

SUBGROUP: Funding Sustainability

Remediation and Redevelopment External Advisory Group



AGENDA

Remediation and Redevelopment External Advisory Group – Funding Sustainability

March 3, 2023

10:15 –12:15 p.m.

Rm. G09, State Natural Resources Building (GEF 2)

101 S. Webster St. Madison, WI 53703

Register to attend via Zoom

https://us02web.zoom.us/meeting/register/tZ0kfuygpjltHtL-RWJZvD1AUfcr6y3-T_br

In-person attendees should RSVP to Jody.Irland@wisconsin.gov by noon on Wednesday, March 1.

Introductions

- Agenda repair
- Meeting logistics

Review takeaways from last meeting

Funding gaps as identified by DNR

- Programmatic funding – resources for challenging, complex sites
- Dry Cleaner Environmental Response Fund Program (DERP) - fiscal status
- Vapor Intrusion
- Stalled petroleum sites – due to sunset of PECFA, requirements for system upgrade
- PFAS
- Innocent landowners

Funding gaps and needs- Group discussion

- Financial Assistance Gaps - sites/situations when financial assistance is needed but currently isn't available
- WAM/Ready for Reuse -Ideas for more effective leveraging of existing funds
- Services and Support from DNR- services and support from DNR that could be provided (improved or new) with additional resources

Recommendations/proposals

- Multi-Site Legacy Residual Contamination Sites Revolving Fund Program (Ned Witte, Godfrey & Kahn; Dave Misky, Redevelopment Authority of the City of Milwaukee). Clarifications/questions, feedback on proposal, and next steps

Open topics and additional agenda items

Next steps and topics for next meetings

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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