

# SUBGROUP: Funding Sustainability

Remediation and Redevelopment External Advisory Group



## Meeting Minutes

### 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

#### *Action items/assignments for next meeting*

- **ALL:** **AD HOC Group Opportunity** – Small group of people would develop draft white paper that would identify obstacles that would need to be addressed for the Multi-Site Legacy Residual Contamination Sites Revolving Fund Program proposal (Ned Witte, Godfrey & Kahn; Dave Misky, Redevelopment Authority of the City of Milwaukee)
  - To participate email [Michael.Prager@wisconsin.gov](mailto:Michael.Prager@wisconsin.gov) to express interest.
- **ALL:** Review *Quick Reference Chart: Brownfield Cleanup and Redevelopment Funding* (RR-77) Draft
  - Email [Michael.Prager@wisconsin.gov](mailto:Michael.Prager@wisconsin.gov) with comments and suggested changes
- **ALL:** Subscribe to the [RR EAG listserv](#) to receive information about future meeting dates, agendas, resources, and other EAG-relevant items. Zoom attendees are automatically added to the listserv; if you would like to opt out, please email [Jody.Irland@wisconsin.gov](mailto:Jody.Irland@wisconsin.gov)

#### *Introductions*

##### **In-person attendees**

- Donna Volk, Ramboll
- Mark Rutkowski, Shannon & Wilson
- Bill Nelson, Godfrey & Kahn
- Sarah Gruza, U.S. EPA
- Judy Fassbender, DNR
- Molly Schmidt, DNR
- Michael Prager, DNR
- Jodie Thistle, DNR
- Jody Irland, DNR
- Jenna Soyer, DNR

##### **Zoom attendees**

- Mabel Lamb, Sherman Park Community Association
- Deb Sielski, Washington County Public Agency Center Community Development Department

- Chris Valcheff, True North Consultants
- Ted Warpinski, Halling & Cayo
- Tom Coogan, DNR
- Niabi Schmaltz, Legal Action of Wisconsin
- Dave Misky, Redevelopment Authority of the City of Milwaukee
- Matt Buchanan, Development Specialist - City of Green Bay
- Gena Larson, DNR
- Ray Tierney, SCS Engineers
- Jennifer Borski, DNR
- Zach Vruwink, League of Wisconsin Municipalities
- Lanette Altenbach, Aecom Technical Services
- Ned Witte, Godfrey & Kahn
- Bill Scott, WP Scott Law
- Jason Lowery, DNR

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## *Agenda Repair*

### **Washington County Brownfields Redevelopment - Deb Sielski**

- Washington County created a coalition of local governments with the county being the lead partner. The coalition helped spread the message and shared goal that when local governments redevelop brownfields anywhere in the county it positively impacts the county as a whole.
  - [Washington County Site Redevelopment Program \(arcgis.com\)](http://arcgis.com)
- Coalition works closely with the Economic Development Corporation (EDC). The EDC studied the economic impact of the projects completed under the first two coalition assessment grants (2014, 2017) and the success prompted the county board to establish a county revolving loan fund and county assessment grant program. The same economic analysis has been an impactful tool in outreach to gain more partnerships and to provide evidence to communities about the benefit of investment in brownfields.
- *Areas of improvement:* education and messaging to developers. Brownfields projects shouldn't be shied away from; it is a great opportunity, with funding behind it, to make catalytic changes for a community.

## *Review Takeaways from Last Meeting (pull from slides)*

- [Meeting notes and materials from March 3, 2023](#)

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

### **Discussion of additional gaps not identified**

- There isn't enough funding to cleanup all the projects. Current funding sources (i.e., WEDC Cleanup Grants) are getting smaller.
  - Existing funding mechanisms can be curtailed by lack of RR Program staff to support the work, the capacity of the city apply, or the eligibility of the site.
- There are challenges in motivating property owners to cleanup sites for the sake of public or environmental health only. Developers have tighter profit margins with rising interest rates and the special requirements for EPA grants may turn developers away from Brownfields.
- More education and outreach is needed around the funding formulas of different funding programs.
- Communities may not have the capacity conduct market analysis and studies.
- There needs to be more investment of neighborhoods of color where the main concern is safety of residents of properties that have been redeveloped - a mechanism/requirement that there are no chemicals/properties are contaminant free when they start to build/occupy and for the long-term maintenance of any continuing obligations.
  - Community education is important so they can use their voice to weigh on redevelopment and safety.
  - State and local agencies need tighter work synchrony and communication.
- There is a need for long-term stewardship funding which includes on-going education, checklists, and reporting for property owners who maintain and run vapor mitigation systems and need to maintain other continuing obligations.
  - DNR currently provides upfront oversight on installation of systems and providing instructions.

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## Available resources for communities

- [U.S. EPA Land Revitalization](#) – Provides information and technical assistance to communities that need help with visioning and concept development for a brownfields site.
- [KSU TAB](#) – Free technical assistance provider who help communities to help review brownfields grant proposals or do site inventories.

## Review of Proposed Financial Tools

- Proposed LGU cost recovery draft paper
  - Will continue ad hoc conversations about narrowing down the barriers to the proposal.
- Discussion of additional proposed tools, including Revitalize Wisconsin
  - Revitalize Wisconsin was removed from the Governor's budget
- 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.
  - Suggestion to add a column for long-term stewardship to indicate which, if any, funding sources exist

## 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

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**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

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

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



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

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