



City of Racine, Wisconsin

AGENDA BRIEFING MEMORADUM

AGENDA DATE:	July 22 – Finance and Personnel Committee August 1 – Redevelopment Authority August 7 – Common Council
SUBJECT:	Request to accept \$450,000 USEPA Brownfield Cleanup Revolving Loan Fund Supplemental Funding Grant (Grant Control number xxx)
PREPARED BY:	Amy Connolly, Director of City Development
SUMMARY:	<p>City staff requests that Common Council accepts supplemental grant funds of \$450,000 from the US Environmental Protection Agency (USEPA) for the City’s existing Brownfield Cleanup Revolving Loan Fund.</p>
BACKGROUND:	<p>In 2010, the City of Racine received a \$1M grant of funds from the USEPA to begin a Brownfield Cleanup Revolving Loan Fund. The City has also received an additional \$800,000 in revolving loan fund supplemental funding in 2015. This funding has allowed the City to create and fund a substantial Brownfield Cleanup Revolving Loan Fund and to use these funds to assist new developments, such as the @North Beach and Nelson Electric project in financing brownfield cleanup at low interest rates.</p> <p>Revolving loan funding is specifically programmed to be used for cleaning up Brownfields sites throughout the City in order to reduce environmental threats to the community, reduce sprawl and preserve greenspace through the reuse of properties, and generate job growth and expansion in the City.</p> <p>This week, the City of Racine was notified by the USEPA that they have received an additional \$450,000 in revolving loan funds in the form of a grant from the USEPA. This was provided to the City of Racine because our funding for hazardous substance remediation was depleted by the funding provided to the @North Beach development.</p> <p>This funding could be easily used by any number of developments pending within the City of Racine.</p> <p>Program Outputs and Outcomes</p> <p>A total of two Brownfield properties have been remediated and received WDNR regulatory case closure. The Nelson Electric site (subgrant recipient) received case closure on February 11, 2015, and the Harborside site (loan recipient) received case closure on August 1, 2018.</p> <p>The following outcomes of the BCRLF program are also being measured by the City:</p> <ul style="list-style-type: none">- <u>Acres of Land Cleaned Up</u>: A total of 10.12 acres has been remediated as an outcome of BCRLF funding (0.58 acres for Nelson Electric site and 9.54 acres for Harborside site).

- Investment in Construction/Renovation: The City continues to pursue investment in construction/renovation for Brownfields sites through the BCRLF funding. The total investment to date is \$43,750. The Nelson Electric site was purchased for \$43,750 in 2017.

- Other Grant Funding Sources Leveraged: The following funding resources have been leveraged throughout the Project Period to date:
 - o \$391,777 from Tax Incremental District;
 - o \$150,000 from Wisconsin Economic Development Corporation Site Assessment Grant;
 - o \$200,000 USEPA Cleanup Grant;
 - o \$400,000 USEPA Assessment Grant;
 - o \$250,000 USEPA Area-Wide Planning Grant;
 - o \$200,000 USEPA Cleanup Grant for Racine Steel Castings – North Lot;
 - o \$200,000 USEPA Cleanup Grant for Racine Steel Castings – South Lot;
 - o \$500,000 BCRLF Supplemental Funding received in 2015;
 - o \$300,000 BCRLF Supplemental Funding received in 2016; and
 - o \$300,000 USEPA Community-Wide Assessment Grant received for Fiscal Year 2018.

- Jobs Created/Retained: A total of 47 jobs were retained at Nelson Electric (subgrant recipient) when the company was acquired by an Illinois-based company in 2017. The City's efforts are ongoing to create/retain additional jobs through the use of BCRLF funds.
http://journaltimes.com/business/local/nelson-electric-acquired-all-jobs-staying/article_8cbbeef0-46a7-5fcd-8b1c-aeab5d37317c.html

- Acres of Greenspace Created: No greenspace has been created as an outcome of the BCRLF funding.

FISCAL NOTE:

There are no required matches to this funding. The current Brownfield Revolving loan fund balance is \$1,281,201.66. A \$1,200,000 loan is pending to the @North Beach Development Project (Royal Capital Group).

RECOMMENDATION:

City staff recommends that Common Council accept supplemental grant funds of \$450,000 from the US Environmental Protection Agency (USEPA) for the City's existing Brownfield Cleanup Revolving Loan Fund.