



Community Development Authority

City of Racine

AGENDA BRIEFING MEMORANDUM

AGENDA DATE: August 4, 2022

PREPARED BY: The Department of City Development

SUBJECT: Resolution 22-30 authorizing the Interim Acting Executive Director to access funds from the City of Racine Brownfield Cleanup Revolving Loan Fund in the form of a subgrant for the environmental remediation at 526 Marquette Street.

EXECUTIVE SUMMARY: City Staff seeks permission to access funds from the City of Racine's Brownfield Cleanup Revolving Loan Fund (BC-RLF) in the form of a subgrant for the purpose of environmental remediation at 526 Marquette Street. The environmental remediation done will prepare the site for redevelopment.

BACKGROUND & ANALYSIS: The CDA-owned property at 526 Marquette Street has a long history of industrial operations including the use as a lumber yard, the manufacturing of farm equipment, and a large-scale publishing operation. The more than 100,000 square foot building that once sat on the property was demolished by the Redevelopment Authority in Fall of 2019. A Phase II Environmental Site Assessment was conducted on the property in May 2019 which detected contaminants that need to be further evaluated and potentially removed in order to receive environmental site closure from the Wisconsin Department of Natural Resources (WDNR) and prepare the site for redevelopment.

BC-RLF PROGRAM

The Brownfield Cleanup Revolving Loan Fund (BC-RLF) was created by the City of Racine in 2010 to facilitate the remediation of contaminated properties. The program was funded through a grant received from the U.S. Environmental Protection Agency (EPA) to offer low interest loans and subgrants to carry out cleanup activities at brownfield sites. The City's program has assistance from both the Racine County Economic Development Corporation (RCEDC), who provides loan underwriting and preparation of loan documents, and the EPA who provides technical assistance and approval of cleanup methodologies.

The City's BC-RLF program was created after the City received an awarded \$1,000,000 in 2010 from the EPA to create a loan program. Since that date, the City has received an additional \$1,750,000 in supplemental funding to keep its program going. The goals of the program are 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.

BC-RLF Activities to Date

Harborside: (Former Walker Manufacturing) A loan was issued for \$150,000 to the Redevelopment Authority of the City of Racine (RDA) for remediation and groundwater monitoring. The loan was executed in March 2014 and the site received regulatory case closure from the WDNR in August 2018.

Nelson Electric: A subgrant was issued for \$25,000 to the RDA for remediation and groundwater monitoring. The subgrant was executed in March 2014 and the site received regulatory case closure from the WDNR in February 2015.

Racine Steel Castings: A loan was issued for \$100,000 to the RDA for additional cleanup for the site. The loan was executed in December 2020.

Horlick Haban – 2100, 2102, and 2200 Northwestern Avenue: A loan was issued for \$1,700,000 for the removal of hazardous substances on the site. The loan was executed in April 2021.

Approximately \$500,000 is available for loans and subgrants in the City's BC-RLF. **This total does not include matching funds**

RECOMMENDED ACTION:

Staff recommends that the Community Development Authority of the City of Racine authorizes the Interim Acting Executive Director, or her designee, to act on behalf of the CDA to submit an application for an up to \$125,000 subgrant from the City of Racine's Brownfield Cleanup Revolving Loan Fund to aid in the remediation of 526 Marquette Street, sign all forms and documents necessary, pay all fees, and take necessary action to undertake, direct and complete approved subgrant activities.

BUDGETARY IMPACT:

There are no fees associated with applying for the subgrant. However, if awarded, legal fees and other associated costs may occur. There is a 20% match that will be required which be repaid upon property transfer. The BC-RLF subgrant of up to \$125,000 will be made from grant proceeds received from the US EPA.