

***LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS***

**COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE**

**JANUARY 31, 2011**

**Item 16, File #101178**

File Number 101178 is a resolution authorizing the transfer and expenditure of \$500,000 from the Development Fund for environmental testing, remediation, demolition and other expenses related to brownfield properties.

**Background**

1. Many properties throughout the City are contaminated, or suspected of being contaminated, as a result of past activities and uses of those properties. To the extent that the City can clean up these vacant, underutilized “brownfield” sites (or demonstrate that they are already clean), it can speed up the process of redeveloping these properties and increasing the property tax base.
2. The Development Fund is a Department of City Development-administered capital account that provides financial assistance for development projects that do not qualify for tax incremental district designation. Among the activities supported by the Fund are environmental testing and remediation of contaminated, or potentially contaminated, brownfield sites.
3. The 2009 and 2010 City budgets provided \$1,800,000 and \$1,050,000 for the Development Fund, respectively. The adopted 2011 Budget includes \$1,500,000.

**Discussion**

1. This resolution authorizes the transfer of \$500,000 from the Development Fund to DCD’s Environmental Fund for the purpose of funding the environmental testing, remediation, demolition and other costs (including tax foreclosure and special assessments) associated with brownfield properties.
2. The funds transferred by this resolution will be used to provide the local match for Wisconsin Department of Natural Resources Site Assessment Grants awarded to the City and RACM, as well as local matches for U.S. Environmental Protection Agency and Wisconsin Department of Commerce grants for brownfield testing and remediation.
3. Attached to the file is a list of properties titled “PROJECTS RECEIVING BROWNFIELD FUNDS AWARDED TO THE CITY AND RACM”. This document is intended to provide examples of properties to be tested, remediated and demolished with the funds transferred by this resolution. It is not an exhaustive list – other properties to be tested and remediated have yet to be identified.

4. This resolution also authorizes the Commissioner of City Development to enter into the contracts and agreements necessary to carry out the brownfield testing, remediation and demolition funded by the resolution.

**Fiscal Impact**

1. The current unallocated balance in the Development Fund, including funds carried over from previous years, is \$2,633,638.
2. This resolution authorizes a fund transfer and expenditures totaling \$500,000, which will reduce the balance in the Development Fund to \$2,133,638.

Prepared by: Jeff Osterman, x2262  
LRB-Research & Analysis Section  
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cc: Rocky Marcoux  
Martha Brown  
David Schroeder  
Karen Dettmer