Geotechnical work, Operations and Maintenance (O&M) plans, dewatering and costs associated with environmental covenant are <u>not</u> eligible for reimbursement using grant funding.

