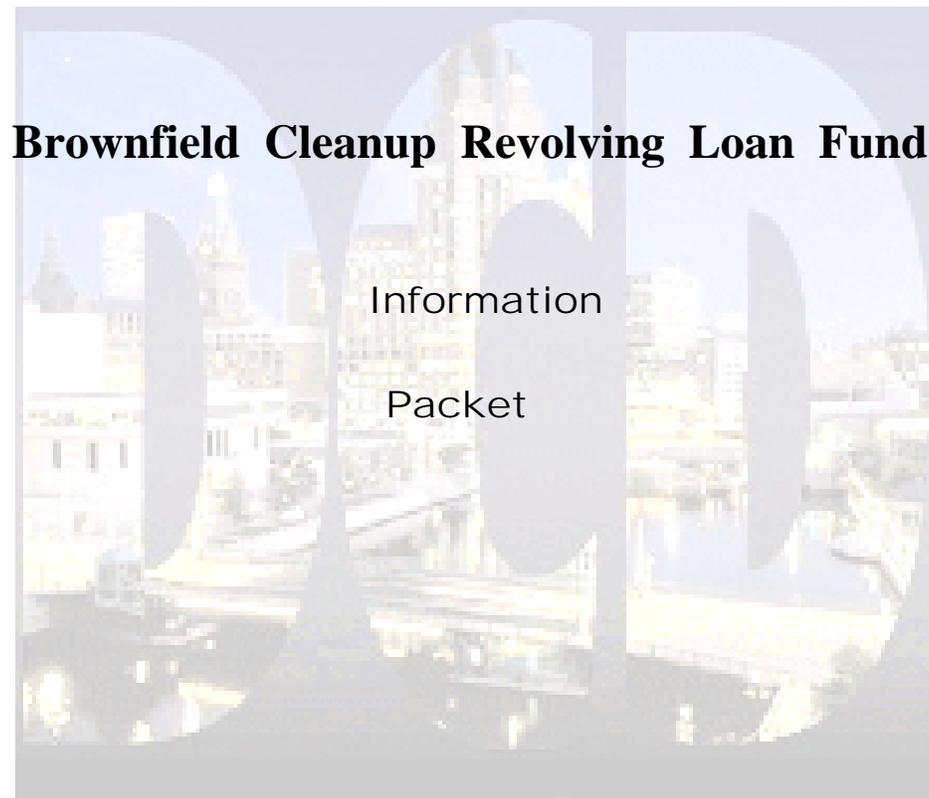


# Redevelopment Authority of the City of Milwaukee



*For more information, please contact:*

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## **PURPOSE AND SCOPE**

The goal of the Redevelopment Authority of the City of Milwaukee's (RACM's) Brownfield Program is to ensure that contaminated properties are appropriately assessed, cleaned up, and reused. Often, the inability of a developer to secure capital to conduct necessary environmental cleanup of a property prevents the property from being redeveloped. The major goals of the Brownfield Cleanup Revolving Loan Fund (BCRLF) are to provide qualified applicants the necessary capital to conduct cleanups of contaminated properties and to establish a revolving loan fund that is self-sustaining.

The term 'brownfield' means real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. Often the potential liability associated with contamination complicates business development, property transactions or expansion on the property.

### **SECTION 1** **Brownfields Overview**

#### **What is the Brownfields Cleanup Revolving Loan Fund (BCRLF)?**

RACM has been awarded an annual \$1,000,000 grant from the United States Environmental Protection Agency since 2002 to create a Brownfield Cleanup Revolving Loan Fund. The purpose of the BCRLF program is to facilitate the reuse and/or redevelopment of contaminated properties by making low-interest loans available for financing environmental cleanups. A limited amount of this funding is also available for subgrants to qualifying entities.

#### **SECTION 1.1** **Eligible Properties**

#### **What sites are eligible for the BCRLF?**

Properties within the City of Milwaukee that have an actual release or substantial threat of release of a hazardous substance, pollutant or contaminant that present an imminent or substantial danger to public health or welfare. Properties with 'relatively low risk' petroleum contamination, mine-scarred lands, and sites contaminated by a controlled substance (i.e. drug labs) are also eligible for the BCRLF program.

#### **What sites are NOT eligible for the BCRLF?**

- Properties listed or proposed for listing on the National Priorities List (NPL) (i.e., Superfund Sites);
- Properties subject to a unilateral administrative order, a court order, an administrative order on consent or judicial consent decree issued or entered into by parties under CERCLA;
- Properties subject to the jurisdiction, custody, or control of the United States Government,

**except** for land held in trust by the United States for an Indian Tribe.

**The following properties may be eligible for funding with a “property specific determination” from EPA:**

- Properties that a federal or state agency is planning or conducting a response or enforcement action;
- Properties subject to planned or ongoing CERCLA cleanup actions;
- Properties subject to corrective action orders under RCRA;
- Properties with land disposal units that have filed a closure notification under subtitle C of RCRA and to which closure requirements have been specified in a closure plan or permit;
- Properties where there has been a release of polychlorinated biphenyls (PCBs) and are subject to remediation under TSCA;
- Portions of facilities for which funding for remediation has been obtained from the Leaking Underground Storage Tank (LUST) Trust Fund.
- Subject to judicial action under CERCLA.

## **SECTION 1.2**

### **Eligible Borrowers**

#### **Who is eligible for BCRLF Loans?**

Loans may be made to any public or private entity with control over or access to a brownfield site if:

- a. The entity is authorized to enter into a loan agreement;
- b. The entity carried out all appropriate inquiries to meet the definition of “innocent landowner”, or “bona fide prospective purchaser”;
- c. The entity is NOT using the funds to pay for response costs at a property for which they are a responsible party;

#### **Who is eligible for BCRLF Cleanup Subgrants?**

Cleanup subgrants may be provided to a non-profit organization to clean up sites owned by the non-profit organization at the time the subgrant is awarded. For-profit organizations are not eligible for subgrants. The subgrant recipient must maintain ownership of the site throughout the period of performance of the grant.

Cleanup Subgrants may not exceed \$200,000 per property. The decision to make the subgrant will take into account the following considerations:

- extent the grant facilitates creation, preservation or addition to a park or greenspace;
- extent the grant meets the needs of a community that has inability to draw on other resources for cleanup and subsequent redevelopment because of the low income of the community; and
- extent the grant will facilitate reuse of existing infrastructure.

## **SECTION 1.3**

### **Eligible Activities**

#### **What activities can be funded?**

Actions associated with cleanup include, but are not limited to:

- Installation of fences, warning signs, or other security or site control precautions;
- Installation of drainage controls;
- Stabilization of berms, dikes or impoundments or drainage or closing lagoons;
- Encapsulation of contaminated soils;
- Using chemicals and other materials to retard the spread of the release or mitigate its effects;
- Excavation, consolidation or removal of contaminated soils;
- Removal of drums, barrels, tanks or other bulk containers that contain or may contain hazardous substances, pollutants, or contaminants, including petroleum;
- Containment, treatment, or disposal of hazardous materials and petroleum contamination; and
- Provision of alternative water supply where necessary immediately to reduce exposure to contaminated household water and continuing until such time as local authorities can satisfy the need for a permanent remedy;
- Site monitoring activities, including sampling and analysis, that are reasonable and necessary during the cleanup process, including determination of the effectiveness of a cleanup;
- Costs associated with meeting public participation, worker health and safety, interagency coordination requirements, and programmatic management requirements.
- **Expenses that have been incurred prior to loan closing cannot be reimbursed.**

#### **What activities CANNOT be funded?**

- Pre-cleanup environmental assessment activities, such as site assessment, identification, and characterization with the exception of site monitoring activities as described above;
- Public or private drinking water supplies that have deteriorated through ordinary use;
- A cleanup cost at a brownfields site for which the recipient of the grant or loan is potentially liable under CERCLA § 107;
- Monitoring and data collection necessary to apply for, or comply with, environmental permits under other federal and state laws, unless such a permit is required as a component of the cleanup action;
- Construction, demolition, and development activities that are not cleanup actions (e.g., marketing of property or construction of a new non-cleanup facility);
- Cost sharing or matching requirement for another federal grant (absent statutory authorization);
- Support of job training; and
- Support of lobbying efforts of the recipient.

## **SECTION 2.0**

### **LOAN PARAMETERS**

Loan terms are flexible and dependent upon project and borrower needs. RACM has established the loan terms and conditions to be used as general guidelines for all BCRLF loans.

#### **A. Loan Amount**

The minimum loan amount is \$200,000. Each specific loan amount will be determined on a project-specific basis.

#### **B. Interest Rate**

The interest rate is the amount of interest charged to the applicant for the loan. BCRLF interest rates will be determined on a project-specific basis, but will be loaned below the current market rate.

#### **C. Terms**

The term (payback period) is negotiable and will be established according to the applicant's eligibility and/or need. There is no penalty for prepayment of the loan.

#### **D. Matching Cost Requirement**

The borrower will be requested to provide matching costs of 20% of the amount of the total loan. This 20% match must come from payment of BCRLF eligible activities. Each specific match amount will be determined on a project-specific basis.

*Please note that capping of contaminated soils (i.e. constructing a parking lot, building floor, etc.), if a required cleanup activity, is an eligible BCRLF cost.*

#### **E. Payment Schedule**

The loan payment schedule is negotiable and will be determined on a project-specific basis.

#### **F. Closing Fees**

Attorney document preparation fees and normal out of pocket closing costs are charged to the borrower.

#### **G. Loan Requirements/Prerequisites**

Applicants requesting assistance shall meet the following requirements:

- 1) The borrower and/or subgrantee must comply with the requirements of Wisconsin's Voluntary Cleanup Program under Chapter NR 700 of the WI Administrative Code, or the site must be enrolled in the state's voluntary party liability exemption (VPLE) program. All applicable state and federal laws, requirements, rules must be followed.

- 2) BCRLF funds must be spent in accordance with the Brownfields Law. General and site-specific provisions will be outlined in each recipient's terms and conditions negotiated as part of their loan or subgrant. Essential steps that a borrower/ subgrantee must commit to include:
  - Determining and documenting if an environmental cleanup is eligible for BCRLF funds;
  - Conducting and Documenting Community Involvement;
  - Conducting an Analysis of Brownfield Cleanup Alternatives. This process includes choosing a cleanup method and documenting the cleanup decision with any significant comments received, and resulting changes made (if any);
  - Meeting all applicable State and Federal environmental laws including those in CERCLA Section 104 (k) (9) (B) (i) (I), Davis-Bacon Act of 1931, and others;
  - Performing the environmental cleanup in a manner that is protective of human health and the environment; and
  - Completing and documenting the environmental cleanup.
- 3) The Borrower and/or subgrantees are recommended to have their Phase I and Phase II Investigations complete prior to submitting loan or subgrant applications.

### **SECTION 3.0**

#### **LOAN DISBURSEMENTS**

Disbursements will be made to the borrower under the following conditions:

- 1) The borrower will provide a written disbursement request with copies of invoices for each cost incurred. The borrower shall maintain complete documentation of all project costs for audit purposes. The borrower shall be responsible for maintaining financial control of the project by carefully reviewing all disbursement requests and supplemental documentation before submitting the disbursement request to RACM.
- 2) Disbursements will not be processed more often than once monthly.
- 3) The borrower shall promptly remit each disbursement to the firm or individual to whom payment is due.
- 4) **Expenses that have been incurred prior to loan closing cannot be reimbursed.**

## Application Instructions

### Application and Information Submitted:

The completed BCRLF application and attachments will be used by RACM to determine an applicant's eligibility for participation in the program.

### Where to Send Application:

Send completed application, application fee, and supporting information, to:

Redevelopment Authority of the City of Milwaukee  
David Misky  
809 North Broadway  
Milwaukee, WI 53202

### Questions on Eligibility and/or Completing the Application:

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