



STAFF REPORT

DATE: December 3, 2024

REGULAR AGENDA

AGENDA ITEM: Submitting a Letter of Intent for 3M Priority 2 Grant Funds to Explore Installing Solar on the Washington County Landfill

SUBMITTED BY: Ashley Monterusso, City Planner

REVIEWED BY: Jason Stopa, Community Development Director

PRESENTED BY: Tony Manzara, Economic Development Authority

OBJECTIVE:

To determine if the EDA should move forward with applying for a letter of intent (LOI) as a preliminary step in applying for 3M Priority 2 grant funds for the removal of state issued bonds on the Washington County Landfill site with the intention of installing of a solar farm.

BACKGROUND:

Exploring the feasibility of developing a solar farm on a former city landfill site using 3M Settlement Priority 2 grant funds is on the 2024 EDA workplan.

As part of the 3M settlement, \$20 million in grant money was set aside to compensate for losses to recreational and ecological resources resulting from PFAS released by 3M. The DNR and MPCA have elected to solicit project proposals directly from the organizations and communities via a public RFP process. The first part of the process is for the submittal a letter of intent, this is to be brief project description to determine whether a project qualifies for Priority 2 funding. If the project qualifies, the city can determine whether or not to submit a full application. EDA Commissioner Manzara is leading the effort and is asking for support of a letter of intent for the project.

The EDA unanimously passed a motion to recommend the submission of a letter of intent for this project to City Council at their meeting in May 2024. The LOI deadline has been pushed back since then and is now dated for “early 2025”.

PROPOSAL DETAILS/ANALYSIS:

Commissioner Manzara with the support of the Economic Development Authority and City Council would like to write a Letter of Intent to explore this project further. The letter of intent would be reviewed by the DNR and MPCA. The application for the submittal of the Letter of Intent is expected to open this winter and will be open for all applicants for 30 days.

The objectives for applying for this grant are twofold: to retire the remaining debt from the general obligation bonds (although this will not remove bonded status) and to cover the administrative costs associated with preparing for the development of a solar power installation. This installation aims to utilize the land effectively and serves as a potential source of income for the city. The generated revenue theoretically could be directed towards public benefits, such as the park dedication fund, thus enhancing community assets and contributing to the public good.

The decision to submit the Letter of Intent does not commit the city to proceed but opens the door for more detailed investigations into the legal, financial, and technical aspects of the project. It is a first step in determining how best to utilize the closed landfill site, potentially transforming it into an asset that contributes to the city's environmental and financial health.

ISSUE BEFORE COMMITTEE:

Would City Council support a letter of intent to apply for the 3M Priority 2 grant funds for the removal of state issued bonds on the Washington County Landfill site with the intention of installing of a solar farm?

RECOMMENDATION:

Staff recommends that City Council support the submission of a letter of intent for the 3M Priority 2 Grant funding.

Suggested motion:

“Motion to support a letter of intent submission by Commissioner Manzara for the 3M Priority 2 Grant funds for a solar on Washington County Landfill project.”

ATTACHMENT:

- Minnesota 3M PFAS Settlement Priority 2 Information
 - [Front page | Minnesota 3M PFAS Settlement \(state.mn.us\)](https://state.mn.us/3m-pfas-settlement)
 - 3M Settlement Priority 2 Project Update (state.mn.us) (attached)
- [Feasibility of Solar Development on State-Managed Closed Landfills: A Report to the Legislature](#)
 - [Feasibility of Solar Development on State-Managed Closed Landfills: A Report to the Legislature \(mn.gov\)](#)
- US Environmental Protection Agency Superfund site page for Washington County Landfill
 - <https://cumulis.epa.gov/supercpad/cursites/csinfo.cfm?id=0503888>
- MPCA Groundwater Contamination Atlas page for WCL
 - <https://webapp.pca.state.mn.us/cleanup/search/superfund?text=SW-1&siteId=2273-AREA0000000003>

3M Settlement Priority 2 Project Update

Intent of the settlement

Priority 1 is to ensure safe and sustainable drinking water in the Twin Cities East Metropolitan Area. Priority 2 is to replace, protect or enhance natural resources and services that have been lost.

“... projects that restore and enhance aquatic resources, wildlife, habitat, fishing, resource improvement and outdoor recreational opportunities in the East Metropolitan Area and in downstream areas of the Mississippi and St. Croix Rivers.”

- Priority 2 projects will be solicited via a competitive, public Request for Proposals (RFP) process. \$20 million dollars is available.
- Project co-trustees (DNR and MPCA) will select the projects that best meet Priority 2 goals.
 - **Goal 1** – Restore, protect and enhance aquatic and terrestrial resources, wildlife and habitats.
 - **Goal 2** – Increase understanding of fish tissue contamination, improve communication about PFAS-based fish consumption advisories, and identify and enhance alternative, non-contaminated fishing areas.
 - **Goal 3** – Improve and enhance outdoor recreational opportunities.

RFP process and Timeline

The RFP will be a two-part application:

- Letter of intent—brief project description to determine whether a project qualifies for Priority 2 funding.
- Full application—proposals to be evaluated using criteria.

Timeline:

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|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Early 2025 | <ul style="list-style-type: none"> • RFP letter of intent for qualification screening • Q and A opportunity |
| Summer 2025 | <ul style="list-style-type: none"> • Full RFP opens for projects that passed screening • Public grant application workshop |
| Fall 2025 | <ul style="list-style-type: none"> • Full RFP grant application due |
| Late 2025 | <ul style="list-style-type: none"> • Applicants notified and contracts initiated |
| 2026 | <ul style="list-style-type: none"> • Project start |

[Settlement webpage](https://3msettlement.state.mn.us) – 3msettlement.state.mn.us

Questions? Email 3mpriority2@state.mn.us

GovDelivery – sign up on the Settlement webpage, to receive project updates