

SUBGROUP: Funding Sustainability

Remediation and Redevelopment External Advisory Group



AGENDA

Remediation and Redevelopment External Advisory Group – Funding Sustainability

Wednesday, June 7, 2023

1-2:30 p.m.

Milwaukee DNR Service Center | Harbor Room

1027 W. St. Paul Ave., Milwaukee, WI 53233

Register to attend via Zoom

<https://us02web.zoom.us/meeting/register/tZMkc-mtpzkuEtHiv1-JaVDqeHXyhStAZj2S#/registration>

In-person attendees should RSVP to Jody.Irland@wisconsin.gov by noon on Tuesday, June 6.

Introductions

- Agenda repair
- Meeting logistics
- Future Meeting Dates

Review Takeaways from Last Meeting

Review of Identified Financial Gaps-to-date (draft paper)

- Discussion of additional gaps not identified

Review of Proposed Financial Tools

- Proposed LGU cost recovery draft paper
- Discussion of additional proposed tools, including Revitalize Wisconsin
- Review of *Quick Reference Chart: Brownfield Cleanup and Redevelopment Funding (RR-077) Draft*
 - Assigned to DNR during the [subgroup meeting on March 3, 2023](#) to demonstrate which programs are available, who is eligible for the funding and what they can pay for.

Next Steps and Assignments

Next meeting date

- Remediation and Redevelopment External Advisory Group (EAG) – July 13, 2023
- Funding Sustainability Subgroup – quarterly, following next EAG meeting (date to be determined)

Adjourn

MEMORANDUM

TO: Jodie Peotter, Wisconsin Department of Natural Resources
CC: Bill Nelson
FROM: Ned Witte, Dave Misky
DATE: September 22, 2022
RE: RREAG Additional Agenda Item for September 23, 2022

Thank you for the opportunity to propose additional agenda items for this Friday's Remediation and Redevelopment External Advisory Group.

Multi-Site Legacy Residual Contamination Sites Revolving Fund Program

Issues

- Facilities like former gas stations and former dry-cleaning properties remain open issues in many communities.
- The larger entities in such industries have addressed their issues (e.g., Kwik Trip; Klinke's) while the small businesses, including many in environmental justice communities, merely went out of business and the problems remain.
- Contamination remaining in the environment is often worse than after the initial discharge.
- Human health impacts for VOC vapor intrusion are acute and increasingly understood to be worse than previously understood.
- Environmental justice communities may not have the resources to address single remedial action sites or Brownfields sites.
- The optimal end use of a remedial action site may not be a lucrative redevelopment opportunity but rather a park or community space; again, this concern hits environmental justice and smaller communities harder than "high profile," larger municipalities with desirable redevelopment sites.

Barriers

- Cleanups can be expensive undertakings - PECFA has sunset; DERF is underfunded and upside down due to funding tied to phased out products.

- Wisconsin has a mature pipeline of sites suitable for redevelopment – the sites remaining may not have an immediately associated viable responsible party (e.g. a seller who is also the RP) to address the issues or may be complicated by other variables.
- DNR RR staff bandwidth may not permit proactive attention to the sites that are priorities for LGUs
- Changes to Wis. Stat. ch. 227 has made Administrative Rulemaking a 30-month endeavor rife with challenges.
- Faster to promulgate a statute than an administrative rule.
- “Juice is not worth the squeeze” for many communities where the cost to define the unknown with no potential ability to recover costs is a barrier, or no funding is available at all
- DNR receipt of site-specific cost recovery funds are inflexible/directed to general fund.

Opportunities

- LGU programs (e.g. liability exempt status) have been very successful in achieving favorable outcomes and incentivizing investment in remedial action sites
- LGUs have certain cost recovery tools (i.e. 292.33 and 292.35) that have not been fully leveraged but which could complement DNR directed cleanup and redevelopment
- May lead to cleanups in EJ communities that have been overlooked.

Proposed Solution

- A new fund and program for LGUs – municipalities, counties, tribes
- Fund to address multiple sites at once
- Reuse of property not driven solely by redevelopment opportunity to maximize profit, but to maximize outcomes including utility of contaminated or perceived contaminated properties for multiple community uses.
- Conceptual approach:
 - Applicant LGU identifies 3-5 sites which meet certain criteria developed by subgroup (consideration: include preference for EJ-related sites).
 - Applicant LGU conducts PRP search and explores cost recovery options (292.33; 292.35)
 - Upon receipt of LGU proposal including the foregoing criteria and funding request, DNR evaluates application of 3-5 sites with Green Team meeting to identify funding opportunities
 - DNR oversight/approval of eligible costs
 - Create an appropriation where (a) the legislature may direct specific funds; and (b) any recovered costs owed to DNR secured through the LGU cost recovery options may feed back into the grant program rather than go to GPR.
- Objectives of program:
 - 3-5 cleanup sites within a community (in case of municipal applicant) or series of communities (in case of county applicant) across state of Wisconsin (not just major municipalities)
 - Cost recovery success for some of the applicants with percentage of cost recovery shared with DNR to continue program
 - Attention to smaller communities and EJ sites

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Brownfield Grant Program WEDC	<ul style="list-style-type: none"> Local governments, businesses, nonprofits, individuals Commercial and industrial sites impacted by contamination caused by a person that cannot perform cleanup 		\$		\$	\$	\$		\$		\$	
Idle Sites Redevelopment Program WEDC	<ul style="list-style-type: none"> Any city, village, town, county, government entity, or tribe with either an approved project resolution or with private developer and an approved development agreement Properties with certain acreages and usage histories 						\$		\$	\$		
Community Development Investment Grant Program WEDC	<ul style="list-style-type: none"> Local governments, tribes Shovel-ready projects with emphasis on downtown community-driven effort 						\$			\$		
Vibrant Spaces Grant (Pilot Program) WEDC	<ul style="list-style-type: none"> Local governments and tribes Projects to develop and enhance public spaces 									\$		
Ready for Reuse Revolving Loan Fund Grants DNR	<ul style="list-style-type: none"> Local governments, tribes, nonprofits that did not cause the contamination Federally defined brownfield owned by applicant 				\$		\$	\$	\$		\$	
Knowles-Nelson Stewardship Grants (Local Assistance Subprograms) DNR	<ul style="list-style-type: none"> Local governments, tribes with an approved comprehensive outdoor recreation plan, nonprofit conservation organizations Scenic, recreational, agricultural, or natural lands 		\$							\$	\$	
Community Development Block Grant (State Programs) Wisconsin Department of Administration (DOA)	<ul style="list-style-type: none"> Local governments that are not CDBG entitlement communities (typically cities with less than 50,000 people and counties with less than 200,000 people) 	\$	\$		\$		\$		\$	\$	\$	\$
Coastal Management Grants DOA	<ul style="list-style-type: none"> Local governments, state agencies, schools, regional planning commissions, tribes, nonprofits Properties in counties adjacent to the Great Lakes 	\$	\$				\$		\$	\$		
Federal Cleanup Grants U.S. EPA	<ul style="list-style-type: none"> Local governments, states, tribes, nonprofits Federally defined brownfield site owned by applicant 				\$		\$		\$		\$	
Federal Revolving Loan Fund Grants U.S. EPA	<ul style="list-style-type: none"> Local governments, states, tribes, nonprofits Federally defined brownfield site 				\$		\$		\$		\$	

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REIMBURSEMENT Administering Agency	Eligible Entities and Sites	Planning	Acquisition	Phase I & II	UST Removal	Site Investigation	Demolition	Remedial Action Planning	Environmental Cleanup	Redevelopment	Asbestos Abatement	Emergency response
Local Transportation Alternatives Program Grants Wisconsin Department of Transportation (DOT)	<ul style="list-style-type: none"> Local governments, regional transportation authorities, transit agencies, land and natural resource agencies, schools, tribes, nonprofits 	\$	\$							\$		
Agricultural Chemical Cleanup Program Wisconsin Department of Agriculture Trade & Consumer Protection (DATCP)	<ul style="list-style-type: none"> Persons that own or control a spilled agricultural chemical, caused the spill, or own property where the spill occurred 					\$	\$		\$			
Local Government Cost Recovery Local Government Units	<ul style="list-style-type: none"> Cities, towns, villages, and counties Properties acquired through special processes such as tax delinquency, eminent domain, slum clearance or blight elimination 				\$	\$		\$	\$			
Local Government Negotiation and Cost Recovery Local Government Units	<ul style="list-style-type: none"> A municipality, a redevelopment authority, or a public body designated by a municipality Properties owned fully or in part by the local government 					\$		\$	\$			
Local Governments Reimbursement Program U.S. EPA	<ul style="list-style-type: none"> Local governments, tribes that are not responsible for the spill or incident Properties within the jurisdiction of applicant 											\$
LOANS Administering Agency	Eligible Entities and Sites	Planning	Acquisition	Phase I & II	UST Removal	Site Investigation	Demolition	Remedial Action Planning	Environmental Cleanup	Redevelopment	Asbestos Abatement	Emergency response
State Trust Fund Loan Program Wisconsin Board of Commissioners of Public Lands	<ul style="list-style-type: none"> Cities, counties, towns, villages, lake districts, metropolitan sewerage districts, school districts, technical college districts, town sanitary districts 	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	

Small Business Administration Loans U.S. Small Business Administration	<ul style="list-style-type: none"> SBA-defined “small businesses”, businesses meeting certain net worth requirements, and businesses meeting certain credit requirements 	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Section 108 Loan Guarantee U.S HUD	<ul style="list-style-type: none"> States, metropolitan cities, urban counties, and certain CDBG non-entitlement communities that can pledge CDBG allocations to repay loan 	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
PACE Wisconsin Local Government Units	<ul style="list-style-type: none"> Property owners within communities that are part of the PACE Wisconsin Commission Commercial, industrial, non-profit, agriculture, and hospitality properties 			\$		\$		\$	\$	\$	\$		
Ready for Reuse Revolving Loan Fund DNR	<ul style="list-style-type: none"> Local governments (any “municipality” under Wisconsin Statutes § 67.01(5)) that did not cause the contamination Federally defined brownfield site 				\$		\$		\$		\$		
TAX CREDITS & INCENTIVES Administering Agency	Eligible Entities and Sites	Planning	Acquisition	Phase I & II	UST Removal	Site Investigation	Demolition	Remedial Action Planning	Environmental Cleanup	Redevelopment	Asbestos Abatement	Emergency response	
Environmental Remediation Tax Incremental Financing Wisconsin Department of Revenue	<ul style="list-style-type: none"> Cities, villages, counties, and towns Areas in which 50% of the area has significant environmental pollution 	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Tax Incremental Financing Wisconsin Department of Revenue	<ul style="list-style-type: none"> Cities, villages, and towns with a project plan approved by a local authority (e.g., the planning commission) 	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
New Market Tax Credits Wisconsin Housing & Economic Development Association (WHEDA)	<ul style="list-style-type: none"> Qualified active low-income community businesses, including nonprofits Community development project 	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Business Improvement Districts Local Government Units	<ul style="list-style-type: none"> Cities, towns, and villages that receive a BID petition from one or more affected property owners 	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Historic Preservation Income Tax Credits WEDC	<ul style="list-style-type: none"> Persons rehabilitating historic structures Certified historic structures used for income-producing purposes (i.e., business) 				\$					\$	\$		
Cancellation of Delinquent Property Taxes Local Governmental Units & DNR	<ul style="list-style-type: none"> Wisconsin counties and the City of Milwaukee may issue cancellation 		\$										

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	<ul style="list-style-type: none"> Property owners or buyers that enter cleanup agreements may qualify 												
Reassignment of Tax Foreclosure Judgment Local Governmental Units & DNR	<ul style="list-style-type: none"> Counties and the City of Milwaukee using “in rem” or tax deed foreclosure Persons that agree to clean up contamination may request assignment of title 		\$										
DIRECT ASSISTANCE Administering Agency	Eligible Entities and Sites	Planning	Acquisition	Phase I & II	UST Removal	Site Investigation	Demolition	Remedial Action Planning	Environmental Cleanup	Redevelopment	Asbestos Abatement	Emergency response	
Targeted Brownfields Assessment U.S. EPA	<ul style="list-style-type: none"> Public entities (e.g., municipalities, regional planning commissions) and non-profit organizations. Contaminated property owned by the applicant or abandoned by the owner and obtainable by the applicant (e.g., through tax foreclosure). 			\$		\$		\$					
Regional Economic Development Partners WEDC	<ul style="list-style-type: none"> Local governments, businesses, nonprofits, and other stakeholders 	\$								\$			
Green Team Assistance DNR	<ul style="list-style-type: none"> Any local government or community in Wisconsin 	\$											
Design Wisconsin University of Wisconsin-Extension	<ul style="list-style-type: none"> Any local government or community in Wisconsin 	\$											
Technical Assistance to Brownfields Kansas State University & U.S. EPA	<ul style="list-style-type: none"> Local government units, communities, and stakeholders in Wisconsin and other EPA Region 5 states 	\$											