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**City of Duluth - Communications Office**

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**DATE: 1/25/2017**

**SUBJECT: Duluth housing development awarded \$654,000 State clean up grant**

**BY: Pakou Ly, Communications Office**

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### **Duluth housing development awarded \$654,000 State clean up grant**

[Duluth, MN] - The St. Louis River corridor will see a \$10 million 67-unit market rate rental housing development thanks to a \$654,000 contamination clean up grant from the Minnesota Department of Employment and Economic Development. Kuepers Inc., Architects and Builders and the Duluth Economic Development Authority partnered to pursue the cleanup grant in order to advance their vision of constructing 9 additional single family housing units to accompany two multi-unit buildings.

Discovery of contamination can delay and in some cases halt construction projects depending on the extent of contaminants and cost. That was the case for Kuepers Inc., Architects and Builders which was already completing construction on two 29-unit apartment complexes when the second phase hit atypical soil. Kuepers and their environmental consultants encountered diesel range organics stemming from previous site use as an auto repair service in addition to the presence of lead. The cost for remediation was estimated at just over \$900,000. Through a partnership with the DEDA, the company pursued and was awarded a \$654,000 clean up grant which will ensure the completion of 9 additional single unit townhomes. Kuepers Inc. is committed to provide a 25% match under the grant program.

"This is another great example of effective private-public partnerships. DEDA is a catalyst for economic growth and has technical experts on staff who can help businesses navigate the complexity and challenges of constructing on brownfield sites. It's these critical partnerships that advance the positive growth we see happening in Duluth. We appreciate MN DEED's support in ensuring this project moves toward completion," said Heather Rand, Executive Director of the Duluth Economic Development Authority.

"We, at Kuepers Inc., are very happy to receive the MN DEED grant award for our Grand Avenue Estates project. We recognize and greatly appreciate the amount of work that the DEDA did for us during the grant application process. The discovery of pollutants beyond petroleum laden soils was a surprise. However, with the help of the DEDA and MN DEED, we are able to move forward with our project without compromising project scope or significantly raising targeted rental rates and achieve our vision for high quality market rate housing that is both affordable and attractive. We chose to build in the City of Duluth because we recognize the need for high quality work force housing in this area. We look forward to being part of the West Duluth community and we believe that our project will serve as a valuable asset for the area," said Chris Raimann, Architect at Kuepers Inc.

"Providing quality housing opportunities is critical as we build up our workforce base. This has been an expressed need from employers and employees for several years. We have seen close to 400 new units added to the Duluth market in 2016 and are excited to have Kuepers Inc. investing in West Duluth and addressing the housing gap so Duluthians can have another option to consider. As we work to enhance recreation along the St. Louis River Corridor, residents can look to our River communities where quality of life, recreation and housing come together beautifully," said Mayor Emily Larson.

The project site is scheduled for clean up over the spring and summer with completion of the 9 single family units by early November. Units are moderately priced at \$975/month for a single bedroom up to \$1475/month for a 3 bedroom offering modern amenities and appliances. The single unit townhomes would list for \$1795/month up to \$1945/month for 2 and 3 bedrooms, respectively. Anyone interested in rental information can call the Prairie Lakes Management company at, 218-454-0383.

The City of Duluth commissioned a "Workforce Housing Needs Study" in 2014 which identified a shortage of 4400 units of workforce housing. This study is currently being updated. The 2014 study can be viewed at, <http://www.duluthmn.gov/business-development/housing-summit/>

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