



## City of Racine, Wisconsin

### AGENDA BRIEFING MEMORADUM

**AGENDA DATE:** March 17 – Community Development Authority  
April 12 – Finance and Personnel  
April 19 – Common Council

**SUBJECT:** Communication sponsored by Mayor Mason, on behalf of the Director of City Development, seeking permission to apply for the US EPA Brownfield Cleanup Revolving Loan Fund (BC-RLF) Supplemental Grant for the City of Racine (Grant Control# 00374)

**PREPARED BY:** Michelle Cook, Department of City Development

**SUMMARY:**

City staff requests that the Finance and Personnel Committee recommends to the Common Council the authorization for City Staff to apply for supplemental grant funds of up to \$500,000 from the US Environmental Protection Agency (US EPA) for the City's existing Brownfield Cleanup Revolving Loan Fund (BC-RLF).

**BACKGROUND:**

In 2010, the City of Racine received a \$1M grant of funds from the US EPA to begin a Brownfield Cleanup Revolving Loan Fund. The City has also received an additional \$500,000 in revolving loan fund supplemental funding in 2015, \$300,000 in supplemental funding in 2016, and \$450,000 in supplemental funding in 2019. This funding has allowed the City to create and fund a substantial Brownfield Cleanup Revolving Loan Fund and to use these funds 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.

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.

The City of Racine was notified by the USEPA that additional supplemental funds were being made available with the application period ending in April. This funding could be easily used by any number of developments pending within the City of Racine.

**Program Outputs and Outcomes**

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.

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).

The City's current balance of BC-RLF funding is \$500,000. Of those funds, \$400,000 is already committed leaving a total balance of \$100,000 of available, uncommitted funds.

The following outcomes of the BC-RLF program are also being measured by the City:

- Acres of Land Cleaned Up: A total of 10.12 acres has been remediated as an outcome of BC-RLF 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 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 \$391,777 from Tax Incremental District;
  - 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.
- 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:**

The City will apply for the maximum amount of funding of \$500,000. There are no required matches to receive this funding. Funds in the City's BC-RLF are available to developers, subject to a 20% funding match from the developers.

**RECOMMENDATION:**

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