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CITY OF MANITOWOC, WI

USEPA BROWNFIELDS REVOLVING LOAN FUND WORK PLAN

JULY 11, 2013

This project supports Environmental Results Goal 3: Cleaning Up Communities, advance sustainable development, and protect disproportionately impacted low-income, minority, and tribal communities. Prevent releases of harmful substances and clean up and restore contaminated areas. Objective 3.1: Promote Sustainable and Livable Communities. Strategic measures: Assess and Cleanup Brownfields. Specifically, the recipient will capitalize a revolving loan, and may make subgrants to carry out cleanup activities to encourage revitalization and reuse of brownfields sites.

Project Period: Five (5) years.

CFDA: 66.818

CERCLA Authority: 104(k)(2)&(3)

DCN: STX

Budget Fiscal Year: 2013

Appropriation: E4

Budget Org: 05F0AG7

Object Class: 4114

Program Results Code (PRC): Hazardous Substance: 301D79E (Action Code: OL)
Petroleum: 301D79EBP (Action Code: OS)

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Project Period: October 1, 2013 – September 30, 2018

1.0 INTRODUCTION

The City of Manitowoc (“City”) will enter into a Cooperative Agreement (“CA”) with the U.S. Environmental Protection Agency (“USEPA”) for the use of Brownfields Revolving Loan Funds (“RLF”) to encourage the revitalization and beneficial reuse of brownfield sites. References to the “City” shall be interpreted to mean the Program Manager (“PM”) unless specified otherwise. The RLF will be a vital addition to the City’s existing brownfields program by establishing a sustainable source of funds that can be used to remediate brownfield properties located in strategic corridors and major redevelopment areas within the City. The City will use funding from their existing USEPA Brownfields Assessment Grants and the 2013 RLF to bring

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brownfield projects from initial identification, through assessment and remediation, to productive end use (redevelopment). The City's redevelopment strategy is to focus on contaminated properties with the highest redevelopment potential, and where and when motivated, work with site owners (hereinafter referred to as a "developer/borrower") who are prepared to deal with environmental cleanups and are able to capitalize on the funding provided by the RLF. The City will use the RLF to address brownfield sites contaminated by hazardous substances, pollutants, or contaminants (including hazardous substances co-mingled with petroleum), and which meet local site selection criteria including the eligibility of the developer/borrower, the site, and proposed cleanup activities. The City will utilize RLF monies to capitalize a revolving loan fund to be used for loans or subgrants for cleanup and for eligible programmatic expenses as detailed in the terms and conditions of the CA.

It is estimated that over the course of the grant the City will execute between 1 and 3 loans that will support the creation of jobs, the cleanup of distressed areas, the rehabilitation/renovation of buildings that are blighted and functionally obsolete, the elimination of blight, and increase tax base in specific geographic areas of focus that represent the most redevelopment potential including, but not limited to the creation of living wage jobs.

The City will coordinate cleanup activities with the Wisconsin Department of Natural Resources ("WDNR"). All cleanup work will be done in accordance with WDNR's Chapter 700 of the Wisconsin Administrative Code ("WAC") rule series, and other Wisconsin regulations, as applicable. WDNR will confirm the eligibility of any petroleum brownfield sites. The WDNR will also review and approve Remedial Action Plans ("RAP") for brownfield sites where response action are to be completed. After cleanup activities are completed, a Closure Request and GIS Registry, if appropriate, will be prepared and submitted to WDNR for review and approval.

The RLF Management Team

The RLF Management Team (MT) will consist of City Planning ("Planning") staff supplemented by various municipal departments, such as Finance, Attorney and Public Infrastructure. The MT will be responsible for drafting application forms, scoring criteria and marketing the program; conducting eligibility and completeness reviews of applications; coordinating the application review and reimbursement processes; and compliance with reporting requirements to the USEPA. Personnel from Planning will manage the day-to-day responsibilities of the RLF grant project, with support from an environmental consultant to be retained utilizing the contracting procedures specified in 40 CFR 31.36. David Less, City Planner, will serve as the PM and Fund Manager, and will manage the RLF project. Mr. Less will be the City's agent and primary contact, and will be responsible for submitting quarterly reports, financial reports, progress reports, and the final summary report to USEPA Region 5 staff. As PM, Mr. Less will also be responsible for coordination of grant work with the selected environmental consultant, as well as appropriate governmental bodies, the public, and other stakeholders involved in grant related activities. Mr. Less will be supported by Paul Braun, Deputy City Planner, who will co-manage the grant project ("Co-PM") in conjunction with Mr. Less, and will manage the RLF project if Mr. Less becomes unavailable due to unforeseen circumstances.

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The City will utilize a Qualified Environmental Professional (“QEP”) to provide oversight and technical guidance. The QEP, at a minimum, will: 1) review applications for eligibility; 2) prepare or review and approve an Analysis of Brownfield Cleanup Alternatives (“ABCA”); 3) establish or assist in establishing an Administrative Record (“AR”); 4) monitor cleanup work; 5) track metrics of success; and 6) assist developer/borrowers in submitting a site Closure Request and GIS registry packet, if required, to the WDNR.

Proposed Outputs and Outcomes

Planning will track available outputs and outcomes to measure the progress and success of projects funded by the RLF. The primary expected outputs associated with the RLF will be as follows:

- Close and fund 1 to 3 loans, with the City reserving the right to issue at least 1 subgrant over the 5-year grant period.
- Completion of cleanup activities for a least 1 targeted, high priority brownfield site as determined by the City.
- Leveraging an average of \$15 of private and/or public investment for each \$1 of RLF grant funding utilized, resulting in the creation of at least \$5 million of increased tax base attributable in part to the RLF grant.
- Creation of at least 50 temporary construction jobs, and 50 permanent (direct or indirect) jobs associated with redevelopment projects occurring on sites assessed and remediated using USEPA funds.

The expected outcomes of the RLF grant activity will include economic, social and environmental benefits including new jobs and private investment. Resulting investment supported by the RLF grant will improve the tax base for the City and transform blighted properties located along historical transportation corridors and in older urban core neighborhoods. The following outcomes will be tracked for projects funded by the RLF:

- Number of properties returned to productive use;
- Number of acres made ready for reuse;
- Number of acres of greenspace created;
- Number of jobs created;
- Type, kind and amount of contaminants removed from the environment;
- Source and amount of funding leveraged;
- Redevelopment investment value; and
- New tax revenue generated through economic reuse of sites.

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2.0 WORK TO BE PERFORMED

The following tasks will be performed to implement the RLF. The schedule presented in the task tables assumes that the CA with the USEPA will be completed and is in place by September 30, 2013. The City will perform the following tasks in order to achieve the proposed outputs for the grant:

- Task 1 - Programmatic Activities;
- Task 2 – Project Review, Cleanup Planning, and Community Involvement;
- Task 3 – Environmental Cleanup and Monitoring; and
- Task 4 – Loan Management.

These tasks are described in detail in the following paragraphs.

Task 1: Programmatic Activities

Task 1 will include those activities to market the RLF program, develop forms and procedures for submission of project information, establish procedures and criteria for reviewing and qualifying projects and borrowers for loans, select a QEP and any other professional service providers, attend regional and/or national USEPA Brownfields conferences, attend brownfield planning training, workshops and brownfield site redevelopment activities, and complete project progress reporting. The specific activities to be performed as part of this task will include, at minimum, the following:

- Market the RLF program;
- Develop forms and establish procedures for submission of project information;
- Develop forms and establish procedures for submission of project information by prospective RLF users;
- Establish procedures and develop criteria for reviewing and qualifying projects and developer/borrowers for loans;
- Procure and manage the QEP and other professional service providers;
- Attend 2 National Brownfields Conferences during the course of the project period; and
- Prepare quarterly progress reports and annual financial reports.

Market the RLF Program

Marketing activities will include, at minimum, the following:

- Updating the City's website;
- Preparing and distributing informational packets and media releases;
- Coordinating with municipal departments and local stakeholder groups; and
- Holding public meetings.

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Develop Forms and Establish Procedures for Submission of Project Information by Prospective RLF Developer/Borrowers

The PM will create administrative documents, including, but not limited to loan applications, loan agreements templates that detail loan amounts, repayment terms, collateral arrangements, records, employment reporting, events of default, indemnification provisions, insurance, assignments and amendment provisions.

Establish Procedures and Develop Criteria for Reviewing and Qualifying Projects and Developer/Borrowers for Loans

All loan application requests will be ranked based on established site screening criteria. Potential criteria (not in priority order) may include 1 or more of the following:

- Projects that have significant job creation or retention potential;
- Projects that extend significant health and safety benefits to the community;
- Projects that comply with eligibility requirements set forth by USEPA;
- Projects that comply with current All Appropriate Inquiry (“AAI”) standards;
- Projects that have completed Phase I & II ESA that are current;
- Projects that develop a RAP for cleanup;
- Projects that create or preserve greenspace;
- Projects that utilize existing infrastructure, and promote the principles of sustainability;
- Projects for which the developer/borrower possesses financial standing, and the ability to repay loans, and complete a project in accordance with a RAP; and
- Projects for which an developer/borrower demonstrates an ability to properly manage loan and grant funds, and complete a project pursuant to a loan agreement.

Procure and Manage QEP and other Professional Service Providers

As appropriate to competitively procure a QEP, the City will complete the following:

- Prepare an RFQ for QEP and/or other professional services;
- Solicit and advertise for proposals;
- Review qualifications and conduct interview (if necessary);
- Recommend to the City Council which QEP to hire; and
- Sign agreement with the QEP.

For City-owned properties for which the City receives funding under the RLF program, every effort will be made to introduce greener cleanup techniques into the RAP. For all other properties, the City will encourage the developer/borrower to include in their selection process, the requirement that their consultant utilize these techniques, as well.

Attend 2 National Brownfields Conferences During the Course of the Project Period

It is anticipated that up to 3 Planning staff will attend up to 2 National Brownfields Conferences during the project duration.

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Prepare Quarterly Progress Reports and Annual Financial Reports

Daily program administration will be the responsibility of the PM, who will prepare progress reports, as required, for submittal to USEPA, and fulfill all other required activities as necessary.

The City anticipates that the following schedule will be followed during the implementation of Task 1: Program Development and Community Involvement:

Activity	Deliverable	Target Completion Date
Programmatic Activities		
Market the RLF program	Informational packets, public notices, meeting minutes and other informational pieces developed – to be provided in the quarterly reports	Starting October 1, 2013 and continuing throughout the grant cycle.
Developing forms and procedures for submission of project information	Copies of loan/grant documents (loan application, loan agreement template, etc.) including terms and conditions	Within 90 days from date of final execution/approval of CA.
Establish site screening criteria	Site Screening Criteria	With first quarterly report.
Select a QEP	Request for Qualifications Letter of Award	October 31, 2013.
Attend National Brownfield Conference(s)	None	Up to 2, timing to be determined.
Program reporting	Quarterly Reports Annual Financial Reports	Within 30 days of end of each fiscal quarter: December 31, April 30, July 31, and October 31. October 31 of each year.

Task 2: Project Review, Cleanup Planning and Community Involvement

Activities in Task 2 will begin when a site/redevelopment project is identified for RLF funding. The QEP and the RLF MT will work to review potential projects.

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The specific activities to be performed as part of this task will include, at minimum, the following:

- Review of project summaries, site environmental characterization reports, requested funding and project financial information;
- Complete eligibility determinations for each project to be submitted to USEPA;
- Prepare loan and security documents, such as loan agreement, reimbursement agreement, etc;
- Complete an ABCA and site-specific Community Involvement Plan (CIP) for each project;
- Establish a document repository for each project;
- Provide a public comment period for each ABCA;
- Complete a Decision Memorandum;
- Conduct required community involvement activities described in the approved CIP following project initiation.

The City anticipates that the following schedule will be followed during the implementation of Task 2: Project Review, Cleanup Planning and Community Involvement:

Activities	Deliverables	Target Completion Date
Marketing		
Review of project summaries, site environmental characterization reports, requested funding and project financial information	None	Ongoing throughout the duration of the RLF program.
Complete eligibility determinations for each project to be submitted to USEPA	Eligibility determinations	Ongoing throughout the duration of the RLF program.
Prepare loan and security documents	Draft loan documents for USEPA review, final loan documents, and executed loan documents	Ongoing as projects are selected for funding.

Draft Subject to Revisions

Complete an ABCA and site-specific CIP for each project	ABCA and CIP	Ongoing for each project, prepared after loan documents are approved and prior to public comment.
Establish a document repository for each project	None	Ongoing for each project, prepared after loan documents are approved and prior to public comment.
Provide a public comment period for each ABCA	List of public comments received.	At completion of each public comment period.
Complete a Decision Memorandum	Decision Memorandum	Ongoing for each project, prepared after the public comment period and prior to the initiation of the cleanup activities.
Conduct required community involvement activities described in the approved CIP following project initiation	Will be documented in a final report	Ongoing throughout the grant period.

Task 3: Environmental Cleanup and Monitoring

Task 3 will include the actual funding of eligible and approved cleanup activities and associated monitoring. Site cleanup activities will be overseen by the QEP to ensure that each participating site meets the standards of protection of public health and the environment, including compliance with RLF grant and WDNR regulatory program requirements, and Davis Bacon and federal cross-cutting requirements. Environmental services also will include technical reviews of cleanup plans and reports, cost tracking and invoicing, and coordination with the WDNR for cleanup plan and closure report reviews and approvals. Property profiles will be entered into ACRES.

The specific activities to be performed as part of this task will include, at minimum, the following:

- Review developer/borrowers Environmental Site Assessment (“ESA”) documents and cleanup plans for completeness and adequacy;
- Monitor site remediation activities;
- Track costs and invoicing;

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- Coordinate with the WDNR for cleanup and closure report reviews and approvals; and
- Update ACRES.

The City anticipates that the following schedule will be followed during the implementation of Task 3: Environmental Cleanup and Monitoring:

Activities	Deliverables	Target Completion Date
Site Cleanup Activities		
Review ESA documents and cleanup plans for completeness and adequacy.	Letter of approval and/or a list of deficiencies requiring completion prior to start of the project	At least 30 days prior to start of cleanup.
Monitor site remediation activities	None	Ongoing during cleanup.
Track costs and invoicing	None	Ongoing during cleanup.
Complete or support the preparation of a RAP Documentation Report	RAP Documentation Report	Within 60 days of receiving WDNR letter approving the closure request.
Update ACRES	Property Profiles (online)	Ongoing throughout the duration of the project.

Task 4: Loan Management

Loan management activities required to manage the RLF will be the responsibility of the PM, supported with limited contractual environmental services. Loan management activities will include, at minimum, review and approval of invoice activities and amounts, tracking invoices and costs against approved work plans and budgets, tracking measures of success, and operating the RLF.

Custodial control of the funds will be the responsibility of the PM in tandem with the City's Finance Department, including, but not limited to, tracking all monies taken in and expended by the municipality, and the investment of all unemployed funds. Authorization of specific loan expenditures, and the review and approval of supporting documentation will be the responsibility of the PM.

The PM will also be responsible for ensuring that the RLF is managed in conformance with the CA, applicable laws and regulations, and prudent lending practices. In addition, the PM will be responsible for structuring the loans, as well as all terms and conditions related to repayment and compliance.

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The City anticipates that the following schedule will be followed during the implementation of Task 4: Loan Management:

Activities	Deliverables	Target Completion Date
Loan Management		
Track invoices and costs against approved work plans and budgets	Summary provided in Quarterly Reports	Ongoing throughout the duration of the RLF program.
Review and approve disbursement requests and invoices	Summary provided in Quarterly Reports	Ongoing throughout the duration of the RLF program.
Make disbursements	Summary provided in Quarterly Reports	Ongoing throughout the duration of the RLF program.
Prepare loan status reports	Loan status report	Ongoing throughout the duration of the RLF program.

3.0 GRANT BUDGET

Hazardous Substances - Project Tasks for Loans					
Budget Categories	Task 1 Programmatic Activities	Task 2 Project Review, Cleanup Planning, Community Involvement	Task 3 Environmental Cleanup and Monitoring	Task 4 Loan Management	Total
Personnel	\$12,000			\$12,000	\$24,000
Travel	\$4,000				\$4,000
Contractual	\$16,875	\$30,000	\$15,000	\$7,500	\$69,375
Other			\$652,125		\$652,125
Subtotal:	\$32,875	\$30,000	\$667,125	\$19,500	\$749,500
Cost Share			\$150,000		\$150,000
Petroleum Sites - Project Tasks for Loans					
Budget Categories	Task 1 Programmatic Activities	Task 2 Project Review, Cleanup Planning, Community Involvement	Task 3 Environmental Cleanup and Monitoring	Task 4 Loan Management	Total
Personnel	\$4,000			\$4,000	\$8,000
Travel	\$2,000				\$2,000
Contractual	\$5,625	\$10,000	\$5,000	\$2,500	\$23,125

Draft Subject to Revisions

Other			\$217,375		\$217,375
Subtotal:	\$11,625	\$10,000	\$222,375	\$6,500	\$250,500
Cost Share			\$50,000		\$50,000

Note: The City's application to USEPA dated December 3, 2012 detailed a potential subgrant in the amount of \$480,000; \$360,000 for hazardous substances and \$120,000 for petroleum.

Budget Details

Cost Share: The City's cost share of 20% will be provided, in part, through contributions of Planning staff time attributable to the RLF program estimated at \$74,000 (\$14,876/year x 5 years) based on 2013 wage/benefit rates and calculated as follows:

City Planner (CP)	\$60.33/hour	144 hours/years (3 hours/week x 48 weeks)	\$8,688/year
Deputy CP	\$45.55/hour	96 hours/year (2 hours/week x 48 weeks)	\$4,373/year
Associate CP (GIS)	\$37.81/hour	48 hours/year 1 hour/week x 48 weeks)	\$1,815/year
			\$14,876/year

Additional cost share funds may come in the form of tax increment financing, funds from property sales if a community owned site, or the increase in market value of a site measured as the difference between the pre- and post-remediation value as established by the City's Assessor or appraisal, other grant sources if available, or up to \$200,000 in cash from other loan programs or grants currently being managed or administered by the City. For brownfield sites within an existing TIF district, the increment from new development both from within and outside of the brownfield site, may be used to repay RLF dollars used to remediate a site. Eligible developer/borrowers may be required to contribute at least 20% to the overall project costs, unless this requirement is waived or further modified by the PM. Using the majority of the RLF monies for low interest or no-interest loans, will promote the long-term viability and sustainability of the RLF.

Task 1: Programmatic Activities

The "Personnel" line items are an estimate of the costs associated with programmatic activities, such as Planning staff redevelopment training, marketing the RLF program, developing loan forms and procedures, and procuring a QEP and other service providers, if necessary, including approximately 320 hours at \$50/hour for a total of \$16,000; \$12,000 for hazardous substances and \$4,000 for petroleum.

The "Travel" line items are an estimate of the costs (\$4,000 for hazardous substances and \$2,000 for petroleum for a total of \$6,000) for up to 3 Planning staff members to attend 2 National Brownfields Conferences. These estimates were based on actual 2013 costs incurred by Planning staff members attending the National Brownfields Conference in Atlanta, Georgia, and includes the following breakdown:

- Plane ticket - \$350 x 3 people x 2 conferences = \$2,100
- Parking - \$75 x 2 conferences = \$150
- Lodging - \$250 x 3 people x 2 conferences = \$1,500

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- Meals - \$150 x 3 people = \$450
- Conference dues - \$300 x 3 people x 2 conferences = \$1,800

The City intends to send up to 3 people to 2 National Brownfields Conferences over the term of the grant in order to ensure consistency in the implementation of the RLF program amongst Planning staff members.

The “Contractual” line items are estimates of the costs associated with professional consulting services associated with the following:

- Development of procedures and criteria for reviewing and qualifying projects and developer/borrowers for loans;
- Upgrading of the City’s existing Brownfields GIS program; and
- Supporting the City to meet the terms and conditions of the CA including, but not limited to, preparation of quarterly and annual reports, financial reports, completion of profile sheets and eligibility determinations, and routine communication and coordination with USEPA.

These cost estimates are based on the following assumptions.

- Approximately 67 hours of QEP services at \$150/hour for a total of \$10,000 (\$7,500 for hazardous substances and \$2,500 for petroleum); and
- Approximately 125 hours of GIS services at \$100/hour for a total of \$12,500; \$10,000 for hazardous substances and \$2,500 for petroleum.

Task 2: Project Review, Cleanup Planning, Community Involvement

The “Contractual” line items are estimates of the costs for the QEP associated with project review, cleanup planning, cleanup documents, community involvement and loan documents. Total cost is \$40,000; \$30,000 for hazardous substances and \$10,000 for petroleum.

Task 3: Environmental Cleanup and Monitoring

The “Other” line items estimates represent the money available to loan (\$869,500 -- \$652,125 for hazardous substances and \$217,375 for petroleum) for cleanups. The match (\$200,000) goes into this budget category, bringing the total to \$1,069,500.

The “Contractual” line items estimates are costs associated with QEP required to oversee the site cleanup activities, and includes approximately 148 hours at \$135/hour for a total cost of \$20,000; \$15,000 for hazardous substances and \$5,000 for petroleum.

Draft Subject to Revisions

Task 4: Loan Management

The “Personnel” line items are estimates of the costs associated with loan management including approximately 91 hours at \$175/hour for legal and financial services provided by third parties related to RLF loans; \$12,000 for hazardous substances and \$4,000 for petroleum.

The “Contractual” line items are estimates of the costs associated with the QEP reviewing payment requests and comparing costs and activities against approved cleanup plans and budgets and tracking measures of success, and includes approximately 67 hours at \$150/hour for a total cost of \$10,000; \$7,500 for hazardous substances and \$2,500 for petroleum.