



2019

BROWNFIELDS IN MOORHEAD

A BRIEF HISTORY OF
**DOWNTOWN
REDEVELOPMENT**



WHY MOORHEAD?

Over the past decade, Moorhead has invested millions of dollars in downtown physical improvements as part of its downtown revitalization efforts. Many of the properties acquired to do so were mildly to severely contaminated due to a wide variety of historical land uses. The U.S. Environmental Protection Agency's (USEPA) Brownfield Program provides grant funding to help facilitate economic redevelopment on contaminated properties such as these. A \$400,000 Assessment Grant was awarded to the City in 2004 to provide 100% financing for Environmental Site assessments within an area defined as the "Central City Corridor." This includes all areas of First Avenue, Center Avenue, Main Avenue and The 4th Street Gateway entrance area.

The purpose of this report is to highlight Brownfield sites in Moorhead where the city has gone above and beyond to remediate sites which became extremely successful redevelopment projects. Detailed for each property is site history, environmental contamination, remediation efforts and corresponding financing, and the resulting redevelopment project.



SUPPORTING INITIATIVES

DOWNTOWN REDEVELOPMENT FRAMEWORK PLAN

Originally outlined in 2007, the plan is a collaborative effort that provides a physical framework that provided a toolkit to evaluate redevelopment proposals, and identified opportunities for public investment that would lead to private investment and revitalization. The Framework Plan has four main objectives which are: economic vitality, balanced housing choices, vibrant city center, and unique character.

DOWNTOWN HOUSING GOAL

In 2018, the Mayor and City Council endorsed a "500 in 5" goal for housing development in Downtown Moorhead, where they were asked to direct staff to identify, support, and create new residential opportunities

DOWNTOWN RIVERFRONT REDEVELOPMENT PROJECT

A MAJOR SUCCESS

Completed in 2007, this project was the first in a series of Brownfield Remediation projects to be a major success in Moorhead. It encompassed all aspects of Brownfield Remediation, and was awarded the USEPA Region 5 Success Story at the Brownfield National Conference in November of 2005.



SITE HISTORY

This site houses the oldest part of the city, predating 1871, and is the city's main central point of entry. Overall, the project involved the acquisition or relocation of 26 properties that included shops, a dry cleaning facility, gasoline service stations, foundry, a machine shop, a demolition fill area, and residencies.

A FIVE-PHASE PROJECT

The site was severely contaminated, exposure to which presented a hazard to future occupants. Remediation of the site involved overcoming numerous environmental encumbrances, including, but not limited to, the destruction of 19 buildings, removal of approximately 30,000 cubic yards of impacted soil and residuals, the elimination of asbestos and lead-based paint, and the installation of clean buffer zones and subslab vapor barriers.



Phase I



Phase II A



Phase II B



Phase III



Phase IV

The property is now home to a new, mixed-use pedestrian-convenient development that still incorporates the "Old Moorhead", including 40,000 square feet of commercial and office space, 100 new housing units, underground parking ramps, and welcoming landscaping including outdoor plazas, trails, park upgrades, and a signature bridge. Additionally, the historic Douglas House, and Kassenborg block were restored as a way to preserve the cities historic, cultural and geographic landscape.

THE FINANCE

To assist with the redevelopment cost of the project, the City obtained over \$2 million in grant funding from various sources including the MN Petrofund, MN Dry Cleaner Fund, three MN DEED Cleanup Grants, a USEPA Assessment Grant, City Capital Improvement Fund, and City land acquisition/sales transactions.



GATEWAY GARDENS

SITE HISTORY

Located at 1817 1st Avenue N., the site previously included Great Northern Railroad Grounds, and a bulk petroleum tank farm facility owned by Johnson Oil Company that operated at the site from the 1950's through the 1990's. Historically, the site included the adjoining property to the east, which is the current Homeless Shelter Kitchen. Two vacant buildings existed on the 1.5-acre parcel, one of which had become a make-shift homeless shelter.

REMEDIATION

DEED grant funding was used to remove an underground storage tank, excavate contaminated hot spots as well as the soil beneath the structure, and establish a clean buffer beneath the building, paved and landscaped areas, building ventilation, and filling and capping a low portion of the impacted property.

THE FINANCE

This project was almost entirely funded from outside sources. A DEED Cleanup grant to remediate site contamination. Construction funding was provided by the Minnesota Housing Finance Agency, the Greater Minnesota Housing Fund, Moorhead's Local Community Development Block Grant, Brownfield Assessment grants and the Clay County HRA.

REDEVELOPMENT

The redeveloped site would become a 4-story, 24-unit housing complex that would provide supportive housing, counseling, and job training to assist homeless individuals in reaching independence. Over \$4 million of outside funding was invested to address social and environmental concerns, and was an overall positive step in the redevelopment of the east side of the Central City Corridor. The project was completed in 2010.





TIRE DEPOT

SITE HISTORY

The parcel of this property had two years of delinquent taxes, and was entering a third at January of 2011. The resale proceeds of the parcel from the City following tax foreclosure covered the cost of abatement, while also increasing the jobs and tax base of the city.

REMOVAL AND REUSE

Disposing of the tire shreds had proven too expensive due to trucking and processing fees or trucking and disposal fees. At the time, Clay County was expanding its landfill, and it was identified that the tire shreds could be used for fill around the piping and gas collection systems. This provided a reuse for the material, and was extremely cost-effective given that it reduced construction costs for the landfill, minimized travel expenditure, and had no disposal fees.

THE FINANCE

The former Tire Depot, located in the original industrial park, had not been operational for several years when the City Council approved the abatement of a huge pile of tire shreds in May-June of 2010. Moorhead worked closely with various owners and the MPCA to develop a plan to reuse the 3,100 tons of tire shreds in an environmentally proper and feasible manner.



THE GROVE APARTMENTS

SITE HISTORY

The 5.4 acre site located at 1701 and 1521 1st Ave N. was previously a ready mix site operated by Aggregate Industries and a landscaping company named Hedgemasters. The site contained petroleum and chlorinated volatile organic compounds as well as asbestos-containing materials, and lead-based paint which required proper removal and the establishment of clean buffer zones and sub-slab vapor barriers



THE FINANCE

A DEED cleanup grant and Tax Increment Funding (TIF) was used to cover the \$1.8 million cleanup cost.

REDEVELOPMENT

The site is now home to three buildings of multi-family housing containing 135 units will bring \$12.4 million of new building valuation and a whole new customer base into Moorhead's downtown. The final phase will be completed in 2019.



SIMON/ARMORY LOFTS SITE



OVERVIEW

This project, lead by Kevin Bartram of MBA Investments LLC, is a high-density, urban infill project that repurposes a historic 1922 warehouse and Moorhead's original Armory circa 1915 into 60-65 loft apartments and an events center, respectively. The property is projected to increase the property tax base of the city while also creating new jobs, additional housing, choices, and increasing the total number of businesses in Moorhead. The City assists in the process by offering extended Property Tax Exemptions as an incentive to develop the downtown area.

THE FINANCE

This project obtained private financing, however, the project received Urban Progress Zone property tax exemptions through the City of Moorhead. Cleanup costs covered the removal of petroleum contaminated soils.

REDEVELOPMENT

The former Moorhead Armory will be redeveloped by demolishing an existing metal building and restoring the building to preserve its historic significance. Once completed, the space will be used as an events center, managed by an event entity that will handle the scheduling of events such as weddings, concerts, business meetings, banquets, fundraisers, parties, and community functions. It is projected that this management company will employ 5 full-time and 20-25 part time positions.





BLOCK E

SITE HISTORY

This 0.65 acre site was formerly the Tesoro and Cook Floor Properties, and was acquired by the City in order to obtain the right-of-way needed to construct a northbound to eastbound turn lane and new traffic signals at 8th Street and Main Avenue. The property is adjacent to St. John the Divine Episcopal Church, designed by Cass Gilbert in 1898, and is across the street from the Moorhead Dairy Queen which has been "Serving Up Smiles" since 1949.



REDEVELOPMENT

The Loft redevelopment project sits on the corner of 8th St and Main Avenue, the second busiest intersection in Moorhead. A new, four-story mixed use building, with underground parking, retail on the main level, office space on the second level, and apartments on the top two floors now occupies the property. Overall, the project totaled around \$5.8 million in mixed-use development.

CONTAMINATION

The site was formerly occupied by three different gasoline stations, and previously contained underground storage tanks, which resulted in petroleum-related contamination. In addition to the storage tank removal, all contaminated soil was excavated and backfilled with clean soil. In order to provide safe ventilation for the underground parking structure, a passive sub-slab vapor mitigation system was installed that could be converted to an active depressurization system if necessary.



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