

## **Narrative Information**

1. **Applicant Identification:** City of Duluth  
411 West First Street  
Duluth, Minnesota, 55802-1102
  
  2. **Funding Requested:** Community-wide Assessment Grant  
\$443,000
  
  3. **Location:** Duluth, St. Louis County, Minnesota
  
  4. **Target Area:**
    - Downtown Duluth  
(Census Tracts 16, 17, 19, & 20 St. Louis County, MN)
    - Lincoln Park  
(Census Tract 156 St. Louis County, MN)
    - Irving/Fairmount/Spirit Valley  
(Census Tracts 33, 34, & 158 St. Louis County, MN)
    - Western St. Louis River Corridor Neighborhoods  
(Census Tracts 36, 37, & 38 St. Louis County, MN)
- Priority Sites:**
- Downtown Scattered Infill and Redevelopment Sites  
(multiple sites scattered throughout Downtown, including vacant sites and previously occupied buildings that can be converted to different uses)
  
  - Franklin Foods  
(1926 W 1<sup>st</sup> Street, Duluth, MN 55806)
  
  - Spirit Valley Commercial District  
(5710 Grand Ave, Duluth, MN 55807)
  
  - Former DWP Railyard & Roundhouse  
(6898 Polk St, Duluth, MN 55807)
  
  - Former Refrigerator Manufacturer and Food Product Warehouse  
(10 Commonwealth Ave, Duluth, MN 55808)



## 1. PROJECT AREA DESCRIPTION AND PLANS FOR REVITALIZATION

### *1.a. Target Area and Brownfields Background and Description of Target Area*

Duluth, Minnesota is situated at the western tip of Lake Superior into which the St. Louis River flows, forming the world's largest freshwater estuary. Fundamental to our cultural history is the Ojibwa migration of the mid-1700s that resulted in settlements, missions, sugar camps and burial grounds along the waterfront. A century later, Duluth became the quintessential industrial port city due to the growth of the lumber industry, the expansion of railways, and the discovery of iron ore. Its historic economic base was comprised of Great Lakes shipping, linked rail transport, and steel and associated manufacturing, while its Downtown boasted architectural wonders—with a vast inventory of theaters and luxury hotels. However, the loss of major industrial employers in the 1960s and 70s left Duluth's industrial waterfront neighborhoods and its Downtown vacant and blighted. Many of these neighborhoods border the St. Louis River Estuary, which was designated as a "Great Lakes Area of Concern (AOC)" by the U.S.-Canada Great Lakes Water Quality Agreement in 1989 due to legacy contamination from past industrial practices.

The City of Duluth seeks EPA Community-Wide Assessment funds to characterize and mitigate the environmental contamination of brownfield properties located on or near the St. Louis River Corridor (Corridor) and in its Downtown/Central Hillside neighborhood. This **Target Area** offers important catalyst sites, river access, and unique green space amenities. As such, it is the focus of the City's economic development, housing and open space goals. Further, the Minnesota Pollution Control Agency's (MPCA) AOC delisting plan identifies cleanup of waterfront brownfield sites as very important to that process. The Target Area largely coincides with Duluth's designated Opportunity Zones that encompass the Downtown and the neighborhoods of Lincoln Park and Irving/Fairmount—two neighborhoods located within the Corridor. Grant funds would also focus on other neighborhoods within the Corridor, implementing re-investment strategies that are often complicated by the presence of brownfields. Assessment funds are key to revitalization efforts in the Target Area described below:

### *1.ai Revitalization of Target Area*

- **Downtown Duluth (Census Tracts 16, 17, 19, 20 St. Louis County, MN)** features a diversity of land uses, ranging from a Historic Arts District to an industrial waterfront. The city's Medical District serves as a regional healthcare hub, and recently Essentia Health has invested \$900M to construct a new hospital tower and surgery center in this area. The project will be completed in 2023 and is expected to serve as a catalyst for additional investment. The city is also working to facilitate more communal spaces and opportunities for local entrepreneurs. In 2022, Minnesota Power unveiled their new Lake Superior Plaza, which includes a pollinator garden, significant tree cover, and creative outdoor seating, while also improving connectivity to surrounding retail and tourist destinations. In the summer and fall of 2022, Duluth also partnered with the 1200 Fund to create a pop-up shop space for eight BIPOC business owners in the heart of downtown. This will now serve as a model for similar and expanded efforts to utilize vacant storefronts, support BIPOC business owners and promote increased activity downtown after a lull during the pandemic. **Goals for this area include** optimizing underutilized vacant lots and storefronts in support of commercial and housing growth through a brownfield inventory and assessment. All new development and redevelopment will be required to connect to the downtown hot water steam district for energy conservation and efficiency. *See Priority Site #1, Table 1.*

- **Lincoln Park (Census Tract 156 St. Louis County, MN)** includes a low-income residential neighborhood and commercial district with scattered historic industrial sites, and is situated immediately to the west of Downtown. It contains 203 brownfield sites (2014 EPA-funded inventory) and the waterfront industrial area of Rice's Point with 50 brownfield sites (2004 EPA-funded inventory) which includes the largest (by tonnage) operational port on the Great Lakes. This neighborhood has seen significant recent investment on formerly contaminated sites, including new shops at Enger Lofts on a lot which underwent remediation for asbestos and lead contamination. The popular brewery, Ursa Minor, expanded their outdoor patio space with assistance from the city's brownfields program, and the Clyde Iron Works Event Center is currently making plans to add a hotel and a brewery to its formerly contaminated property. **Goals for this area include** addressing existing contaminated and blighted properties to a) support revitalization of the commercial corridor, and b) increase affordable and market-rate housing. *See Priority Site #2, Table 1*

• **The Irving/Fairmount/Spirit Valley (Census Tract 33, 34, 158 St. Louis County, MN)** includes three residential neighborhoods (Irving, Fairmount, and Spirit Valley) separated by a State highway, the Interstate, a 55-acre former rail yard, and a 255-acre Superfund Site and the City’s Western Port. Three major projects are underway (or nearing development) across these neighborhoods. The Riverwest development on Duluth’s historic shipbuilding yard presents a unique opportunity for mixed commercial and residential neighborhoods across nine parcels at the base of Spirit Mountain, bordering the St. Louis River, and situated at the convergence of nine trailheads. These mixed-use investments will complement the existing outdoor recreation opportunities that draw people to this corridor. An infill development project in the Irving neighborhood will remediate a contaminated site and feature net zero single family housing. At Clinton Place, in the Fairmount neighborhood, a former railroad yard adjacent to the DWP trail corridor will be the site for up to 120 market rate housing units. Finally, early in 2023 the New Page Paper Mill that closed in 2020 will launch production of tissue paper under the ownership of ST Paper with at least 80 employees on site.

**Goals for this area include:** a) redevelop the former rail yard with a variety of housing options and open space; b) improve connectivity between the study area and a nearby commercial center; c) redevelop blighted/marginal parcels on Grand Avenue into commercial and housing structures. *See Priority Sites # 3 & 4, Table 1*

• **Western St. Louis River Corridor Neighborhoods (Census Tracts 36, 37 & 38 St. Louis County, MN):** Extending along the river beyond the above-described neighborhoods are other projects with similar stories. *Riverside* was founded as a shipbuilding company town that bustled during World Wars I & II. *Morgan Park* was founded as a company town by J.P. Morgan for his U.S. Steel plant (now a federal Superfund site) and Atlas Cement Plant (a brownfield under redevelopment by the Duluth Economic Development Authority--DEDA). The shutdown of industry in the ‘70s decimated both Morgan Park and the adjacent *Gary New Duluth* neighborhood, which is nestled against a once derelict landfill. Now, renewed operations and an expansion project at that landfill will help to ensure appropriate disposal and containment practices and protect neighboring communities from leaked contaminants. Polluted sites along Spirit Lake on the St. Louis River have also undergone millions of dollars’ worth of sediment remediation, including 100,000 cubic yards of waste removed from one boat launch alone. The former steel plant site and the ponds behind Erie Pier have also been remediated. New investments in parks and community spaces have complemented remediation efforts in these neighborhoods. The Gary New Duluth recreation center and upgrades to the adjacent park have improved access to green spaces and promoted active lifestyles. Other investments are leveraging known and potential brownfield sites for new business development, including the expansion of Duluth Brass Company and the development of a SAIA trucking distribution center. **Goals for this area include** a) creation of job-creating businesses; b) increased workforce market-rate housing; and c) improved and expanded parks, trail connections, water access. *See Priority Site #5, Table 1*

**Table 1: Potential Brownfield Assessment Sites and Contaminants:**

	<b>Target Sub-Area/ Site Description</b>	<b>Acres</b>	<b>Historic Use</b>	<b>Potential/Known Contaminants<sup>1</sup></b>	<b>Adjacent to Water?</b>	<b>Incorporate Energy Efficiency?</b>
1	Downtown/Scattered Infill & Redevelopment Sites—no less than 15 sites (census tracts 17, 19, & 20)	10	Former dry cleaners, auto repair, fuel storage, rail line, fill of unknown origin	Petroleum, solvents, metals, PAHs, PCBs, asbestos, lead	Yes	Yes
2	Lincoln Park/Franklin Foods (census tract #156)	1.0	Historic blacksmith & filling stations with storage tanks; dairy production & distribution	Petroleum, PAHs, PCBs, VOCs, metals	No	No
3	Spirit Valley Commercial District (straddles census tracts 158 & 34)	14.5	Rail, auto repair, dry cleaners; fill of un-known origin. Big-Box closure.	Petroleum, solvents, PAHs, metals, asbestos, lead	No	Yes

	Target Sub-Area/ Site Description	Acres	Historic Use	Potential/Known Contaminants <sup>1</sup>	Adjacent to Water?	Incorporate Energy Efficiency?
4	Former DWP Railyard & Roundhouse (census tract 33)	43.0	Rail, Roundhouse, Rail line, storage tanks, Fuel storage, St. Louis County tax-forfeit.	Petroleum, solvents, lead, metals, VOCs, PAHs	No	No
5	Western Corridor (Gary New Duluth)/Former Manufacturing Facility (census tract 38)	10.5	Former refrigerator manufacturing facility; food products warehouse	Chlorinated and unchlorinated solvents, petroleum	Yes	No
	Total acres:	79				

The City will use this grant to implement the 2035 Comprehensive Plan. **The Imagine Duluth Plan** was a two-year community engagement process resulting in an updated land use plan adopted by the City Council on June 25, 2018. Driven by 14 Governing Principles such as: *“Reuse previously developed lands”*; *“Promote reinvestment in neighborhoods”*; and *“Take actions that enhance the environment, economic and social well-being of the community”*, it focused upon five issue areas: Economic Development, Energy & Conservation, Housing, Open Space and Transportation. The process also identified nine “Transformational Opportunities”, three of which are directly linked to our brownfields redevelopment strategy: *“Identify and invest in 12 Core Investment Areas (CIAs)”*; *“Carry out previously identified Downtown plans and investments”*; and *“Preserve and expand opportunities within Duluth’s industrial waterfront”*. The following is a closer review of the City’s land use and revitalization plans and their intersection with brownfield redevelopment:

- **Chapter: Open Space, Policy #2:** “Examine the value and needs for all of Duluth’s publicly owned open space”, and provides strategies to discern between lands to preserve and lands to relinquish for other purposes. These strategies include packaging land for sale or strategic development, and identifying the potential historical and cultural significance of that land. ***We will use EPA assessment funds to conduct Phase I & II Brownfield ESAs and cleanup planning and to deploy site-driven brownfield planning activities to support reuse visioning and disposition.***
- **Chapter: Transformative Opportunities Strategy #1:** “Identify and invest in 12 Core Investment Areas (CIAs) based on the existing character and redevelopment potential of individual neighborhood nodes.” Five of the 12 CIAs are located in our brownfield Target Area: Gary New Duluth, Morgan Park, Spirit Valley, Lincoln Park and Hillside. This chapter also addresses Duluth’s Downtown with actions that include prioritizing the redevelopment of vacant and underutilized sites. Such sites are impacted by past uses such as dry cleaners, auto repair shops, fuel storage, former rail lines and/or fill of unknown origin. ***We will use EPA assessment funds to support the priority actions needed within all five CIAs and the Downtown by conducting Phase I & II Brownfield ESAs/cleanup planning and deploying brownfield planning activities.***
- **Chapter: Community Engagement:** This chapter notes that the approved Comprehensive Plan has, as an appendix, the ***Irving Fairmount Brownfields Revitalization Plan (IFBRP)***. The IFBRP is the result of an 18-month, EPA-funded Area-Wide Plan process that piloted a **Health Impact Assessment (HIA)** tool co-developed by the MN Department of Health and MN Brownfields. The IFBRP was adopted by the Council in November 2017 and then appended to the larger Comprehensive Plan. As noted in the previous section, 27 brownfield-centric action items were identified, many of which resonate with findings from the Imagine Duluth 2035 process such as urban agriculture (Open Space chapter) and the importance of securing brownfield redevelopment resources (Economic Development chapter). ***We will use EPA assessment funds to conduct Phase I & II Brownfield ESAs and cleanup planning and to deploy site-driven brownfield planning activities to support the implementation of the IFBRP.***

It should be noted that additional planning documents exist in support of the Imagine Duluth 2035 update or as supplemental resources to our land use planning. Examples of these include the Duluth Local Initiative Support Corporation’s (LISC) **neighborhood action plans**, the City’s

2022 **Duluth Parks, Recreation, Open Space and Trails Plan** and the EPA-funded 2018 **Smart Growth Implementation Plan**.

The City's **proposed outputs** for this grant are as follows:

- Fifteen (15) Phase I ESAs
- Eight (8) Phase II ESAs
- Three (3) Response Action Plans
- One (1) Staff lead brownfield inventory

The **proposed outcomes** of this project are that three sites will be remediated and redeveloped in a manner consistent with the goals listed above. Outcomes will include job retention and creation, tax base increase, housing built, and removal of blighted properties. This is consistent with outcomes documented from previous EPA Assessment and Cleanup grants to the City: 7 grants (in aggregate \$1.8 million) leveraged no less than \$125M private investment.

The award of this grant will guarantee that contaminated properties within the Target Area will be assessed within the next 4 years--quantifying the associated risk to human health and the environment--the first critical step in the cleanup of brownfield properties in order to halt the exposure of residents to chemicals typically found at brownfields (PAHs, petroleum, lead, chromium, other metals, and VOCs, as per Table 1). Site remediation sets the table for the development of attainable workforce housing, creation of industrial work centers, and expansion of parks and trail features in all neighborhoods.

***1.a.iii. Resources Needed for Site Reuse***

The proposed \$443,000 request for brownfields funding will be a key lever amongst several lending tools and programs the City has at its disposal or is currently pursuing. The City has extensive experience securing public and private sources to complete assessment, acquisition, site preparation, site cleanup, infrastructure improvements, hazardous material abatement, demolition, and construction. The following is a list of funding sources the City has used for brownfield reuse in the past and will continue to pursue:

- **MN Department of Employment and Economic Development (DEED) Contamination Cleanup Grants:** This competitive program provides grants for brownfield cleanup with a small amount awarded for assessment. Priority is given to projects that result in increased tax base and job creation. Since 2000, the City has obtained over \$429,000 in assessment and over \$8.5 million in cleanup grant funds for brownfield and anticipates similar success for this grant.
- **Duluth EPA Revolving Loan Fund:** The City was awarded a \$1M EPA-funded RLF in 2022; these funds can be used for cleanup activities.
- **DEED Redevelopment Grant:** These grants address costs of land acquisition, demolition, infrastructure improvements, and soil stabilization. The City has secured over \$6.7 million in Redevelopment Grants since 2005.
- **MPCA Targeted Brownfield Assessment Funds (MNTBAP):** The MPCA-funded programs provide consulting services to perform environmental assessments and engineering at eligible brownfield properties. The City has accessed an estimated \$125,000 TBAP for work at two sites in the Target Area since 2020.
- **Funding for Recreational Amenities in the St. Louis River Corridor:** Two sources of funding are tapped to leverage further investment in our river corridor: A voter-approved ½ and ½ sales tax on citywide food & beverage has been earmarked exclusively for Corridor investment (\$18 Million). The City also secures state “Legacy” funding as appropriated by the legislature for investments in Outdoor Heritage, Parks & Trails, and Arts & Cultural Heritage
- **HUD CDBG & HOME Investment Partnership Funds:** Over the last 10 years the City has managed over \$27M CDBG and \$8M HOME allocations, both of which have specific time lines for fund utilization that cannot afford to have delays for environmental issues. That is also true in utilizing Minnesota Housing Finance Agency resources, to include Low Income Housing Tax Credits.
- **MN DEED Minnesota Investment Fund (MIF):** The City of Duluth has partnered with businesses on projects that leverage MN DEED MIF awards. These awards are contingent on job growth, and support machinery and equipment. Last year, the city was able to work with multiple businesses to obtain \$3.55 million of MIF funding for business expansion.

Upon remediation, the primary development costs will be borne by the developer or partners. Through these partnerships, we can leverage multiple **financing and business incentive programs**, including: Tax Increment Financing, Tax Abatement, Regional Revolving Loan Program(s), Federal Economic Development Administration (EDA), commercial financing, the Minnesota Investment Fund, New Market Tax Credits and Historic Tax Credits. All five of the City’s designated Opportunity Zone (OZ) census tracts are located within our Target Area. **In addition, the Duluth Economic Development Authority provides another opportunity as a potential funding partner and assists in providing matched funds.**

**1.iii. Use of Existing Infrastructure**

Duluth is 27 miles long and only 4 miles wide as it hugs-up against steep topography. With multiple public spaces, 42 streams, 128 parks, 178 miles of trail, 450 miles of roads and 403 miles of sidewalks, forty-seven percent of land and buildings within city limits is non-taxable and the public funding for these natural resources is supported by a population of just 86,697 residents. The City of Duluth has undertaken several core **sustainable policies incorporated into decision-making.**

- The first of the 14 guiding principles for the 2035 Comprehensive Plan is “Reuse of previously developed lands,” stating doing so “strengthens neighborhoods,” is preferred over greenfield development, and that cleanup costs are offset by savings in the use of **“existing public infrastructure.”**
- The target properties and development that will be spurred by this grant will targeted on on previously developed land. As all of the identified sites and target areas are located within the city limits, infrastructure will be ready for reuse. The “Transformative Opportunities” chapter of the Comprehensive Plan specifically states “Give priority to development where utility services can be provided at an average or less than average cost, particularly in locations where **existing utilities** are under capacity.”
- In 2022, the City adopted its first Climate Action Work Plan, with the goal to reduce greenhouse gas emissions 50% by 2030 and reach carbon neutrality by 2050. This plan calls out sustainability and community-centered projects.
- The City’s Sustainability Staff provide funding and technical assistance for clean energy resources, solar and tax credit programs.

**2. COMMUNITY NEED AND COMMUNITY ENGAGEMENT**

**2.a. The Community’s Need for Funding**

Table 2 shows basic demographic data for the entire Target Area and its Sub-Areas (neighborhoods). **Bold** values indicate values greater than City averages (lower for household income). Values in **red font** highlight significant discrepancy between Duluth and Minnesota overall.

**Table 2: Demographic Data for Target Area, by Neighborhood & Census Tract**

	United States	Minnesota	Downtown & Central Hillside (Tract 16, 17,19,20)	Western River Corridor (Tract 36,37,38)	Lincoln Park Census Tract 156, St. Louis County	Irving & Fairmount Census Tract 33, 34, 158, St. Louis County	Duluth city, Minnesota
Population	331,449,281	5,706,494	5,440	6,309	2,731	6,982	86,697
Percent Minority	40.7%	<b>18.4%</b>	<b>22.3%</b>	13.4%	<b>19.3%</b>	9.2%	<b>10.9%</b>
Percent Native American	1.3%	0.9%	<b>4.7%</b>	2.4%	<b>4.4%</b>	2.0%	1.6%
Unemployment Rate	5.4%	<b>3.8%</b>	<b>5.6%</b>	3.8%	<b>6.4%</b>	<b>5.6%</b>	<b>4.7%</b>
Poverty Rate	12.8%	<b>9.3%</b>	<b>37.2%</b>	16.0%	<b>31.9%</b>	15.0%	<b>17.7%</b>
Percent Poor to Struggling	21.1%	<b>15.9%</b>	<b>49.7%</b>	24.6%	<b>51.6%</b>	23.9%	<b>26.5%</b>

(<150% Poverty Rate)							
Median Household Income	\$64,994	<b>\$73,382</b>	<b>\$25,881</b>	<b>\$44,926</b>	<b>\$27,051</b>	<b>\$48,812</b>	<b>\$54,084</b>
Households with Public Assistance Income	2.4%	<b>3.2%</b>	<b>28.4%</b>	5.8%	<b>36.1%</b>	5.2%	<b>12.6%</b>
Number of Children Under 5 Years Old	5.7%	6.3%	2.9%	<b>6.7%</b>	<b>9.6%</b>	<b>6.8%</b>	5.5%
Percent Uninsured	9.8%	5.3%	<b>7.4%</b>	4.6%	<b>6.2%</b>	4.0%	4.6%
<i>Source: 2020 American Community Survey 5-Year Estimates</i>							

As indicated in Table 2, low-income residents, people in poverty, children, minorities, and those receiving public assistance live in greater percentages in the Target Area than elsewhere in the City. The Target Area average poverty rate (25%) is almost triple the state rate (9.3%), with pockets, such as in Downtown/Central Hillside and Lincoln Park, where the poverty rate (37.2%, 31.9%) can be as high as two to three times the national rate (12.8%) and four times the state rate. More than one in four people in the Target Area live in poverty, and 37.5% are considered “poor to struggling.” The Target Area’s average unemployment rate (5.4%) exceeds the state (3.8%) and city rates (4.7%). Although the minority population in the Target Area is not as high as the national average, more minorities live in the Target Area (16%) than in the rest of the City (10.9%), with the greatest minority concentrations in our poorest neighborhoods of Downtown/Central Hillside and Lincoln Park. Addressing disparities of this magnitude requires the deployment of numerous strategies, one of which is brownfield remediation.

**Table 3: Comparison of Health Indicators and Income with Geography**

**(1) Health or Welfare of Sensitive Populations**

Table 3 illustrates the severe disparity in life expectancy between all of Duluth and neighborhoods within the Target Area and how that disparity correlates to poverty. Certainly, brownfields are not the sole cause of impoverishment. However, their heavy concentration in the Target Area

	Minnesota	Duluth	Downtown & Central Hillside	Lincoln Park	Irving, Fairmount, Spirit Valley	Western River
<b>Life Expectancy*</b>	81	83.96	<b>71.4</b>	<b>69</b>	<b>76.9</b>	<b>77.7</b>
Median Hshld. Income		\$54,084	<b>\$25,881</b>	<b>\$27,051</b>	\$48,812	\$44,926
Unemployment	<b>3.8%</b>	<b>4.7%</b>	<b>5.6%</b>	<b>6.4%</b>	<b>5.6%</b>	3.8%
Poverty Rate	<b>9.3%</b>	<b>17.7%</b>	<b>37.2%</b>	<b>31.9%</b>	15.0%	16.0%
Housing Built 1959 or earlier	<b>30%</b>	<b>62.2%</b>	60.9%	<b>69.4%</b>	<b>75.9%</b>	<b>65%</b>
Average Market Value for Mortgage Properties		\$166,300	<b>\$123,200</b>	<b>\$99,500</b>	<b>\$131,866</b>	<b>\$129,600</b>

*Sources: 2020 American Community Survey; Minnesota Compass (mncompass.org); Centers for Disease Control and Prevention—National Center for Health Statistics*

complicates many routes to solving these problems. Without assessment and cleanup, the

brownfields in these communities represent lost opportunities for the development of new job centers and associated jobs as well as the expansion of market-rate workforce housing needed to support job-growth.

### **(2) Greater Than Normal Incidence of Disease and Adverse Health Conditions**

According to the 2020 Bridge to Health Survey, 34.4% of Lincoln Park residents have been diagnosed with high blood pressure, compared to 30.4% of the city as a whole. Lincoln Park residents also experience elevated rates of asthma, chronic lung disease, anxiety, and depression compared to the city as a whole.<sup>1</sup> Residents of Duluth's Hillside neighborhood experience elevated rates of asthma, high blood pressure, anxiety, depression, and PTSD. While these are the only Target Area neighborhoods specifically covered by the Bridge to Health Survey, neighborhood demographics suggest that Duluth's other Target Areas would show similar disparities.

### **(3) Promoting Environmental Justice**

Table 3 points to Duluth's aging housing stock: 62.2% was built before 1959; lead paint was still commonly used in homes until 1969. That percentage is relatively consistent for homes within the Target Area. However, the value of homes within the Target Area is dramatically less. The correlation between home values, poverty rate, and health indicators suggest homes in the Target Area are less likely to be maintained and remediated of hazardous materials. Additionally, when Target Area residents are compared to state percentiles, the majority rank above the 80th percentile in Air Toxics Cancer Risk, Lead Paint, Superfund Proximity, Underground Storage Tanks, and Wastewater Discharge on the Environmental Justice Index on the EPA EJ Screen mapping tool. The City of Duluth has launched a program to replace all lead service lines free of charge as an effort to address one of these risks.

#### **2.b. Community Engagement**

We will continue to rely upon the effective partnerships that have been established over the past 15+ years of brownfield work. The following local community partners are key to implementing our plan:

- **Duluth Local Initiatives Support Corporation (LISC-Duluth):** LISC helps nonprofit community organizations transform distressed neighborhoods into healthy communities. **Role:** advising on community needs and site prioritization; connect residents to City initiative through outreach. Provide direct technical assistance with their Opportunity Zone (OZ) Fund.
- **The Northspan Group** is a private nonprofit regional economic development organization focused on economic development and diversification. **Role:** advise on site prioritization in the context of market demand and development potential; assist in marketing sites to potential developers through Northland Connection website.
- **Fon du Lac Band** one of six Chippewa Indian Bands that make up the Minnesota Chippewa Tribe. **Role:** advise on site prioritization for Open Space and development within the City. FDL has EPA 128 grant expertise. FDL is the driver in the establishment of *the North American Woodland Indian Interpretive Center* that, in partnership with the City, is seeking to identify potential sites along the St. Louis River or Lake Superior within city limits. It is anticipated Assessment and Planning funds will be utilized.
- **St. Louis River Alliance (SLRA):** works to restore and protect the river and Lake Superior via engagement with public and tribal agencies, industry groups and community stakeholders and by securing funding for river remediation. **Role:** advise on environmental effects of brownfield sites to and along the river.
- **St. Louis County Planning and Community Development Department,** in partnership with the City's departments of Planning & Development and Administration, has developed a robust program to get tax forfeit property into productive use. **Role:** Identify tax forfeit properties in the City that require assessment and cleanup planning.
- **Lincoln Park Business Group's** mission is to lead and promote the revitalization of Lincoln Park through business, economic, and community development. **Role:** Site identification and prioritization for the Lincoln Park Neighborhood with a focus on both attainable housing and business development.

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<sup>1</sup> Bridges to Health Survey, 2020 [https://bridgetohealthsurvey.com/wp-content/uploads/2023/05/Lincoln-Park\\_Neighborhood-2020-Bridge-to-Health-Survey-Report.pdf](https://bridgetohealthsurvey.com/wp-content/uploads/2023/05/Lincoln-Park_Neighborhood-2020-Bridge-to-Health-Survey-Report.pdf); [https://bridgetohealthsurvey.com/wp-content/uploads/2023/05/Duluth\\_City-2020-Bridge-to-Health-Survey-Report.pdf](https://bridgetohealthsurvey.com/wp-content/uploads/2023/05/Duluth_City-2020-Bridge-to-Health-Survey-Report.pdf)

- **West Duluth Business Club:** This membership group advocates for advancement of their business stakeholders and the larger residential community. **Role:** Provide input to site selection and redevelopment priorities and direction on how west Duluth redevelopment would best serve the surrounding neighborhood.
- **Downtown Duluth Council:** This membership-based group includes advocates for downtown businesses expansion and development **Role:** provide input for site selection, storefront activation, redevelopment opportunities, and creating a downtown revitalization plan.
- **City of Duluth Comissions:** Including the Duluth African Heritage Commission, the Indigenous Commission, and others. Role: staff will work with liaisons to solicit feedback on site selection.

*i. Incorporating Community Input*

City staff will host up to 5 community input sessions, with recruitment support from the organizations listed above, to hear directly on how to best leverage the funds and prioritize sites. Since 2010, the St. Louis River Corridor Technical Advisory Committee (SLRC-TAC) has provided a venue that brings together environmental and health government agencies; City, County, State and Federal governments, the business community, citizen groups, and environmental and other technical professionals. In one of the 5 meetings, with support from City staff, SLRC-TAC will convene a working group to: a) define neighborhood needs; b) identify potential brownfield sites within Target Area neighborhoods; c) prioritize sites for assessment, to include health impacts; d) understand market demand for properties; e) discuss and prioritize Site reuse plans in the context of community need; and f) align funding resources. The City will maintain the authority to make final decisions on the use of the grant funds, but will use the SLRC-TAC input in shaping those decisions.

### **3. TASK DESCRIPTIONS, COST ESTIMATES, AND MEASURING PROGRESS**

#### **3.a. Project Implementation, Project Schedule, Task/Activity Lead, and Outputs**

**Brownfield Planning.** The City’s comprehensive plan provides land use guidance and points for “transformative opportunities.” Our City Administration is aggressive in its focus upon growing housing as well as partnerships with private developers to see our commercial and industrial sectors grow. Changes in the marketplace have resulted in large retail box closures and many vacant commercial spaces. There are multiple opportunities on the horizon to leverage brownfield sites to achieve community goals, such the revitalization of the Spirit Valley commercial district, redevelopment and conversion of Downtown infill sites and vacant buildings, and multiple large and small infill redevelopment sites. These all factor into the City’s needs for brownfield site use visioning and planning within the Target Area. Within the first two years of the project period, City Staff will look to complete their own internal brownfield inventory to identify additional priority sites within the target area to identify and plan for future brownfield redevelopment.

**Site Assessment.** The City will obtain EDR approval from the EPA for each potential site prior to spending grant funds. Highest priority will be given to brownfield sites whose timely assessment will allow the City to capitalize on a particular re-development opportunity. We have found in the past that leveraging assessments with private developers to spur redevelopment of core investment areas has been crucial on our economic development process. Additionally, the prioritization criteria for potential sites will include, site access, imminent health risk, leverage of other resources, alignment with guiding documents and with environmental stewardship principles. The City will lead the activities of this by prioritizing which site assessments will be completed, while our QEP’s will take the lead on the assessment of each individual site. Selected sites throughout the Target Area will be evaluated through Phase I and Phase II ESAs. The City, with partnerships of our QEP’s, will complete 15 Phase I assessments and 8 Phase II assessments. Assessments will be completed over the course of the four years of the grant period.

**Cleanup Planning.** All sites requiring Phase II assessments and cleanup plan development will be enrolled in the MPCA’s voluntary brownfield programs for review and oversight of the assessment activity. All Phase I & II ESAs will be compliant with All Appropriate Inquiry (AAI), ASTM Standards and MPCA guidance. Site access should not serve as a barrier to completing the grant in time. In the event that a site poses an imminent health threat, the City has authority for access under Minnesota Statute 117. Cleanup Plans will be completed by one of our selected QEP’s and all three will be completed by the end of year four of the project period. Cleanup plans will include the evaluation of redevelopment configurations and remediation alternatives.

**Programmatic Activities.** The City has extensive experience with hiring and managing consultants, planning and implementing brownfield redevelopment projects, and working with

community groups and developers. The City will retain two qualified environmental consultants to conduct the assessment work. Under the guidance of the City Purchasing Agent, the City uses a procurement process that is consistent with 40 CFR 31.36. This task involves meeting the requirements of the Cooperative Agreement and implementing the grant in its entirety, including but not limited to meeting all reporting requirements, entering data into the ACRES database, and communication with the MPCA and EPA. The City will conduct these tasks with assistance from an environmental consultant and will report upon the outcomes/outputs associated with grant activity on a routine basis through quarterly reports and regular data input into the ACRES database over the four-year project period. Staff will remain knowledgeable about brownfield redevelopment by attending four state and two national conferences over the four-year project period.

**3.b. Cost Estimates**

**Task 1 = Brownfield Planning:**

- The City will conduct at least one internal brownfield inventory for the target area, expending no less than 400 hours at \$55/hr (\$22,000)
- The City will engage in annual community stakeholder meetings with the City providing both venue and meeting materials (5 meetings at \$250 per meeting for venue and light refreshments = \$1,000)
  - o [Total: \$22,000 + \$1,000 = \$23,000].

**Task 2 = Site Assessments:**

- The City will complete 15 Phase I ESAs to include the site-specific EDRs, for EPA staff review at an average contractual cost of \$8,000 each [total = \$120,000]
- The City will complete 8 Phase II ESAs at an average contractual cost of \$30,000 per assessment [total = \$240,000].
- The preparation of Quality Assurance Program Plans (includes annual QAPP update letters) by two consulting firms at an estimated contractual cost of \$8,500 each [total = \$17,000].
  - o [Total: \$120,000 + \$240,000 + \$17,000 = \$377,000;].

*(Note: The costs for conducting Phase I and Phase II ESAs will vary depending upon the size of the properties and extent of the contamination present; costs are based upon the City's experience with past grants.)*

**Task 3 = Cleanup Planning:**

- Cleanup plans will be developed for three properties at an estimated contractual cost of \$10,000 per site [Total = \$30,000].

**Task 4 = Eligible Programmatic Activities:**

- Funding has been included for two City staff to travel to the (anticipated) 2023 and 2025 National Brownfield Conferences. In addition, they will attend meetings and trainings provided by Minnesota Brownfields to learn and share best practices. The estimated cost of travel is \$2,500 (registration, airfare, lodging, per diem/incidentals) per national conference trip (4 trips - total \$10,000);
- \$3,000 is budgeted for in-state trips (4 trips @ \$750 each for mileage, lodging, per diem/incidentals).
  - o [Total: \$10,000 + \$3,000 = \$13,000]

**A total of \$407,000 will be spent on site assessment & cleanup planning = 91%.**

**Table 4: Budget**

	<b>Task 1 Brownfields Planning</b>	<b>Task 2 Site Assessment</b>	<b>Task 3 Cleanup Planning</b>	<b>Task 4 Programmatic Activities</b>	<b>Total (\$)</b>
Personnel	\$15,400	0	0	0	\$15,400
Fringe Benefits	\$6,600	0	0	0	\$6,600
Travel	0	0	0	\$13,000	\$13,000
Equipment	0	0	0	0	0
Supplies	\$1,000	0	0	0	\$1,000
Contractual	0	\$377,000	\$30,000	0	\$407,000
<b>Total</b>					<b>\$443,000</b>

**3.c Measuring Environmental Results**

City staff keep in close communication with its consultants by email, phone and regularly scheduled meetings. If the assessment is for a City project (such as for a park), brownfield staff facilitate communications between park staff and the consultant. City staff developed an internal tool, GrantTracker, to manage EPA grants in coordination with our Finance staff to draw down funds through the ASAP system. The city of Duluth uses TRAKiT community development software across departments to manage parcel and geo information, issue permits, track land use approval processes, route building and other plan reviews, record inspections, monitor performance, and provide a portal of online permitting and customer inquiry. Finally, using ACRES for tracking metrics, such as dollars leveraged, is a tremendous tool that we are committed to optimizing for this grant.

#### **4. PROGRAMMATIC CAPABILITY AND PAST PERFORMANCE**

##### ***4.a. Programmatic Capability***

The City allocates staff time from every team in the Planning and Development division to adequately meet the capacity for management and reporting for the Assessment Grant. The Planning Division Manager will serve as the supervisor for the program, and Brett Crecelius, Economic Developer, will be the Project Manager. Collectively, the team managing the Brownfields program has over 13 years' economic development experience, including managing other federal and state awards in addition to the City's Brownfield Program. The City of Duluth has obtained and managed over \$38 million in assessment, cleanup, infrastructure, redevelopment and business loan funding from local, state and federal entities since 2000. Mr. Crecelius coordinates directly with consultants, community groups, stakeholders and developers to implement projects and is supported by other departments and staff. Staff will be assisted as needed by personnel from the Engineering, Finance, Public Administration and Attorney departments. The City has not received adverse audit findings from an OMB Circular A-133 Audit, or from any audit conducted by a federal, state, or local government. Staff from multiple departments of those listed above have over 5 years' experience in working together to administer EPA grant funds. The City has established an organizational structure that has streamlined the process of getting these funds out into our community. The City utilizes a fully-integrated approach to its brownfield work; internal collaboration amongst city departments, where Planning, Storm Water, Engineering, Parks & Trails, the Sustainability Office, Property Management, and Finance Offices ensures knowledge of opportunities across fields are collaborated on and sought. Our brownfields staff continually seek out new and existing partners and educational opportunities that help increase our expertise and resources in our brownfield capacity. This includes meeting with and learning from other successful brownfield programs, increasing our regional environmental contractor base, and yearly value engineering our program to successfully complete our projects.

##### ***4.b. Past Performance and Accomplishments: Currently Has or Previously Received an EPA Brownfield Grant***

Since 2001 the City has been awarded six Assessment grants, one Revolving Loan Fund grant and two Assessment grants. Detail of the three most recent grants includes:

- **Community-Wide Assessment Grant (FY2019; \$150K Petroleum & \$150K Hazardous Substances; 10/1/2019 – 9/30/2022):** The City procured 3 environmental firms and prepared 2 QAPPs. 12 sites were identified and completed EDR's and Phase I assessments. 8 EDRs and Phase II's were completed along with one completion of a cleanup plan. One market study was completed with these funds. To-date, 5 sites have undergone or are completing redevelopment. The City maintained compliance with reporting and other Cooperative Agreement terms and conditions.

- **Community-Wide Assessment Grant (FY2014; \$200K Petroleum & \$200K Hazardous Substances; 10/1/2014 – 3/31/2019):** The City convened 24 TAC meetings. 3 environmental consulting firms were procured; QAPPs prepared and approved. EDRs for 25 sites were prepared and submitted. 16 Phase I ESAs were completed. 8 Sampling Action Plans and Phase II ESAs were completed. 2 Hazardous Material Surveys were completed. 1 Historic District Re-Evaluation was completed. To-date, two sites have undergone redevelopment. The City was in compliance with reporting and other Cooperative Agreement terms and conditions.

- **Brownfield Revolving Loan Fund (FY2012; \$780K; 10/1/12–9/30/23): Accomplishments:** The City awarded 3 loans from the revolving loan fund. All RLF funds have been awarded and have leveraged over \$30M in private development. The City was in compliance with reporting and other Cooperative Agreement terms and conditions.

## Threshold Criteria Responses

### 1) *Applicant Eligibility*

City of Duluth, Minnesota

- Incorporated as a city in 1857

Unique Entity Identifier: S3MZFK8JXGJ3

DUNS Number: 077627883

### 2) *Community Involvement*

Community involvement will be accomplished in two ways. The first is the continued meeting with the St. Louis River Corridor Technical Advisory Committee (SLRC-TAC). The convening of the committee helps us connect quarterly to partners in the region who help have input from their communities in regards to brownfields and redevelopment. This group helps us to define and prioritize brownfield sites, neighborhood needs, market demand, and reuse plans. They have also historically helped partner by aligning funding resources to make grant funds reach further. Secondly, The City will be hosting, at minimum once a year, community engagement meetings open to the public and all of the communities in the target area. We will look to bring in members of the community and partner organizations to help determine priority sites and neighborhood needs. Doing this yearly will keep us on track and in tune with what our community needs and how the funding should be utilized to better address the brownfields in our community. We will look to utilize the feedback from all sources to guide our site prioritization and will give yearly updates of progress for the community. For more information on community involvement, please see section 2b of the narrative.