

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: June 21, 2024

TO: Supervisor Marcelia Nicholson, Chair, County Board of Supervisors

FROM: Celia Benton, Economic Development Director, Department of Administrative Services

SUBJECT: From the Economic Development Director, Department of Administrative Services requesting authorization to apply for, accept, and implement a Brownfield Site Assessment Grant for a maximum amount of \$150,000 from the Wisconsin Economic Development Corporation to assist in the remediation and reuse of a contaminated site at 4021 S. Kinnickinnic Avenue in Saint Francis.

POLICY

Milwaukee County Board review and approval is required for the submission of grant funding applications, pursuant to MCGO 56.06.

Wis. Stat. 75.106 Assignment of property contaminated by hazardous substances

BACKGROUND

The Wisconsin Economic Development Corporation ("WEDC") is the State of Wisconsin's lead economic development agency focused on sustainable business growth and job creation. The economic development resources WEDC provides to local governments and private parties include the Brownfield Site Assessment Grant ("SAG") Program. This program is meant to assist "local governments with conducting initial environmental assessment and demolition activities on an eligible abandoned, idle or underutilized industrial or commercial site" by providing grants to local municipalities for use on specific projects that would not be able to be developed if not for the grant funds.

DAS-Economic Development is seeking authorization to assist Lean Design Werks, a local minority-woman-owned small business, to apply for a SAG in an amount up to \$150,000 to assist in the remediation and reuse of this space (the "Project"), which they plan to use as headquarters for their industrial automation and robotics company. The Project involves the cleanup, renovation, and reuse of a metal fabrication facility building located at 4021 South Kinnickinnic Avenue in Saint Francis. The building has been vacant since 2020 and the site and building have various contaminants that need to be remediated prior to any use. At a minimum, environmental remediation of ground contaminants at the site and a dust collection system are needed, as well as extensive renovations to the building including a new roof, sprinkler system, electrical wiring, plumbing, HVAC system, and removal of various equipment and debris. Plans include reuse of the space for light industrial purposes and office space for Lean Design Werks, with additional space available for storage and for potential expansion of the company going forward. The company currently includes three full-time employees and three frequently-utilized subcontractors, while this new space will allow expansion of

operations and plans to hire up to 10-15 full-time and part-time employees in engineering, sales, and assembly, bringing additional well-paying jobs to the area.

The subject property for this Project is still owned by a previous user and is eligible for foreclosure by Milwaukee County. However, foreclosure has been delayed to allow the County to determine what contamination is present at the site and in the building. A Phase I and II environmental report in 1996 discovered migrating contaminants from a leaking underground storage tank as well as the apparent spill of hazardous material on the site. A new Phase I and Phase II and a site assessment analysis are needed to determine current contamination and evaluate mitigation needs. The goal for this grant is to help cover costs of environmental testing and cleanup, to allow Lean Design Werks to take ownership of the site for reuse as their headquarters. Ownership will require Lean Design Werks to clean up the parcel to the extent practicable. Milwaukee County will not take title of the property and will be held harmless against any loss, expense, liability or damage from the Project.

The SAG grant program requires a project to commit to a 20% match. Match funds would not come from the County, but from public and private investments committed to the Project. In this case, funding will come primarily from owner equity, as well as other possible grant funds. The existing budget already exceeds the 20% match requirement. No funds will come from the County.

To implement the grant, if awarded, DAS-Economic Development will enter into an MOU with Lean Design Werks, which shall include, but not be limited to, the following terms:

- Submittal to WEDC of paid itemized invoices for eligible expenses with proof of payment for reimbursement purposes, as required by WEDC;
- Semi-annual performance reporting during the life of the project, with a final report due upon completion, as required by WEDC;
- Indemnification in favor of County in the event of a default entitling WEDC to a return of any grant funds expended;
- Guarantee that County is not responsible for financial obligations of Lean Design Werks;
- Access to project records during the life of the project and for at least three years thereafter for auditing purposes.

The WEDC grant programs have previously been utilized by Milwaukee County to support many projects in the community.

RECOMMENDATION

The Director of the Department of Administrative Services - Economic Development recommends authorization to partner with Lean Design Werks as they apply for, accept, and implement a Brownfield Site Assessment Grant in a maximum amount of \$150,000 from the Wisconsin Economic Development Corporation to assist in the remediation and reuse of a contaminated site at 4021 S. Kinnickinnic Avenue in Saint Francis.

FISCAL NOTE

Acceptance of the grant will have a net zero impact on the division's budget. Milwaukee

County's role in the process will be that of a government authorization for the application. Any staff time to provide support for the Project will be absorbed in the division's existing budget.

Prepared By: Heather Reindl

Approved By:

Celia Benton

Celia Benton
Economic Development Director, Department of Administrative Services

Attachment: Resolution
 Fiscal Note
 Project Overview
 Project Grant Draft Application

cc: David Crowley, County Executive
 Steven Shea, District 8 County Supervisor
 Liz Sumner, Comptroller
 Community, Environment and Economic Development Committee Members
 MaryJo Meyers, Chief of Staff, Office of the County Executive
 Aaron Hertzberg, Director, Department of Administrative Services
 Kelly Bablitch, Chief of Staff, County Board of Supervisors
 Allyson Smith, Committee Coordinator
 Ken Smith, County Board Research Analyst