



**City of Racine, Wisconsin**  
**AGENDA BRIEFING MEMORADUM**

<b>AGENDA DATE:</b>	March 7 – Finance and Personnel March 15 – Common Council
<b>SUBJECT:</b>	Communication sponsored by Mayor Mason, on behalf of the Assistant Director of City Development, seeking permission to apply for the USEPA Cleanup Revolving Loan Fund (BC-RLF) Supplemental Grant for the City of Racine (Grant Control# )
<b>PREPARED BY:</b>	Michelle Cook, Department of City Development
<b>SUMMARY:</b>	<p>City staff requests that the Finance and Personnel Committee recommends to the Common Council the authorization for the Assistant Director of City Development to apply for supplemental grant funds from the US Environmental Protection Agency (US EPA) for the City’s existing Brownfield Cleanup Revolving Loan Fund (BC-RLF).</p>
<b>BACKGROUND:</b>	<p>In 2010, the City of Racine received a \$1,000,000 grant of funds from the US EPA to begin a Brownfield Cleanup Revolving Loan Fund. Since then, the City has built a robust program receiving an additional \$500,000 in revolving loan fund supplemental funding in 2015, \$300,000 in supplemental funding in 2016, \$450,000 in supplemental funding in 2019, and \$500,000 in supplemental funding in 2021. This funding has allowed the City to assist developments and projects, such as the Nelson Electric project, Racine Steel Castings – South Lot, and the Horlick Redevelopment project in financing brownfield cleanup.</p> <p>Revolving loan funding is specifically programmed to be used for cleaning up brownfield 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. The funding provides low interest loans to developers who invest in the City’s brownfield sites and have a solid plan for remediation and reuse of the property.</p> <p><b>Program Outputs and Outcomes</b></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 BC-RLF also assisted with leveraging funds of the Racine Steel Castings – South Lot Cleanup grant to assist with the cleanup of the Racine Steel Castings site (BC-RLF was given as a deferred loan) and with the revitalization of the former Horlick Haban Milk Complex.</p> <p>To date, nearly \$2,000,000 has been loaned or subgranted to developers and other entities using the City’s BC-RLF granted by the US EPA.</p> <p>The following outcomes of the BC-RLF program are also being measured by the City:</p>

- Acres of Land Cleaned Up: Nearly 20 acres will be remediated as an outcome of BC-RLF funding (0.58 acres for Nelson Electric site, 9.54 acres for Harborside site, and nearly 10 acres for the Horlick site).
- Investment in Construction/Renovation: The City continues to pursue investment in construction/renovation for Brownfields sites through the BC-RLF 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:
  - o \$200,000 from an Affordable Housing Grant;
  - o Estimated \$3,391,777 from Tax Incremental Districts;
  - o \$150,000 from Wisconsin Economic Development Corporation Site Assessment Grant;
  - o \$200,000 US EPA Cleanup Grant;
  - o \$400,000 US EPA Assessment Grant;
  - o \$250,000 US EPA Area-Wide Planning Grant;
  - o \$200,000 US EPA Cleanup Grant for Racine Steel Castings – North Lot;
  - o \$200,000 US EPA Cleanup Grant for Racine Steel Castings – South Lot;
  - o \$500,000 US EPA BC-RLF Supplemental Funding received in 2015;
  - o \$300,000 US EPA BC-RLF Supplemental Funding received in 2016;
  - o \$300,000 US EPA Community-Wide Assessment Grant received for Fiscal Year 2018;
  - o \$450,000 US EPA BC-RLF Supplemental Funding received in 2019;
  - o \$500,000 US EPA Cleanup Grant for Water Street; and
  - o \$500,000 US EPA BC-RLF Supplemental Funding received in 2021.
- 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 BC-RLF funds.
- Acres of Greenspace Created: As of yet, no greenspace has been created as an outcome of the BC-RLF funding.

**FISCAL NOTE:**

There is no cost associated with applying for supplemental funding. If awarded, the funds will be used by the City to loan to developers subject to a 20% funding match.

**RECOMMENDATION:**

That the Finance and Personnel Committee recommends to the Common Council that the Assistant Director of City Development, or his designee, be authorized to act on behalf of the City to submit the US EPA BC-RLF Supplemental grant application and to sign all forms and documents, pay all fees, and take all necessary action to undertake, direct, and complete the supplemental grant application activities.