



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #693

Brownfields and Site Assessment Grant Programs (DNR -- Air, Waste and Contaminated Land; Commerce -- Departmentwide and Economic Development)

[LFB 2001-03 Budget Summary: Page 499, #13; and Page 165, #3]

CURRENT LAW

The brownfields grant program was created in Commerce in the 1997-99 biennial budget to provide financial assistance to businesses and governmental entities to conduct brownfields redevelopment and related environmental remediation projects. Brownfields redevelopment includes any work or undertaking to: (1) acquire a brownfields facility or site; and (2) to raze, demolish, remove, reconstruct, renovate or rehabilitate the facility or existing buildings, structures or other improvements at the site. The redevelopment project must be for promoting the facility or site for commercial, industrial or similar economic development purposes. Grants cannot be used to fund construction of new facilities on the site for any purpose other than environmental remediation. Base level funding of \$6,400,000 SEG from the environmental fund is provided for grants.

Brownfields grants provide financial assistance to individuals, businesses, municipalities or local development corporations to fund the costs of brownfields redevelopment projects and associated environmental remediation activities. Brownfields are abandoned, idle or underused industrial or commercial facilities or sites, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination. Brownfields redevelopment includes any work or undertaking to: (a) acquire a brownfields facility or site; and (b) to raze, demolish, remove, reconstruct, renovate or rehabilitate the facility or existing buildings, structures or other improvements at the site. The redevelopment project must be for promoting the facility or site for commercial, industrial or similar economic development purposes. Grants cannot be used to fund construction of new facilities on the site for any purpose other than environmental remediation. Environmental remediation activities include: (a) investigation, analysis and monitoring of a brownfields facility or site to determine the existence and extent of actual or potential environmental pollution; (b) abating, removing or containing environmental

pollution at a brownfields facility or site; or (c) restoring soil or groundwater at a brownfields facility or site. Grant proceeds can only be used for assessment services that are incurred following the completion of phase I and phase II environmental assessments. (A phase I environmental assessment involves file reviews, record searches and interviews to help establish the history of the site and to help assess what environmental contamination may exist. A phase II environmental assessment generally involves, at a minimum, the sampling and analysis of soil, groundwater and other potentially contaminated materials from the site.)

The brownfield site assessment grant program was created in DNR in 1999 Act 9 to provide local governments with grants to perform initial investigation of contaminated properties and certain other eligible activities. DNR administers the program with \$1,450,000 SEG from the environmental fund in 1999-00 in a biennial appropriation. There is no base funding for the program.

Under the site assessment grant program, local governments can apply to DNR for a site assessment grant for eligible sites or facilities. Local governments are defined as cities, villages, towns, counties, tribes, redevelopment authorities, and housing authorities. A site or facility is eligible for a grant if it is an abandoned, idle or underused industrial or commercial facility or site, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination. A local government does not have to own the site but must have access to it to complete the grant activities. A local government is not eligible for a site assessment grant if it caused the environmental contamination that is the basis of the request. An award can only be made if the person that caused the environmental contamination is unknown, cannot be located or is financially unable to pay the cost of eligible activities.

The following activities are eligible for a site assessment grant at an eligible site or facility: (1) phase I and phase II environmental assessments; (2) site investigation of environmental contamination; (3) demolition of structures, buildings or other improvements; (4) asbestos abatement, if it is a necessary part of the demolition activity; and (5) removal and proper disposal of abandoned containers, underground petroleum product storage tank systems or underground hazardous substance storage tank systems.

The local government is required to contribute matching funds equal to 20% of the site assessment grant amount, which may be in the form of cash or an in-kind contribution or both. Grants to a local government may not exceed 15% of the total amount appropriated for the program in the fiscal year. Before awarding a grant, consideration must be given to the local government's commitment to completing the remediation activities on the eligible site, the degree to which the project will have a positive impact on public health and the environment and other criteria.

GOVERNOR

Modify the Commerce brownfields grant program as follows: (a) increase funding by \$100,000 SEG in 2001-02 and \$2,100,000 SEG in 2002-03; (b) provide Commerce with funding of \$50,600 SEG in 2001-02 and \$58,500 SEG in 2002-03 and 1.0 grants specialist position beginning in 2001-02 to meet additional workload related to the Department's brownfields activities; (c) require Commerce to make grants to the Milwaukee Economic Development Corporation (MEDC) to fund a program for grants to persons for remediation and economic development programs in the Menomonee Valley; (d) eliminate the requirement that Commerce must allocate a specified amount of total brownfields grant monies for grants of certain amounts during the 1999-2001 biennium; (e) consolidate and expand the definition of entities that would be eligible to receive brownfields grants to include limited liability companies, nonprofit organizations, cities, towns, villages, counties, or trustees, including trustees in bankruptcy; (f) provide that brownfields grant proceeds could not be used to pay DNR or federal EPA liens based on investigation or remediation activities or to pay delinquent property taxes or interest or penalties related to those taxes.

Transfer administration of the brownfield site assessment grant program from DNR to Commerce. In DNR, delete \$51,600 SEG in 2001-02 and \$58,500 SEG in 2002-03 and 1.0 SEG waste management specialist in the remediation and redevelopment program annually from the environmental fund. In Commerce, direct the Business Development Assistance Center in Commerce to administer the site assessment grant program.

DISCUSSION POINTS

A. Brownfields Grant Program

1. The Brownfields grant program was created in Commerce in the 1997-99 biennial budget to provide financial assistance to persons, municipalities and local development corporations that conduct brownfields redevelopment and related environmental remediation projects. Initially, annual funding of \$5 million was provided for brownfields grants. In 1997-98, grant funds consisted of \$2.3 million GPR and \$2.7 million from the segregated (SEG) environmental fund. In 1998-99, base funding of \$5 million SEG from the environmental fund was provided. The 1999-01 biennial budget (1999 Wisconsin Act 9) provided a total of \$5.8 million SEG in 1999-00 and \$6.4 million SEG in 2000-01. Under a provision included in Act 9, at least \$400,000 in 2000-01 must be used for grants for projects that are evaluated without consideration of the number of jobs that will be created by the projects.

2. As noted, annual base level funding for brownfields grants is \$6.4 million. For fiscal year 2000-01, statutory provisions require Commerce to award a total of \$960,000 in grants that do not exceed \$300,000, a total of \$2,240,000 in grants that are greater than \$300,000 but do not exceed \$700,000, and a total of \$3,200,000 in grants that are greater than \$700,000 but do not exceed \$1,250,000. The bill would delete this designation. Current provisions would remain that

establish: (a) the maximum grant at \$1,250,000; and (b) that grant recipients are required to provide cash or in-kind matches equal to a certain percent of project costs as follows: (a) 20% for grants of \$300,000 or less; (b) 35% for grants between \$300,000 and \$700,000; and (c) 50% for grants between \$700,000 and \$1,250,000.

3. Attachment 1 provides summary information for the \$10.0 million in brownfields grants made during the 1997-99 biennium. Attachment 2 provides summary information about the \$12.2 million in brownfields grants made during the 1999-01 biennium. According to Commerce, 507 abandoned or under-used environmentally contaminated sites have been developed into viable properties, property values have been increased over \$227 million, and 3,350 jobs have been created as the result of projects funded by brownfields grants.

4. Table 1 shows the number of brownfield grant applications, total amounts requested and total actual awards made for each year the brownfields grant program has been in existence. The table shows that, for each year, total demand for grants has been substantially greater than available funding. Grants are awarded in an annual competition using a system for scoring proposed projects. In scoring applications, the Department considers the following criteria: (a) the potential of a project to promote economic development [50% of score]; (b) whether a project will have a positive effect on the environment [25% of score]; (c) the quality and amount of the applicant's contribution to the project [15% of score]; and (d) the innovativeness of the applicant's proposal for remediation and redevelopment [10%]. Department staff have indicated that the current limits on the types and amount of grants that must be made causes a number of awards to be made to projects that score lower than some that are not funded. This is the reason the limits are eliminated in the bill. However, the limits are designed to distribute funding to a variety of projects of different types and sizes.

TABLE 1

Brownfield Grant Applications and Awards

<u>Fiscal Year</u>	<u>Number of Applications</u>	<u>Amount Requested</u>	<u>Number of Awards</u>	<u>Award Amounts</u>
1997-98	42	\$19,779,500	14	\$5,000,000
1998-99	38	17,006,800	12	5,000,000
1999-00	25	11,548,300	13	5,800,000
2000-01	41	23,378,200	17	6,400,000

5. As noted, brownfields grants are awarded in an annual competition. The Brownfields Study Group, a group of representatives of local and state government, businesses and other public and private entities, released a January, 2001, report that recommended that a statutory provision be enacted that would require Commerce to offer a semi-annual grant award cycle. The Brownfields Study Group noted that holding grant competitions twice in a year would: (a) allow

grant applicants to prepare more complete applications; and (b) be more responsible to the public needs. While Commerce could administratively create a semi-annual award cycle (no statutory change is required), staff indicate that this would significantly increase administrative workload. The Department has requested an additional administrative position to address increased activities related to the staff's current responsibilities. Commerce indicates adding additional responsibilities would be difficult for current staff to absorb.

TABLE 2

Brownfields Grants Funding Levels

	<u>2000-01</u> <u>Actual</u>	<u>2001-02</u> <u>Proposed</u>	<u>2002-03</u> <u>Proposed</u>
Appropriation	\$6,400,000	\$6,500,000	\$8,500,000
Site Assessment	0	-1,000,000	0
Legislative:			
Kenosha	-100,000	0	0
MEDC/Men. Valley, Inc.	<u>0</u>	<u>0</u>	<u>-2,000,000</u>
Competitive Grant Funding	\$6,300,000	\$5,500,000	\$6,500,000

6. Commerce would be required to make brownfields grants to the Milwaukee Economic Development Corporation (MEDC) for its grant program for remediation and economic development projects in the Menomonee Valley and to the Menomonee Valley Partners, Inc. Grant proceeds would have to be used to support the creation of jobs and private sector implementation of the Menomonee Valley land use plan. In order to receive a grant from MEDC or the Menomonee Valley Partners, Inc. the grant recipient would be required to provide matching funds that were at least equal to the grant amount. Commerce could not make grants to MEDC or Menomonee Valley Partners, Inc. after June 30, 2003.

7. Commerce provided a gaming economic development grant of \$900,000 to MEDC in 1999-00 to help fund the MEDC grant program. MEDC provides matching grants of up to \$250,000 for remediation and economic development projects in the Menomonee Valley. Grants are used to fund costs related to investigating, abating, removing, containing or monitoring environmental pollution at brownfields sites in the Menomonee Valley, and to secure environmental insurance. Grants can also be used to fund costs of razing, demolishing or removing existing buildings or structures or other improvements at the site. Finally, MEDC grants can be used to fund construction costs incurred to address geotechnical problems associated with Menomonee Valley, such as special foundations and pilings, and for renovations of existing structures. The state funding provided through the brownfields grant program would allow MEDC to continue its grant program during the 2001-03 biennium.

8. As noted, brownfields grant monies would also be provided under the bill to Menomonee Valley Partners, Inc. The company would also use the funding for making matching grants to help finance remediation and economic development projects in the Menomonee Valley that would create jobs and help implement the Menomonee Valley Land Use Plan.

9. The bill requires Commerce to make brownfields grants to MEDC and Menomonee Valley Partners, Inc., but does not specify the amount of grants to be made. The executive budget book indicates that \$2 million should be allocated for these grants. An additional \$2.1 million in funding is provided to the brownfields grant program in 2002-03. The bill could be modified to specify that \$1 million be provided to MEDC and \$1 million be provided to Menomonee Valley Partners, Inc. in 2002-03. However, not specifying the amount of the grants would provide Commerce more flexibility in awarding brownfields grants. The Department would still be required to make grants to MEDC and Menomonee Valley Partners, Inc., but would be able to adjust grant amounts to reflect the needs of those entities and the overall demand for funding other brownfields projects.

B. Site Assessment Grant Program

10. After the brownfield site assessment grant program was created in 1999 Act 9, DNR promulgated administrative rule NR 168 effective July 10, 2000, to administer the program. NR 168 allocates 70% of the grant funds to small grants between \$2,000 and \$30,000. The remaining 30% of grant funds are allocated to large grants between \$30,001 and \$100,000.

11. DNR received 111 site assessment grant applications totaling \$3,825,000 for the two grant cycles in 2000-01. The Department awarded 43 small grants and six large grants for the available \$1,450,000 in funding between September, 2000 and January, 2001. The attachment lists the grant recipients and award amounts. Table 3 shows the amount and percent of award by category of eligible activity funded from the grant.

TABLE 3

DNR Site Assessment Grant Awards by Activity Funded - 2000-01

<u>Activity Funded</u>	<u>Small Grants</u>		<u>Large Grants</u>		<u>Total Grant Awards</u>	
	<u>Award Dollars</u>	<u>Percent of Awards</u>	<u>Award Dollars</u>	<u>Percent of Awards</u>	<u>Award Dollars</u>	<u>Percent of Awards</u>
Phase I and II Assessment	\$242,325	23.9%	\$24,550	5.6%	\$266,875	18.4%
Site Investigation	331,885	32.7	81,243	18.7	413,128	28.5
Demolition of Structures, Buildings and Improvements	195,566	19.3	242,090	55.7	437,656	30.2
Asbestos Abatement	43,350	4.2	47,630	10.9	90,980	6.2
Removal of Abandoned Containers	16,100	1.6	1,000	0.2	17,100	1.2
Removal of Hazardous Substance or Petroleum Tanks	<u>185,774</u>	<u>18.3</u>	<u>38,487</u>	<u>8.9</u>	<u>224,261</u>	<u>15.5</u>
Total	\$1,015,000	100.0%	\$435,000	100.0%	\$ 1,450,000	100.0%

12. DOA indicates that the intent of the transfer of the program from DNR to Commerce is to have one central grant program to fund the investigation, cleanup and redevelopment phases of brownfields cleanup instead of applying to DNR for the investigation and to Commerce for the cleanup. DOA also indicates that the transfer would eliminate the need for DNR and Commerce to coordinate their grant process and would eliminate confusion among applicants.

13. The Brownfields Study Group recommended that the site assessment grant program be continued with a funding level of \$5 million during the biennium. In an April 20, 2001, letter to the Co-Chairs of the Joint Committee on Finance, the non-state agency members of the Brownfields Study Group included as high-priority recommendations that the bill be amended to maintain the current DNR administration of the program and provide at least \$2 million for the program during the 2001-03 biennium. Brownfields Study Group members indicated that the program has worked well in DNR, rules were developed quickly and are in place, a transfer of the program to Commerce could cause delays in awarding grants while Commerce promulgates rules. In addition they indicate that local governments would continue to work with DNR remediation and redevelopment staff for technical assistance on cleanup activities, whether the program is transferred to Commerce or maintained in DNR.

14. The existing DNR and Commerce programs could be viewed as serving somewhat different purposes. The existing DNR site assessment grant program is available only for local governments and only for site assessments, investigations, certain demolition and asbestos abatement activities, and removal of abandoned containers and tank systems. The site assessment grant program gives highest priority to projects that have a positive impact on public health and the environment. Remediation and redevelopment activities are not eligible under the site assessment grant program. Current placement of the program within DNR recognizes that DNR has generally been the state agency with the more direct contact with local governments on brownfields site assessments, investigations and preliminary technical assistance. The existing Commerce brownfields grant program is available to both local governments and the private sector, and funds brownfields redevelopment and associated environmental remediation. The program provides priority to projects that have a redevelopment and job creation component. Current placement of the program within Commerce recognizes that Commerce has been the agency with the more direct contact with the private sector on redevelopment and economic development activities.

15. Currently, if a local government performs a site assessment with funding from the site assessment grant program it can then apply to Commerce for a brownfields grant for the cleanup. DNR identified eight sites that received site assessment grants and also received Commerce brownfields grants. It is probable that other recipients of site assessment grants will receive brownfields grants in future Commerce grant cycles.

16. It could be argued that the site assessment grant program should be transferred to be a component of the Commerce brownfields grant program in order to consolidate assessment, investigation and remediation grants in a single agency and one program. Alternatively, it could be argued that the site assessment grant program should be maintained as a separate program because it serves a different purpose of focusing on local governments with costs related to site assessment and

investigation. In addition, it should be noted that local governments would need to work with DNR remediation technical assistance staff, whether the grant program is located in Commerce or DNR, to ensure that the cleanup meets the hazardous substances spills cleanup law administered by DNR.

17. Some might argue that the site assessment grant program should be expanded to fund remediation activities or that the brownfields grant program should be expanded to fund phase I and phase II environmental site assessments that do not result in a cleanup. Under this argument, it could make sense to combine the two programs into one.

18. Under the bill, Commerce would be required to allocate \$1,000,000 in 2001-02 from the brownfields grant appropriation for site assessment grants. In subsequent years, Commerce could decide what portion of the brownfields grant appropriation would be used for site assessment grants. Some may argue that if the program is transferred to Commerce, it should be funded from a separate appropriation from the brownfields grant program to specify that amount that would be used for site assessment grants. For example, if the Committee wishes to provide \$1,000,000 for site assessment grants during the 2001-03 biennium, it could provide a separate biennial appropriation with \$500,000 in each year and could decrease the brownfields grant appropriation by a corresponding amount. However, under the bill, Commerce would have the flexibility to provide more or less funding for site assessment grants depending on how demand for the assessments compares with demand for brownfields grants.

19. Under the bill, Commerce could either adopt the current DNR administrative rules for the site assessment grant program or could develop new rules. If Commerce promulgates different rules, it is uncertain whether it would do so in time to award site assessment grants in 2001-02.

20. Under the bill, the environmental management account of the environmental fund would have an estimated June 30, 2003, balance of \$165,000. (This assumes approval of the recommended transfer of \$3 million from tribal gaming revenues and the recreation of the vehicle environmental impact fee to provide \$15.6 million over the 2001-03 biennium.) Estimated account expenditures during the biennium would equal \$44.5 million, including \$20.5 million for DNR administration and 102.7 staff, \$15 million for Commerce brownfields grants, \$7.8 million for state-funded response, well compensation grants and household hazardous waste grants, and \$1.0 million for other agencies with 3.5 staff.

21. Current law does not provide ongoing funding for the DNR site assessment grant program. If the program is maintained in DNR, the bill could be amended to provide funding for site assessment grants by decreasing the Commerce brownfields grant program appropriation. For example, \$500,000 SEG annually could be appropriated for the DNR program to provide ongoing annualized funding and a corresponding \$1,000,000 SEG could be deleted from the Commerce program in 2001-02. This alternative would provide the same \$1,000,000 of funding provided under the bill, but would provide it in the current DNR site assessment grant appropriation instead of in the larger Commerce brownfields grant appropriation. However, this would reduce the 2001-02 funding to \$5.5 million, which would be below base level. Alternatively, the Commerce

brownfields grant appropriation could be decreased by \$500,000 in each year to provide funds for site assessment grants through DNR.

22. Another alternative to fund the site assessment grant program in either DNR or Commerce would be to use funds that have accumulated in the well compensation grant program continuing appropriation balance. The DNR well compensation grant program provides grants to homeowners for the replacement of contaminated wells. It is appropriated \$400,000 environmental fund SEG annually and has an unencumbered balance of approximately \$1,000,000. The bill could be amended to lapse part or all of the continuing balance of the well compensation appropriation to the environmental fund, where it would be available for appropriation for site assessment grants, brownfield grants, staff or any of the appropriations from the fund. The well compensation grant program would still be provided \$800,000 in the biennium, while annual expenditures have averaged approximately \$300,000.

C. Commerce and DNR Staff

23. The bill would provide Commerce with expenditure authority of \$50,600 SEG in 2001-02 and \$58,500 SEG in 2002-03 and 1.0 SEG grants specialist position to address an increased workload related to the Department's brownfields activities. The source of SEG funding is the petroleum inspection fund. The new position would be responsible for administering brownfields grant selection and contract administration. This would involve application review and scoring, financial analysis, contract negotiation and drafting, budget reviews, administering contract amendments and grant approval, processing and correspondence. The additional staff person would help in administering the site assessment program, which is transferred from DNR to Commerce under the bill. The position would also be involved in some public assistance and public outreach activities including developing a program brochure, making presentations, marketing the program and working with grant recipients. Other activities would include attending study groups and assisting the brownfields ombudsman. Commerce requested this position in its proposed 2001-03 budget. Commerce indicated that the current staffing level would be insufficient to administer the brownfield program's future workload. Brownfields grants require more time and effort to administer than most other grants due to a number of factors: (a) greater costs and uncertainties because of contamination; (b) environmental concerns; (c) more liability issues; and (d) financial issues are complex and costly. Staff expect the brownfields portfolio to increase to at least 65 funded projects to administer with an associated increase in grant administration and consulting duties.

24. Commerce has base level funding of \$274,200 SEG from the petroleum inspection fund and 2.0 SEG positions for administration of brownfields redevelopment activities. One position serves as a brownfields ombudsman and the other is a grants specialist. The ombudsman is involved in consulting and public outreach activities such as addressing public inquiries, developing public information materials, coordinating interagency activities, attending Brownfields Study Group Meetings, and making presentations. In addition, the ombudsman is responsible for certain grant administration activities (application review, scoring applications, contract preparation and negotiation) and general administrative activities. The grants specialist also engages in public

assistance and outreach activities such as public meetings and presentations and responding to inquiries. The grants specialist is responsible for grant selection (application review and scoring, financial analysis) and contract administration (contract drafting and negotiation, budget reviews, amendments, grant disbursement). The position has other miscellaneous responsibilities including assisting the brownfields ombudsman.

25. The additional Commerce position would be provided to address additional future workload, including administration of the site assessment grant program. However, if the site assessment program is not transferred, it could be argued that future workload would be reduced and the additional position would not be required. Moreover, the Division of Economic Development has 12 grant specialist positions to administer a portfolio of over \$196 million, which averages about \$16.4 million for each grants specialist. Comparatively, including current year grants, the brownfields grants portfolio will be \$22.2 million with two administrative positions (\$11.1 average). In addition, for the past six months, either the grants specialist or ombudsman position has been vacant. These factors could support the view that there is not a clear indication that additional staff is necessary to address the Department's brownfields responsibilities. If there is concern that future workload could be difficult to address with current staff, a two-year project position could be provided. This would allow a reevaluation of whether a permanent position was necessary in future legislation. It should be noted that the Department expects to have both brownfields administrative positions filled within a month. In addition, if the Committee requires Commerce to adopt a semi-annual grant cycle, workload would increase and could be used to support the need for an additional position.

26. In 1999 Act 9, DNR's remediation and redevelopment program was authorized seven new hydrogeologist positions, including 5.0 SEG from the environmental fund and 2.0 PR from remediated property fees. While none of the positions was specifically allocated to development and implementation of the site assessment grant program, the seven new positions were generally allocated to brownfields activities. When 1999 Act 9 created the site assessment grant program, it did not provide any positions to the DNR Bureau of Community Financial Assistance for grants administration. The Bureau for Remediation and Redevelopment has allocated approximately 0.5 FTE to develop, administer and advertise the program. The Bureau of Community Financial Assistance has allocated approximately 1.5 FTE to develop and administer the grants. DNR's 2001-03 biennial budget request included 0.5 FTE in the Bureau of Community Financial Assistance for administration of the site assessment grant program. The Governor did not include DNR's request, but as noted earlier, the bill deletes 1.0 remediation and redevelopment position as part of the transfer of the program from DNR to Commerce.

27. DOA indicates that, while none of the seven brownfields positions provided to DNR in 1999 Act 9 was specifically allocated to the site assessment grant program, the bill deletes a DNR position so that the Governor could provide an additional position to Commerce with no net increase in the number of staff. As described earlier, the Commerce position is provided with funding from the segregated petroleum inspection fund. The deleted DNR position is funded from the segregated environmental fund.

28. If the Committee chooses to retain the site assessment grant program in DNR instead of transferring it, the DNR position could also be restored. If the DNR position is restored, the environmental management account balance would be approximately \$55,000 on June 30, 2003. If the program is transferred to Commerce, the DNR position could be maintained for other brownfields and contaminated land cleanup activities or it could be deleted as under the bill.

ALTERNATIVES TO BASE

A. Site Assessment Grant Transfer

1. Approve the Governor’s recommendation to: (a) transfer administration of the brownfield site assessment grant program from DNR to Commerce; (b) fund the program from the Commerce brownfields grant appropriation; and (c) direct the Business Development Assistance Center in Commerce to administer the site assessment grant program.

2. Maintain the current law site assessment grant program within DNR.

B. Funding for Site Assessment and Brownfields Grants

1. Approve the Governor’s request to increase funding for the brownfields grant program by \$100,000 SEG in 2001-02 and \$2,100,000 SEG in 2002-03 from the environmental fund.

Alternative B1	SEG
2001-03 FUNDING (Change to Base) [Change to Bill]	\$2,200,000 \$0]

2. Modify the Governor’s request as follows: (a) provide \$500,000 SEG annually from the environmental fund for site assessment grants in a separate appropriation; and (b) increase funding for the brownfields grant program by \$100,000 SEG in 2001-02 and \$1,100,000 SEG in 2002-03 from the environmental fund. *[This alternative may be chosen with Alternative A1 or A2.]*

Alternative B2	SEG
2001-03 FUNDING (Change to Base) [Change to Bill]	\$2,200,000 \$0]

3. Modify the Governor’s request as follows: (a) provide \$500,000 SEG annually from the environmental fund for site assessment grants in a separate appropriation; (b) increase funding for the brownfields grant program by \$100,000 SEG in 2001-02 and \$2,100,000 SEG in 2002-03 from the environmental fund; and (c) lapse \$1,000,000 from the continuing balance of the well compensation grant program to the environmental fund in 2001-02. *[This alternative may be chosen with Alternative A1 or A2.]*

Alternative B3	SEG
2001-03 REVENUE (Change to Base) [Change to Bill]	\$1,000,000 \$0]
2001-03 FUNDING (Change to Base) [Change to Bill]	\$3,200,000 \$1,000,000]

4. Modify the Governor's request as follows: (a) increase funding for the brownfields grant program by \$1,100,000 SEG in 2001-02 and \$2,100,000 SEG in 2002-03 from the environmental fund; and (c) lapse \$1,000,000 from the continuing balance of the well compensation grant program to the environmental fund in 2001-02. *[If this alternative is chosen with Alternative A2, the site assessment grant program would be administered by DNR but there would be no funding for the program.]*

Alternative B4	SEG
2001-03 REVENUE (Change to Base) [Change to Bill]	\$1,000,000 \$0]
2001-03 FUNDING (Change to Base) [Change to Bill]	\$3,200,000 \$1,000,000]

C. Commerce and DNR Staff

1. Provide Commerce with one of the following brownfields staff levels:

a. Approve the Governor's recommendation to provide funding of \$50,600 SEG in 2001-02 and \$58,500 SEG in 2002-03 and 1.0 SEG grants specialist permanent position from the petroleum inspection fund.

Alternative C1a	SEG
2001-03 FUNDING (Change to Base) [Change to Bill]	\$109,100 \$0]
2002-03 POSITIONS (Change to Base) [Change to Bill]	1.00 0.00]

b. Provide funding of \$50,600 SEG in 2001-02 and \$58,500 SEG in 2002-03 and 1.0 SEG two-year project position rather than a permanent position to administer the Brownfields grant program.

Alternative C1b	SEG
2001-03 FUNDING (Change to Base) [Change to Bill]	\$109,100 \$0]
2002-03 POSITIONS (Change to Base) [Change to Bill]	1.00 0.00]

- c. Maintain current law.

Alternative C1c	SEG
2001-03 FUNDING (Change to Base) <i>[Change to Bill]</i>	\$0 - \$109,10]
2002-03 POSITIONS (Change to Base) <i>[Change to Bill]</i>	0.00 - 1.00]

2. Provide DNR with one of the following staff levels:

- a. Approve the Governor's recommendation to delete \$51,600 SEG in 2001-02 and \$58,500 SEG in 2002-03 and 1.0 SEG position annually from the environmental management account of the environmental fund.

Alternative C2a	SEG
2001-03 FUNDING (Change to Base) <i>[Change to Bill]</i>	- \$110,100 \$0]
2002-03 POSITIONS (Change to Base) <i>[Change to Bill]</i>	- 1.00 0.00]

- b. Maintain current law.

Alternative C2b	SEG
2001-03 FUNDING (Change to Base) <i>[Change to Bill]</i>	\$0 \$110,100]
2002-03 POSITIONS (Change to Base) <i>[Change to Bill]</i>	0.00 1.00]

D. Brownfields Grant Program Provisions

1. Approve the Governor's recommendations as follows: (a) require Commerce to make grants to the Milwaukee Economic Development Corporation (MEDC) and Menomonee Valley Partners, Inc., to fund a program for grants to persons for remediation and economic development programs in the Menomonee Valley; (b) eliminate the requirement that Commerce must allocate a specified amount of total brownfields grant monies for grants of certain amounts; (c) expand the definition of entities that would be eligible to receive brownfields grants to include limited liability companies, nonprofit organizations, cities, towns, villages, counties, or trustees, including trustees in bankruptcy; and (d) provide that brownfields grant proceeds could not be used to pay DNR or federal EPA liens based on investigation or remediation activities or to pay delinquent property taxes or interest or penalties related to those taxes.

2. Make one or more of the following modifications to brownfields grant program provisions:

a. Specify that Commerce make grants of \$1,000,000 to MEDC and \$1,000,000 to Menomonee Valley Partners, Inc. in 2002-03.

b. Require Commerce to provide a semi-annual brownfields grant application cycle.

c. Retain provisions similar to current law that require that Commerce allocate a specified amount of total brownfields grant monies for grants of certain amounts in the 2001-03 biennium.

Prepared by: Kendra Bonderud and Ron Shanovich

ATTACHMENT 1
Brownfields Grant Awards
1997-98

Municipality	Recipient	Project Description	Amount
Glendale	City	Grant to clean up soil and groundwater contamination to develop properties in West Silver Spring Drive Redevelopment Corridor	\$850,000
Kenosha	City	Grant to fund integrated site barrier from contamination in Kenosha Harbor Park Development Project	850,000
Green Bay	City	Grant to cleanup coal residue to redevelop properties along the Fox River	800,000
Wauwatosa	Wauwatosa Economic Development Corporation, City of Wauwatosa and Outpost Natural Foods	Grant for development of an Outpost Natural Foods Store on a vacant brownfield in downtown Wauwatosa	300,000
Milwaukee	Marshall Erecting, Inc.	Grant for remediating soil and ground water to redevelop Solar Paint and Varnish brownfield into manufacturing facility, warehouse and office	400,000
Milwaukee	Thirtieth Street Industrial Corridor Corporation	Grant to eradicate soil and groundwater contamination to allow operation and expansion of the Metals Processing Company	400,000
West Allis	City	Grant to fund the cleanup of soil and groundwater contaminated by chlorinated solvents to develop a medical clinic and office	200,000
West Milwaukee	Village	Grant to fund removal of PCBs, pesticides and other hazardous substances from former Mobile Blasting facility to develop a manufacturing facility	390,000
West Milwaukee	Kubenik Mechanical Company	Grant to further redevelopment of former Inrycol/Babcock Wilcox property into a light manufacturing complex	260,000
Superior	City of Superior and Redevelopment Authority of Superior	Grant to clean up metals contaminated soil to redevelop a downtown brownfields for a manufacturing firm expansion	100,000
Columbus	Columbia County	Grant to eliminate environmental contamination, primarily PCBs in the soil and groundwater, and some abandoned containers and to renovate a deteriorating building to develop a brownfield in Columbus for an expansion	167,000
Medford	Taylor County	Grant for cleanup of arsenic from soil and groundwater and for renovation of a deteriorating building to redevelop site for a business expansion	150,000
Ladysmith	City	Grant to clean up arsenic and cadmium in soil and groundwater and renovate a building to redevelop site for trucking firm	100,000
Town of Flambeau	Rusk County	Grant to fund repairs at former Balko Trailers facility and to leverage federal grant to redevelop site for industrial use	33,000
		1997-98 Total	\$5,000,000

ATTACHMENT 1 (cont.)

1998-99

Municipality	Recipient	Project Description	Amount
West Allis	West Allis Community Development Authority	Grant for soil and groundwater remediation and demolition of existing structures to redevelop site for two businesses	\$350,000
Milwaukee	Milwaukee Forge	Grant to assist in remediation and renovation of former Zecol Line property for expansion project	450,000
Milwaukee	Sigma Environmental Services, Inc.	Grant to clean up soil and groundwater contamination at Menomonee River Valley site to develop an office and a fabrication plant	155,000
Glendale	City	Grant to restore site in Glendale Technology Center for construction of facility.	240,000
Hartford	Helgesen Leasing, LLC	Grant to assist in acquisition and renovation of former Mercury marine Manufacturing facility	750,000
Brookfield	Brookfield Properties LLC	Grant to clean up soil and groundwater contamination to renovate former Cartec Industries property to develop a warehousing facility	400,000
La Crosse	City	Grant to purchase a portion of Riverfront Redevelopment Project area for development of Century Telephone Enterprises, Inc., regional headquarters facility	1,000,000
Viroqua	City of Viroqua Redevelopment Authority	Grant for investigation, remediation of petroleum contamination and redevelopment activities such as removal of concrete, pilings and remaining structures on former Viroqua Whey plant property	65,000
Town of Hustler	Hotel Hustler, Inc.	Grant to redevelop the former Hustler Hotel	50,000
Beaver Dam	Dodge County	Grant for remediation activities and renovation of former Metal Fab property to develop site for fabrication company	550,000
Elkhorn	City	Grant to renovate Getzen Musical Instrument facility to prepare site for industrial tenants	240,000
Madison	Home Depot	Grant for remediation and redevelopment of Nakoma Plaza site and former Fiore Coal and Oil Company property to develop site for home improvement facility and other retail and commercial stores	750,000
		1998-99 Total	\$5,000,000
		BIENNIAL TOTAL	\$10,000,000

ATTACHMENT 2

Brownfields Grant Awards 1999-00

Municipality	Recipient	Project Description	Amount
Beloit	Water Town Industrial Properties	Grant for acquisition of property, renovation of five buildings, and utility relocation for a warehouse and office space	\$1,200,000
Browntown	Concrete Systems	Grant for soil and groundwater remediation, demolition of two buildings, and renovation of existing manufacturing facility	200,000
DeForest	Deforest Redevelopment Authority	Grant for soil remediation, acquisition of two properties, demolition of two buildings, and utility relocation to allow retail and residential use	175,000
Delevan	HDL Enterprises	Grant for soil and groundwater remediation, building demolition, and renovation of a building for use as a warehouse	525,000
Marshfield	City	Grant to for purchasing property, demolition, and utility relocation for construction of a hotel and conference center	540,000
Mauston	Mauston Public Library	Grant for soil and groundwater remediation to allow construction of library	180,000
Milwaukee	Historic Third Ward Association	Grant for soil and ground water remediation and building renovation for commercial and residential use	1,000,000
Milwaukee	Mandel Group, Inc.	Grant for soil and groundwater remediation and property acquisition for development of 122 units of apartments and condominiums	700,000
Oakfield	Mueller Industries	Grant for soil and groundwater remediation, partial demolition of a building, and renovation of the remaining facility for expanded manufacturing operation	315,000
Oshkosh	City	Grant for soil and groundwater remediation, demolition of two buildings, and construction of multi-family housing units	180,000
Sheboygan	Crown Enterprises	Grant for soil remediation and building renovation of a hotel	135,000
Stettin	DMA Ventures, LCC	Grant for soil and groundwater remediation, lead paint abatement, storage tank removal, and building renovation for manufacturing and office space	350,000
Waukesha	C-CAP, Inc.	Grant for soil and groundwater remediation for the development of 105 units of affordable housing	300,000
		1999-00 Total	\$5,800,000

ATTACHMENT 2 (continued)

**Brownfields Grant Awards
2000-01**

Municipality	Recipient	Project Description	Amount
Middleton	City	Grant to clean up soil and groundwater to redevelop a downtown site	\$50,000
Kenosha*	City	Grant to remediate former industrial site to create a landscape park setting	100,000
Waupun	City	Grant to remove underground storage tanks and clean up soil to convert site into riverside park	100,000
Milwaukee	Rainmaker Enterprises	Grant for investigation and remediation to convert a manufacturing facility and warehouse into condominiums	100,000
Milwaukee	Sherman Perk, LLC	Grant for building rehabilitation and refurbishment to convert service station into gourmet coffee shop	100,000
Walworth	Cambeck Petroleum Corp.	Grant to clean up soil and groundwater to remediate property for retail businesses	150,000
Milwaukee	Badger Association of the Blind	Grant to remediate acquired property for expansion and renovation of facility	200,000
Baraboo	City	Grant for remediation of a salvage yard site to prepare it for construction of a city services center	250,000
Racine	Racine Economic Development Corporation	Grant for investigation, remediation and purchase of a site for construction of a grocery store	250,000
Burlington	City	Grant to remediate and infrastructure construction to redevelop downtown sites along the Fox River	300,000
Milwaukee	Allen-Edmonds Shoe corporation	Grant for demolition, purchase and soil cleanup of land at Milwaukee Tallow site to prepare for construction of new facility	400,000
Town of Madison	Revenue Development, LLC	Grant for cleaning, grading, rainwater retention and site preparation for construction of technology business facilities	400,000
West Allis	City	Grant to remediate site in "six points" neighborhood to develop a shopping center	500,000
Sheboygan	City	Demolition and cleanup of hazardous waste and residual contamination to prepare site for new facility	500,000
Edgerton, Rock City	WisPar, LLP	Grant to renovate a building to house a new high-tech manufacturing operation	900,000

ATTACHMENT 2 (continued)

**Brownfields Grant Awards
2000-01**

Municipality	Recipient	Project Description	Amount
Cudahy, Milwaukee	City of Cudahy, Gateway Real Estate LLC	Grant for soil and groundwater cleanup, foundation and building removal and infrastructure to accommodate expansion of Patrick Cudahy facility and prepare a site for commercial, retail and industrial uses	1,000,000
Sheboygan	City	Cleanup of groundwater contamination, removal of hot spots, repair of seawall and placement of barrier over site to complete harbor development project and prepare site for businesses, conference center, residential units and park space	1,100,000
		2000-01 Total	\$6,400,000
		Biennial Total	\$12,200,000

*Legislative Award

ATTACHMENT 3

DNR Brownfield Site Assessment Grant Awards 2000-01

Recipient	Number of Grants	Grant Amount
Ashwaubenon, City	1	\$98,490
Baraboo, City	1	30,000
Barron, County	1	29,150
Chippewa Falls, City	1	30,000
Clayton, Village	1	29,375
Columbus, City	1	29,000
Crandon, City	1	25,250
Cudahy, City	3	64,760
DeForest, Village, Redevelopment Authority	1	20,224
Delavan, City	2	47,920
Douglas, County	1	30,000
Edgerton, City	1	21,670
Fond du Lac, County	1	25,900
Fredonia, Village	1	10,000
Geneva, Town	1	24,684
Greenfield, City	1	30,000
Iowa, County	1	29,669
Little Chute, Village	1	7,800
Marshfield, City	1	30,000
Mayville, City	1	30,000
Milwaukee, City, Redevelopment Authority	8	211,549
Mountain, Town	1	20,000
Oconto, City	1	30,837
Oshkosh, City	1	62,000
Outagamie, County	1	24,737
Pittsville, City	1	20,000
Platteville, City	3	54,160
Seymour, City	1	27,493
Sheboygan, City, Redevelopment Authority	4	177,928
Shields, Town	1	30,000
Superior, City	1	13,500
Vernon, County	1	3,904
Wausau, City	1	100,000
Whitefish Bay, Village	<u>1</u>	<u>30,000</u>
Total	49	\$1,450,000