



<b>Title:</b>	Authorization to Submit Hennepin County Environmental Response Fund Spring 2022 Grant Application	
<b>Resolution number:</b>	22-026	
<b>Prepared by:</b>	Gabriel Sherman, Planner-Project Manager Phone: (952) 641-4510 gsherman@minnehahacreek.org	
<b>Reviewed by:</b>	Michael Hayman, Project Planning Manager	
<b>Recommended action:</b>	Board authorization to submit an application to the Hennepin County Environmental Response Fund grant program's Spring 2022 funding round, to complete minimal residual environmental cleanup of 325 Blake Road.	
<b>Schedule:</b>	March 11, 2022: Final reporting submitted to MPCA for approval of site action plans April 2022: Anticipated MPCA approval of 325 Blake Response Action Plan (RAP) and RAP Addendum May 2, 2022: Application to Hennepin County ERF grant program Spring 2022 round Fall 2022 - 2023: RAP implementation during construction	
<b>Budget considerations:</b>	Not applicable	
<b>Past Board action:</b>	Res # 13-010	Authorization to Complete Subsurface Investigation at 325 Blake Road, Hopkins
	Res # 17-037	Authorization to Apply for Hennepin Country Grant Funding
	Res # 17-044	Authorization to Execute a Contract for Environmental Investigation at 325 Blake Road
	Res # 17-062	Authorization to Apply for Funding Assistance for 325 Blake Rd
	Res # 18-099	Authorization to Execute an Environmental Response Fund Grant Agreement with Hennepin County Environment and Energy Department for 325 Blake Road
	Res # 18-113	Authorization to Execute a Contract with Wenck Associates for Continued Environmental Investigation at 325 Blake Road
	Res # 22-008	Authorization to Execute a Contract Amendment with Stantec for Completion of Environmental Investigation at 325 Blake Road

**Summary:**

In July 2017, the Minnehaha Creek Watershed District (MCWD), with the assistance of Wenck Associates (now Stantec), received environmental investigation funds through the Hennepin County Closeout of Assistance (COA) Brownfield Gap Financing program for use at 325 Blake Road. That grant was used to complete Phase I and Phase II Environmental Site Assessments and develop a draft Construction Contingency Plan (CCP) and draft Response Action Plan (RAP) for demolition and abatement activities related to the industrial facility. Following that investigation effort, all reporting developed as part of that environmental work was submitted to the Minnesota Pollution Control Agency (MPCA) for review.

The MPCA, during its review of the draft RAP, indicated a need to conduct additional soil investigations within the footprint of the industrial building, as well as additional soil vapor testing in locations where future residential and commercial buildings will be constructed. At the time of its review, the industrial building had not yet been demolished and a development partner had not yet been selected, so those additional investigation items were slated as future work, with MCWD identifying supplementary funding to assist with the additional environmental investigation effort.

In February 2018, MCWD was awarded a \$25,000 grant through the Hennepin County Environmental Response Fund (ERF) to assist with the additional site investigation, soil testing and soil vapor testing. The focus of the ERF grant award was specific to completing the approved work plan for additional environmental investigation, as previously reviewed by the MPCA. These additional soil borings and soil vapor testing were necessary to characterize the suitability of soils onsite and refine the MCWD's understanding of the known petroleum contamination and potential vapor intrusion locations within future building footprints.

In December 2018, during demolition activities, the MCWD completed its first round of investigation in an area of a known abandoned underground storage tank at the site. The findings of this investigation were then submitted to the MPCA as an Additional Investigation Work Plan for review and approval. The work plan described potential contaminants of concern, additional soil investigation activities using test pits, the completed groundwater investigation, and additional soil vapor testing plans that would be carried out once final development plans were known.

In late December 2018, utilizing the onsite demolition contractor, MCWD completed additional test pits within the former building footprint and at identified "hot spots" described in the 2018 Work Plan. Soil samples were collected and analyzed from a total of 18 test pit locations, further refining MCWD's understanding of potential contamination on the site.

The final investigation step as approved by the MPCA was soil vapor testing in the location of future building footprints. This work was delayed for a period of approximately three years as MCWD and the City of Hopkins explored options for a joint development vision and searched for a development partner to redevelop the site. In February 2022, the Board approved an amendment to the contract with Stantec for completion of environmental investigation at the site, including soil vapor testing and the preparation of a CCP and RAP addendum. Soil vapor testing was completed and the CCP and RAP addendum was submitted to the MPCA in March 2022.

Although most soil on site is anticipated to be suitable for reuse, the final RAP submittal identified three known or suspected areas with minimal soil contamination that may exceed residential values:

1. **Southern end of the planned stormwater pond:** Polycyclic Aromatic Hydrocarbons (PAH) exceed the state Residential Soil Reference Value (SRV). This area is completely within the property to be retained by MCWD and impacts are anticipated to be minimal.
2. **Northern end of the planned stormwater pond and Alatus restaurant pads:** Petroleum-related parameters such as Diesel Range Organics (DRO) and Volatile Organic Compounds (VOC) was detected in 2007. This area straddles the property to be retained by MCWD and that to be purchased by Alatus, and is the site of a former underground tank that leaked decades ago. Impact area is anticipated to be minimal based on previous testing.
3. **West end of the property under planned LIHTC building:** Petroleum-related parameters such as DROs may be present, although the impacts are expected to be minimal. This area may already have been remediated through the reconstruction of Blake Road and not be an issue. Testing during excavation will confirm.

ERF funds are being sought for:

1. Testing; excavation, transportation, and disposal of contaminated soils above residential values that may be encountered
2. Sealing of monitoring wells
3. Testing for contamination during construction dewatering
4. Oversight and reporting
5. MPCA review costs

MCWD anticipates contracting for the cleanup of the two areas in the planned pond, including the portion under the future restaurant pads. MCWD does not anticipate contracting for the work under the LIHTC building, however MCWD would coordinate with Hennepin County to reimburse Alatus for that work. MCWD is not seeking funding for the remediation of the remaining soil vapor issue. The response action for soil vapor is installation of an active vapor mitigation system in the impacted building. Due to the anticipated timing of construction of the impacted building, the Spring 2022 ERF grant round does not align for applying for funding for that particular response action.

**Supporting documents (list attachments):**

- City of Hopkins Resolution 2022-034: Resolution Supporting Minnehaha Creek Watershed District's Application for a Hennepin County Environmental Response Fund Grant for 325 Blake Road



## RESOLUTION

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**Resolution number:** 22-026

**Title:** Authorization to Submit Hennepin County Environmental Response Fund Spring 2022 Grant Application

- WHEREAS Hennepin County administers the Environmental Response Fund (ERF) grant program to fund the assessment and cleanup of contaminated sites in order to reduce barriers to site redevelopment;
- WHEREAS in July 2017, the Minnehaha Creek Watershed District (MCWD) received notification that the Hennepin County COA program would fund preliminary investigation and reporting activities for an amount up to \$36,207;
- WHEREAS in February 2018, MCWD was awarded an ERF grant in the amount of \$25,000 for assistance with additional environmental site investigation activities;
- WHEREAS in December 2018, during demolition activities, MCWD completed its first round of additional investigation and submitted those findings to the Minnesota Pollution Control Agency (MPCA) as an Additional Investigation Work Plan for review and approval. The MPCA approved the proposed work plan for additional soil investigation activities using test pits and additional soil vapor testing plans that would be required once final development plans were known;
- WHEREAS in 2021, following the selection of Alatus as its development partner, MCWD was granted an extension of its ERF grant funds by Hennepin County and in October 2021, completed its first round of soil vapor sampling;
- WHEREAS on February 10, 2022 the Board authorized the District Administrator to execute a contract amendment with Stantec for additional environmental investigation at 325 Blake Road;
- WHEREAS Stantec conducted the additional environmental investigation and on March 11, 2022 submitted an Response Action Plan (RAP)/Construction Contingency Plan (CCP) addendum to MPCA;
- WHEREAS MPCA's approval of the RAP/CCP Plan addendum is anticipated in April 2022;
- WHEREAS Hennepin County is conducting a Spring 2022 ERF grant round, with applications due May 2, 2022;
- WHEREAS the final RAP/CCP has identified several areas with known or possible contamination that require testing and potential remediation during construction of MCWD's 325 Blake Road improvements and the redevelopment of the site by Alatus, LLC;
- WHEREAS no funding source is currently identified to complete testing and remediation;

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers hereby authorizes District Staff to submit an application to the Hennepin County Environmental Response Fund grant program's Spring 2022 funding round.

Resolution Number 22- 026 was moved by Manager \_\_\_\_\_, seconded by Manager \_\_\_\_\_. Motion to adopt the resolution \_\_\_ ayes, \_\_\_ nays, \_\_\_ abstentions. Date: 4/28/2022

Date: April 28, 2022

\_\_\_\_\_  
Secretary

DRAFT

**CITY OF HOPKINS  
HENNEPIN COUNTY, MINNESOTA**

**RESOLUTION 2022-034**

**RESOLUTION SUPPORTING MINNEHAHA CREEK WATERSHED DISTRICT'S  
APPLICATION FOR A HENNEPIN COUNTY ENVIRONMENTAL RESPONSE FUND GRANT  
FOR 325 BLAKE ROAD**

WHEREAS the City of Hopkins and Minnehaha Creek Watershed District (MCWD) have been jointly planning for the redevelopment of 325 Blake Road and identified the potential to integrate a restored Minnehaha Creek with a transit oriented mixed-use development near the future Blake Road LRT Station of the METRO Green Line Extension; and

WHEREAS the MCWD purchased the 16.84 acre site at 325 Blake Road in 2011; and

WHEREAS the City was successful in securing a Tax Base Revitalization Account grant in 2018 on behalf of MCWD for environmental remediation work associated with the demolition with the former cold storage building on the site; and

WHEREAS the City and MCWD entered into a cooperative agreement in 2020 to guide the coordinated planning, improvements and redevelopment of the site; and

WHEREAS the City and MCWD unanimously approved Alatus, LLC as the master developer for the site and the three parties entered into a preliminary development agreement in 2021 to provide for further coordination between the planned development and treatment of stormwater on the site; and

WHEREAS the City approved a Rezoning and Planned Unit Development in 2021 to facilitate Alatus' plans to redevelop the property into an 833-unit mixed use, commercial and residential transit oriented development; and

WHEREAS there are known or suspected areas with minimal soil contamination on the site which are located near the planned stormwater pond, restaurant pads, and one residential building that may need to be remediated.

THEREFORE BE IT RESOLVED that the City of Hopkins supports Minnehaha Creek Watershed District's application for an Environmental Response Fund grant that is being submitted to Hennepin County on May 2, 2022 for the 325 Blake Road project.

Adopted this 19<sup>th</sup> day of April, 2022.

By:   
Patrick Hanlon, Mayor

ATTEST:



Amy Domeier, City Clerk