

**HENNEPIN COUNTY ENVIRONMENTAL RESPONSE FUND
GRANT APPLICATION**

INSTRUCTIONS

Department of Environmental Services
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Minneapolis, MN 55415-1842
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******PLEASE READ THE FOLLOWING NARRATIVE TO BE SURE THAT YOU
UNDERSTAND THE APPLICATION PROCESS******

INTRODUCTION

Pursuant to Minnesota Statutes § 383B.80 and 383B.81 and County Board resolution No. 97-6-410R1, Hennepin County established the collection of a mortgage registry and deed tax for deposit into an Environmental Response Fund (ERF). The authority to collect the tax originally expired on January 1, 2003, but has since been extended to January 1, 2008, by a 2002 amendment to Statute 383B.80 and County Board resolution 02-728. Per the Board approved ERF policy, the ERF is to be used for the assessment and clean up of contaminated sites located within Hennepin County. This short narrative provides a summary of the ERF policy. A copy of the ERF Policy can be obtained upon request.

ERF grant applications will be accepted semi-annually with deadlines for application May 1 and November 1. Applications must be received by the Department of Environmental Services by 4:00 p.m. on that date. In addition to the semi-annual application deadlines, applicants may apply at any time for emergency funding to cover environmental issues, not identified by reasonable due diligence, that could potentially halt otherwise viable projects. A portion of the ERF will be reserved each year for such emergency funding requests.

NOTE: Applicants can apply for more than one site. However, a separate application must be completed for each site. An electronic copy of the application can be obtained by email request to david.jaeger@co.hennepin.mn.us.

Please fill out the entire application. All applications must be complete upon submission in order to qualify for a grant. A resolution of support from the governing body of the municipality in which the site is located must accompany the application. You must submit the **original application** and **one copy**.

PURPOSE/BACKGROUND: In 1997 the Hennepin County Board of Commissioners established the Environmental Response Fund. According to Minnesota Statute § 383B.81 the first priority for the ERF is the NL Industries/Tara Corporation/Golden Auto site in St. Louis Park. A portion of the ERF has been set aside for that site and the

remainder of the ERF will be made available for other sites within Hennepin County. In broad terms the ERF is available for contaminated or potentially contaminated sites where assessment and/or cleanup has been hampered because there is no other source of funds for the work, or where public use is intended. Although any contaminated or potentially contaminated site may be considered for an ERF grant, applications for the following types of projects are particularly encouraged:

- Contaminated, or potentially contaminated, sites where the preferred end use is as publicly owned property (e.g. park space, schools, and municipal buildings).
- Projects where contamination emerges as an obstacle to establishing a mix of affordable and moderately-priced market rate housing.
- Projects where contamination precludes economic development without outside assistance.
- Infill properties or orphan sites that are too small to generate significant tax base increases and are not attractive to large development, but which nevertheless, disrupt the fabric of community life and contribute to blight.
- Inspection and abatement of lead paint, asbestos, and lead contaminated soil at residences where the property owner can show financial need and that a potential hazard exists. This is largely intended as a preventative program, and is not meant for those residences that are eligible for assistance from other programs.

FUNDING AVAILABILITY: The ERF is funded by the mortgage registry and deed tax. Therefore, the amount available in the ERF is subject to fluctuation. The revenue from the mortgage registry and deed tax has been deposited in the ERF since 1997.

ELIGIBLE APPLICANTS: Eligible applicants for this program are municipalities, economic development agencies, housing and redevelopment authorities, non-profit organizations, public companies, and private individuals and companies.

QUALIFYING SITES: A site must meet the following criteria in order to qualify for an ERF grant:

- 1) The site must be in Hennepin County.
- 2) A resolution of support from the governing body of the municipality in which the site is located must accompany the application.
- 3) ERF grants will not be awarded to non-local government responsible parties.
- 4) A site must contain, or be suspected of containing, contaminants, pollutants or hazardous substances as referenced in Minnesota Statute §115B.02 or petroleum related contamination that is not eligible for reimbursement by the Minnesota Petrofund.

ERF grants will not be awarded to sites for tasks that are presently eligible for reimbursement from the Petrofund, U.S. EPA, Minnesota Pollution Control Agency (MPCA) and Minnesota Department of Agriculture (MDA) programs.

REQUIRED SCHEDULE: Assessments funded or partially funded by ERF grants must be completed within one year of the award of the grant. Grants made for site cleanup must be spent within two years of the award of the grant.

ELIGIBLE COSTS: The same format is used for applications for assessments and for clean-ups. If a response action plan (RAP) has not yet been prepared, the cost of RAP implementation can be requested in the application. Potentially eligible costs include, but are not limited to, environmental consulting fees, laboratory fees, site assessment, RAP development, remediation costs, acquisition through purchase or condemnation (if necessary to implement the RAP), demolition (if underlying soil cleanup is required by the MPCA for protection of health and the environment), residential asbestos abatement, and costs associated with the remediation of lead impacted soil at residences. Ineligible costs include, but are not limited to, attorney fees, work performed that is not in compliance with safety codes and applicable statutes and regulations, work completed by unlicensed contractors, costs incurred prior to the execution of the grant contract, and abatement and cleanup work performed without appropriate approval and/or notification.

Your application must include a project schedule detailing the individual tasks and the associated detailed project budget. This information should be provided in Section VI of the application form.

LOCAL MATCH REQUIREMENT: The contribution of local or other funds for the project is strongly encouraged, but is not a requirement for the award of an ERF grant. However, the degree to which ERF money will be leveraged by other contributions to a project will be considered in the site ranking process. When necessary Hennepin County will assist in the application for outside funding.

LAND SALES: Land or property acquired with ERF assistance may be resold at fair market value. However, if the ERF is used for property acquisition, the ERF acquisition assistance must be refunded to the ERF when the property is resold. This stipulation will apply to the first sale of the subject property following cleanup.

THE AWARD PROCESS: There are a large number of eligible contaminated sites in Hennepin County, and it is expected that the requests for assistance from the ERF will typically exceed the available resources. Therefore, a process has been developed by which applications for ERF grants can be evaluated in a fair and objective manner. The criteria list in the next section indicates the maximum point values for each criterion. All assigned scores will be relative to scores awarded to other applicants in each cycle. If insufficient applications of merit are received in any cycle, the total amount of available ERF money may not be distributed.

All awards are subject to approval by the Hennepin County Board. At the County's discretion some applications may not be funded or will only receive partial funding.

GRANT AWARD CRITERIA: Applications for ERF grants will be evaluated and ranked by considering at least the following objective criteria. Accumulation of a fixed number of points from the listed criteria does not guarantee the award of a grant, and other criteria may be considered in each round of applications. Grants will be made in accordance with the statutory authority and stated policy of the County Board. The applications for ERF grants will be evaluated by the following:

1. There is a known threat to human health and/or the environment that would be reduced or eliminated by completion of the response action plan.
2. There is a potential threat to human health and/or the environment that will be quantified by completion of the assessment.
3. The community will derive social value from the proposed clean-up and redevelopment. Social value of a project may be demonstrated by: job creation; tax-base enhancement; proximity to nearby job centers and transit corridors; the efficient use of land and infrastructure; the restoration/replacement of deteriorated or economically obsolete structures; and the development of a community asset.
4. The likelihood that the site will not be investigated and/or cleaned-up without the use of ERF money.
5. There are local or other funds that will be committed to the project.
6. The applicant is a municipality, economic development agency, housing and redevelopment authority, or public non-profit organization.
7. For non-residential and mixed-use projects, the project creates economic development.
8. The project creates/retains/secures affordable housing or moderately priced market rate housing in communities that are substantially meeting their affordable housing goals.
9. The site has previously received an ERF grant for assessment and now needs to implement a RAP or conduct additional assessment.
10. The project requires no funding for acquisition-related costs (projects that do not require acquisition funds will score higher).
11. There is a public end-use planned for the property.
12. The project incorporates sustainable activities and features in the project design, construction and operation, and in the cleanup remedy.

In addition to the above criteria, consideration will be given to the equitable distribution of the ERF between urban, suburban, and rural areas of the county.