

WEDC Program:	Brownfield Site Assessment Grant (SAG) DRAFT VER 1A
Target Start Date:	April 1, 2024
Applicant Entity:	4021KK LLC Members: Renata Bungler, 51% Dale Bungler, 49% A Married Couple
Project Address:	4021 S. KINNICKINNIC AVENUE ST. FRANCIS, WI 53235 PARCEL ID: 584-9995-000



Project Narratives

1. SITE CONDITIONS

1.a. Describe the past and current site ownership and uses, and anticipated contamination.

SITE OWNERSHIP

After reviewing historical aerial photos and reports on the DNR's BRRTS, it appears the building was constructed between the late-1930s and mid-1940s and used for sheet metal fabricating operations. In the 1960s, William R. Puchner (1930-2021) acquired the property and ran Wire & Metal Specialties. In 1984, he may have transferred ownership to MPL Realty. Puchner was a member and owner of Wire & Metal Specialties and MPL Realty.

Circa 2000, Puchner leased the property to Stanley Fronczak to operate Badger Metal Finishings. In 2004, Fronczak purchased the property under the agreement that Puchner would retain responsibility for the environmental contamination and cleanup. Puchner did not follow through on the environmental cleanup and passed away in 2021.

In 2017, Fronczak sold the Badger Metal Finishing business and leased the property to new owners. The new owners moved to a different location before 2020, and Mr. Fronczak subsequently listed the property for sale. Fronczak has since dissolved Bager Metal Finishings and Brew City Enterprises, retired, and relocated to Florida.

USE AND CONTAMINATION HISTORY

In 1996, Puchner attempted to sell the property, but the transaction fell through due to a Phase I and II report prepared by Key Engineering Group (KEY) that discovered:

- migrating contaminants from a leaking underground storage tank on the adjacent property to the south (gas station);
- apparent spill of hazardous material on the subject site

The soil impacted by the leaking underground storage tank and the on-site spill of hazardous material was excavated (13 tons) and remediated according to a site closure letter for the spill from the Wisconsin DNR dated October 29, 1998.

KEY updated the Limited Phase II as of March 22, 1999, and reported that the “soils south of the site building in the vicinity of the Quonset hut are impacted by elevated VOC concentrations.” KEY identified through interviewing personnel that chlorinated solvents were used to clean the fabricated metal parts.

To better define the nature and extent of VOC impacts on soil and groundwater at the site, HSI GeoTrans was hired and prepared a Site Investigation Report and Remedial Option Analysis dated September 9, 1999, and November 13, 2000.

The HSI reports (1999 and 2000) presented several remediation options as well as identifying the contaminated areas and the contaminants (7-1):

- VOCs, primarily chlorinated solvents, have impacted soils beneath the site (PCE, TCE, and 1,1, 1-TCA). These solvents are known to have been used at the site.
- the primary soil impacts beneath the site extend from the ground surface to approximately 8 feet bgs, and located in an area extending from beneath the metal sheds
- to beneath the southern portion of the main manufacturing facility. The highest impacts are generally beneath the asphalt area between the metal sheds and the main building. This area coincides largely to the lens of more clayey soils defined above.
- a secondary area of solvent impacts to soil is located slightly north of the primary area of impacts beneath the west-central portion of the main building, in the vicinity of the former degreaser operation.

1.b. Describe the current condition of the project site, the improvements on the site (e.g., acres, building size, condition of the buildings, etc.), known environmental information and specific health and safety concerns associated with the property

The site and building are in an abandoned and blighted state. A walk-through of the site and building interior in February and March 2024 found:

- extensive roof damage, leaking, and standing water
- electrical wiring stripped, and panels destroyed
- plumbing damage because of vandals or lack of heat for an unknown period
- standing water, debris/trash, and barrels of unknown origin scattered throughout the building and the property
- heavy and inoperable/outdated equipment throughout the building and property
- property is unsecured, and vandals are breaking in, causing further damage

The brick/cinder block building is 15,000 sf, and the side yard has two metal Quonset huts. The side yard also houses the dust collection system.

1.c. Describe why it is believed the causer of potential environmental contamination is unknown, cannot be located or is financially unable to pay for potential environmental costs?

William R. Puchner owned the property from the 1960s until 2004 and passed away in 2021. Puchner owned and operated Wire & Metal Specialties, a metal fabrication business that most likely used chlorinated solvents, tetrachloroethene, trichloroethylene, and VOC substances to clean equipment. Puchner also owned MPL; neither entity can be found on the WDFI website, and it is believed that both have been dissolved.

Stanley Fronczak owned and operated Badger Metal Finishings and Brew City Enterprises from 2000-2017. In 2018, Fronczak informed ReadyEarth Consulting that they had used no chlorinated solvents at the site, used a water-based detergent for parts washing, and disposed of the wash water through an on-site sanitary sewer connection. Badger Metal Finishings was dissolved in 2018, and Brew City Enterprises dissolved in 2020. Fronczak is now retired and lives in Florida.

When Puchner transferred the property to Fronczak, he agreed to assume responsibility for the environmental remediation. Puchner is deceased, and his entities no longer exist.

2. PROJECT DESCRIPTION

2.a. Describe the project, including activities planned and a project schedule.

ENVIRONMENTAL REMEDIATION

Our main objective is to complete the environmental cleanup and eventual DNR closure of a site that has been contaminated at least since 1996. A new Phase I, II, and site assessment analysis are needed to achieve this.

We will collaborate with Milwaukee County to obtain immediate access for testing and eventual property ownership through Wisconsin State 75.106. However, before the transfer of ownership, we need to submit an environmental assessment to the DNR and agree on a complete remediation plan. Milwaukee County aims to complete the foreclosure transfer by September 2024. To meet the deadline, we will work with LF Green Development and the Wisconsin DNR to get an approved remediation plan before September 2024.

BUILDING AND SITE RENOVATION

Unfortunately, the site's history of harsh industrial usage, lack of maintenance, a leaking roof caused by fire damage, and vandalism that destroyed the electrical system has left the building unsightly and blighted. We plan to work with the necessary professionals to develop architectural and renovation plans to restore the building and all major systems.

The renovation will commence as soon as the transfer of ownership is completed. We will begin by removing all debris from the inside and outside of the property. Concurrently, we will remove the dust collection system and related roof penetrations. Following this, we will install a new roof, estimated to take 3-4 weeks, and should be completed before the winter of 2024/2025. Once the building is weather-tight, we can start with the interior demolition, new wiring and plumbing, installation of a sprinkler system and fire alarm, and all other necessary interior renovations. Our goal is to complete these by the spring of 2025.

2.b. If available, provide a narrative of the planned redevelopment of the site. Include end use job and wage projections if available.

The plans for the site are:

Environmental Compliance:

Implement approved DNR remediation plan
Remove quonset structures and dust collection system
Remove large equipment and debris in the building and side yard

Renovation:

New roof
New HVAC
New electrical
New plumbing
Sprinkler system
New windows, man doors, and overhead doors
Repair and replace parking lot as needed
Tuckpoint building as required
Remove the side lean-to portion of the building
Refinish and repaint the sides and rear of the building
Attractive Fencing, Exterior Lighting,
Expand Office Space
Explore Green-Built Technologies

END USER: LEAN DESIGN WERKS

Lean Design Werks has three full-time employees and consistently works with three subcontractors. This new location will allow the company to expand its operations and hire at least 10-15 full-time and part-time employees in the engineering, sales, and assembly departments. Engineering salaries start at \$65,000, and assembly salaries start at \$30,000.

3. PROJECT FINANCING

3.a. Describe the various methods that will be used to fund the project, including the progress of establishing or receiving funds.

Although we cannot confirm the total project cost until we understand the scope of the remediation and renovation needs and obtain bids, the projected total cost for environmental remediation, renovation, and soft costs is estimated at \$900,000.

This amount includes a request to cancel all unpaid property taxes from Milwaukee County under Wisconsin statute 75.105. 4021KK LLC will contribute \$135,000, which accounts for approximately 15% of the total project cost.

In addition to the WEDC-SAG, the project will apply for WEDC-Brownfield and DNR-Ready for Reuse funds to assist with the environmental remediation project, estimated at \$300,000 but can only be confirmed once the environmental site assessments are completed.

We plan to apply for SBA 7A or 504 for the non-remediation demolition and renovation. We will work with MEDC, a local CDFI, and a traditional lender to secure the funding. Renata Bunger has experience in planning and underwriting complex community development projects.

3.b. Provide a narrative of the SAG grant budget items. Include the status of all budget funding.

The total environmental assessment and site investigation cost is \$108,800, which includes \$4,800 for environmental assessment phases I and II and \$104,000 for site investigation to determine the extent of and the recommended remediation plan. The SAG cost share is 80% or \$87,040, and the 4021KK LLC cost share is 20% or \$21,760.

LF Green Development will provide the following SAG-eligible services:

Environmental Assessments	\$4,800
Site Investigation	<u>\$104,000</u>
Total	\$108,800
WEDC SAG Grant (80%)	\$87,040
4021KK LLC Contribution (20%)	<u>\$21,760</u>
Total	\$108,800

3.c. Describe the conversations or provide a confirmation that the local municipality is willing to participate, apply on behalf of the development.

We have received positive feedback on our project plans from Mark Johnsrud, the City Administrator. The City will support our SAG application and hope it will be eligible for the April 1st submission deadline. **{RESOLUTION FROM CITY OF ST. FRANCIS PENDING}**

3.d. Provide an explanation of why you are pursuing a SAG award.

For over 50 years, metal fabrication businesses have operated on the site, leaving behind carcinogenic chemicals. Kinnickinnic Avenue has become a center for retail and commercial activities, and the surrounding area has experienced growth in residential development. Our objective is to convert the abandoned property into a use consistent with the area and comprehensive plan. Our goals to remediate, renovate, and reuse this property are also consistent with the Brownfield programs offered by WEDC and WisDNR.

4. ECONOMIC DEVELOPMENT POTENTIAL

4.a. Describe the importance of the site to the community, the potential for economic redevelopment to occur, and the significance of the site as it relates to previous community planning efforts. If an end user or developer of the site has been identified, provide details on individuals or businesses involved, the redevelopment plan for the site. Describe the potential of the project to involve diverse businesses, including women and veteran-owned contractors, in eligible project costs.

The property is on Kinnickinnic Avenue, a well-known retail and commercial hub connecting St. Francis to Milwaukee. The site was previously utilized for metal fabrication and chrome polishing from the 1940s until 2018. However, this industrial use no longer aligns with the area's character. Lean Design Werks plans to renovate the property and use at least 51% of the building for office space and light assembly. The remaining part of the building will be leased for similar uses that align with the area's character and the current zoning.

Lean Design Werks will lease and occupy the property. It is a business that fully embraces diversity and is owned by a female entrepreneur, along with her husband and son, who hold key management positions. Lean Design Werks is a member of the Metropolitan Milwaukee Association of Commerce and African American Chamber of Commerce and, in March 2024, completed the National Asian/Pacific Islander American Chamber of Commerce and Entrepreneurship Small Business Accelerator.

Lean Design Werks holds the following certifications:

- HUBZone - SBA
- WOSB/EDWOSB - SBA
- WBENC - Women’s Business Enterprise National Council
- MBE - State of Wisconsin
- MBE - North Central Minority Supplier Development Council/NMSDC

Dale and Renata Bunger plan to acquire the property by forming a new entity called 4021KK LLC, in which Renata will hold 51% ownership, and Dale will hold 49% ownership.

Entity	Role	Minority Status	Minority/Female Certified
4021KK LLC	Ownership LLC	51% Female/Diverse Owned	
Lean Design Werks	Anchor Tenant	100% Female/MBE Owned	Yes
LF Green Development	Environmental Consultant	100% Female Owned	Yes