

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: **05/28/99**

Received By: **kahlepj**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Fiscal Bureau 6-8849**

By/Representing: **Shanovich (DH)**

This file may be shown to any legislator: **NO**

Drafter: **kahlepj**

May Contact:

Alt. Drafters:

Subject: **Econ. Development - misc.**

Extra Copies:

Pre Topic:

LFB:.....Shanovich (DH) -

Topic:

Expand community development block grant program

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kahlepj 06/1/99	ygeller 06/1/99		_____			
/1			martykr 06/2/99	_____	lrb_docadmin 06/2/99		

FE Sent For:

<END>

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/?	kahlepj	1/8/99 jlg	Ami	JTG Kmi			

FE Sent For:

<END>

and site specific groundwater information. Direct DNR to include physical and chemical groundwater and soil data in existing geographic information systems.

B. Commerce

60466

1. *Brownfields Grant Program.* Provide an additional \$800,000 SEG in 1999-00 and \$1,400,000 SEG in 2000-01 for the existing brownfields grant program. (Revenue would be provided from the \$1 per vehicle increase in the vehicle environmental impact fee.) In addition, make the following changes to the current Commerce brownfields grant program: (a) require Commerce to award one-half of the annual brownfields grant funding for projects, such as recreational or housing development, that are scored without considering the number of jobs created by the project; (b) authorize Commerce to award grant funding for projects that address area-wide groundwater contamination; (c) require grant applicants to document that they were unable to secure funding that was sufficient to support the project from another source; and (d) specify that grant recipients could be awarded other state grants or loans if they were eligible.

2. *Community Development Block Grant Program.* Direct the Department of Commerce to expand the CDBG - Blight Elimination and Brownfields Remediation program to fund redevelopment planning and projects that have a taxable value end use. 560.075
Comm 108.19+108.20

60467

C. Wisconsin Housing and Economic Development Authority

1. *WHEDA Loan Guarantees.* [LEB Paper #1036] In addition to adopting Alternative A.1.c. eliminate the brownfields loan guarantee program and direct WHEDA to transfer the remaining \$2,000,000 for the program from the Wisconsin development reserve fund to the environmental fund.

D. Department of Transportation

1. *DOT Brownfields Funds.* Require the Department of Transportation to market the following programs to ensure optimum utilization to assist the cleanup and redevelopment of brownfield properties: (a) local transportation facility improvement assistance; (b) transportation enhancements; (c) transportation facilities economic assistance and development; and (d) transportation infrastructure loans.

E. General Fund Taxes

1. *Remediation Tax Credits.* Delete the requirement that 25% of all development zone tax credits claimed must be based on creating or retaining full time jobs for development zone environmental remediation tax credits claimed in development and enterprise development zones. Provide that environmental remediation tax credits claimed in development and enterprise development zones would not have to be based on activities that created or caused to create jobs.

- (a) The project serves a public purpose.
- (b) The local government has a citizen participation plan as required under 24 CFR 570.486(a).
- (c) The project costs are reasonable.
- (d) All sources of project financing will be committed prior to the disbursement of the grant.
- (e) The project is financially feasible.
- (f) The project will likely retain or create jobs in this state.
- (g) The local government will use the CDBG funds for one of the following purposes:

1. For a public facilities project or other public infrastructure improvements to facilitate a business's efforts to engage in job creation or retention activities under 24 CFR 570.483 (b) (4) designed to benefit low and moderate income persons.

2. For other activities under 24 CFR Part 570 that meet the national objective of benefit to low and moderate income persons through job creation.

3. For activities under 24 CFR 570.483 (c) that meet the national objective of preventing or eliminating slums or blight.

(h) The local government will contribute at least 25% of the total cost of the project from funding sources other than grants from the federal and state government.

(2) When making a determination under sub. (1), the department shall consider all of the following:

(a) The extent of poverty and unemployment and other economic factors in the area of the project.

(b) The prospects for new investment and economic development in the area.

(c) The amount of investment that is likely to result from the project.

(d) The number of full-time jobs that are likely to be created or retained.

(e) The total cost per full-time job created or retained.

(f) The amount of wages and benefits to be provided by the business that will create or retain the full-time jobs.

(g) The willingness of the business to work cooperatively with the department of workforce development, local job service offices and private industry councils to identify and offer full-time job opportunities to low to moderate income persons.

(h) Whether the award will provide the business with an unreasonable competitive advantage over other similar Wisconsin businesses in the vicinity of the project.

(i) Whether the project will involve the relocation of a business and displacement of jobs from one municipality in Wisconsin to another municipality in Wisconsin.

(j) Whether the project will result in redevelopment of a brownfield site.

(k) Whether the project will result in the elimination of slum or blight.

History: Cr. Register, October, 1997, No. 502, eff. 11-1-97.

Comm 108.18 Job creation and retention requirements. (1) A business that will benefit from a public facilities economic development project shall execute a development agreement and other documents prescribed by the department, committing to the creation and retention of full-time jobs.

(2) The amount of CDBG funds awarded by the department for a public facilities economic development project under this subchapter may not exceed \$10,000 for each full-time job created and retained by the business. The amount awarded by the department shall depend upon the department's consideration of the factors set forth in s. Comm 108.17 (2).

(3) The department may require businesses that benefit from grants under this subchapter to document full-time job creation and retention with a list of full-time jobs or positions created and retained, the job title for each full-time job created and retained,

job skills, wages and benefits, and any other information the department considers relevant.

History: Cr. Register, October, 1997, No. 502, eff. 11-1-97.

Subchapter V — Blight Elimination And Brownfield Redevelopment Program

Comm 108.19 Blight elimination and brownfield redevelopment program. (1) The department may make a grant to an eligible local government for a brownfield redevelopment project if the department determines all of the following:

(a) The project serves a public purpose.

(b) The local government has a citizen participation plan as required under 24 CFR 570.486(a).

(c) The local government has adopted a brownfield redevelopment plan relating to the brownfield site.

(d) The project costs are reasonable.

(e) All sources of project financing will be committed prior to the disbursement of the grant.

(f) The project will likely result in redevelopment of a brownfield site for commercial or industrial use.

(g) The project will likely retain or create jobs in this state.

(h) The local government will contribute at least 25% of the total cost of the project from funding sources other than grants from the federal or state government.

(2) When making a determination under sub. (1), the department shall consider all of the following:

(a) Whether the project is intended to address the national objective of preventing or eliminating slums or blight set forth in 24 CFR 570.483 (c) and s. Comm 108.04 (3).

(b) The extent of poverty and unemployment and other economic factors in the area of the project.

(c) The prospects for new investment and economic development in the area.

(d) The amount of investment that is likely to result from the project.

(e) The likelihood that the project will result in the creation or retention of full-time jobs in the area.

(f) The number of full-time jobs that are likely to be retained or created.

(g) The wages and benefits that will be paid.

History: Cr. Register, October, 1997, No. 502, eff. 11-1-97.

Comm 108.20 Brownfield redevelopment project requirements; limits. (1) A local government receiving CDBG funds from the department under this subchapter may use such funds for an environmental audit or environmental remediation, or may loan or grant the CDBG funds to a business or nonprofit corporation to conduct an environmental audit or environmental remediation.

(2) The department may require a local government and any business or nonprofit corporation that receives CDBG funds under this subchapter to execute a brownfield redevelopment agreement and other documents prescribed by the department, committing to the redevelopment of a brownfield site.

(3) The department may require a local government to pursue recovery of environmental remediation costs from responsible parties and to reimburse the department for a proportionate share of the CDBG funds granted by the department under this subchapter.

(4) The amount of CDBG funds awarded to a local government for an environmental audit of a brownfield site may not exceed \$100,000. The amount of CDBG funds awarded to a local government for environmental remediation of a brownfield site may not exceed \$500,000.

(5) All program income received by a local government in connection with loans to businesses or nonprofit corporations

under this subchapter shall be paid to the department within thirty days of receipt.

History: Cr. Register, October, 1997, No. 502, eff. 11-1-97.

Subchapter VI — Emergency Grants

Comm 108.21 Eligibility. (1) The department may award a grant to an eligible local government under this subchapter upon receipt and consideration of an application if the department determines all of the following:

(a) The municipality has suffered a natural disaster or other catastrophic event.

(b) The project is designed to alleviate existing conditions which pose a serious and immediate threat to the health, safety or welfare of the municipality.

(c) The local government will use the grant to pay for public infrastructure repairs or replacements that are otherwise eligible for CDBG funds under subch. II, or emergency services necessitated by the natural disaster or other catastrophic event.

(d) The local government lacks the financial capability to pay for the infrastructure repairs or replacements.

(e) The local government is unable to await funding through a grant awarded under subch. II.

(f) The local government will contribute at least 25% of the total cost of the project from other funding sources.

(2) In making a determination under sub. (1) (d), the department shall consider all of the following:

(a) The local government's general obligation debt borrowing capacity.

(b) The availability of funding from other federal and state government sources.

(c) The availability of insurance.

(d) Any other factors the department considers relevant.

History: Cr. Register, October, 1997, No. 502, eff. 11-1-97; emerg. am. (1) (f), eff. 11-1-97; am. (1) (f), Register, April, 1998, No. 508, eff. 5-1-98.

Comm 108.22 Funding. (1) The maximum amount of CDBG funds that may be awarded to any local government under this subchapter shall be \$500,000 for each natural disaster or catastrophic event.

(2) Where a catastrophic event is caused by human activity and the local government recovers funds to repair the damage from a responsible person or another party, then the local government shall pay the department a proportionate share of the total amount recovered.

History: Cr. Register, October, 1997, No. 502, eff. 11-1-97.

Comm 108.23 Applications. (1) A local government interested in applying for an emergency grant under this subchapter shall provide the department with written notice of intent to apply within 90 days of the natural disaster or catastrophic event.

(2) An application for emergency assistance under this subchapter shall include the following:

(a) Documentation of a state or federal disaster declaration or a description of the natural disaster or catastrophic event.

(b) A description of the resulting damage or destruction.

(c) A description of the activities that will be funded with the emergency grant.

(d) A budget.

(e) Evidence that the local government has matching funds to cover at least 25% of the total cost of the project.

(f) A discussion of alternative remedies available to the local government.

(g) Any other information that the department considers relevant.

History: Cr. Register, October, 1997, No. 502, eff. 11-1-97.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0467/1
PJK.....

jlg

LFB:.....Shanovich (DH) - Expand community development block grant program

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

*SOON
(6-1-99)
D-note*

1 At the locations indicated, amend the bill as follows:

2 1. Page 1269, line 12: before that line insert: ✓

3 "SECTION 2929f. ✓ 560.045 of the statutes is renumbered 560.045 (1). X

4 SECTION 2929g. ✓ 560.045 (2) X of the statutes is created to read:

5 560.045 (2) The department shall ✓ expand the blight elimination and
6 brownfield redevelopment program under subch. V of ch. Comm 108, Wis. Adm.
7 Code, to fund redevelopment planning and projects that will result in end uses with
8 taxable value."

*WFO -
check
component 8* →

[Signature]
(THE END)

D-note

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0467/dn¹

PJK.....

Jg

Ron:

This amendment incorporates the language from motion #949[✓] related to Commerce's blight elimination and brownfield redevelopment program in the administrative rules.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
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**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0467/1dn
PJK:jlg:km

June 1, 1999

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State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0467/1
PJK:jlg:km

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8 taxable value.”

9 (END)