



Department of Planning & Community & Economic Development
Economic & Community Development Division

Office of Business Resources

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TO: Board of Estimates

FROM: Matthew B. Mikolajewski

DATE: September 10, 2007

SUBJECT: Economic Development Commission amendments to BREWD Guidelines dated August 7, 2007

At its September 5, 2007 meeting, the Economic Development Commission (EDC) moved to recommend to the Board of Estimates acceptance of Resolution #07156, and the BREWD Guidelines dated August 7, 2007 (Guidelines), with the following amendments:

Addition of Language to Resolution # 07156

To provide an opportunity for staff to report to the City the response received from the community regarding the BREWD program, the EDC recommends adding the following language to Resolution #07156:

“BE IT FURTHER RESOLVED, during the first year following execution of the grant agreement with the State, Office of Business Resources staff shall maintain a record of individuals expressing interest in the program, including known information about an individual’s decision not to apply for BREWD funding. At the conclusion of this first year, Office of Business Resources staff shall provide a report to the Economic Development Commission, Board of Estimates, and Common Council that outlines the initial response to the BREWD program, along with recommendations for modifying the BREWD guidelines if appropriate.”

Addition of Job Creation Language to Guidelines

To require the creation of new jobs as part of BREWD-funded projects, the EDC recommends adding the following language to the “BREWD Requirements” section of the Guidelines:

“Within three (3) years of Project completion, no less than one (1) new permanent full-time-equivalent (40 hours per week) Position that conforms to the City of Madison Living Wage Ordinance (Section 4.20, MGO) shall be employed on the Property for every \$35,000 of BREWD funds loaned or granted.”

Deletion of Requirement for EDC Review

The Guidelines suggested that the EDC would be an automatic referral for BREWD Applications received by the City. The EDC moved to not require that BREWD Applications be referred to them.

Addition of Land Use Language

To clarify the relationship between the BREWD program and other City planning initiatives, the EDC recommends adding the following language to the “BREWD Requirements” section of the guidelines:

“The BREWD Program is a financing tool to assist with the remediation of environmentally contaminated property within the City of Madison. Awarding of BREWD funds is contingent upon the proposed end-use of the property receiving the necessary approvals and permits from the City of Madison. In no way should these guidelines, and attachments thereto, be construed as superseding authority of the City’s Zoning Ordinance, Comprehensive Plan, adopted neighborhood plans, other adopted City plans, Plan Commission, or Common Council.”

Eligible Cost Additions

Based on suggestions forwarded to staff, the EDC recommends adding the following to the list of Eligible Costs:

- The premium to purchase brownfield liability insurance through the Wisconsin Brownfields Insurance Program (WBIP).
- Costs associated with capital equipment needed to carryout remediation, including costs associated with monitoring equipment.

Amendment to Mapped Boundaries for Bonus Criteria # 1

Following original introduction to the Common Council, several amendments were made to the boundaries of areas in the City eligible to receive Bonus Criteria # 1 in an effort to remove residential neighborhoods while adding additional commercial property. The maps were also renamed to better reflect their intended purpose. The EDC approved these modifications, which appear in the maps currently found within Legistar.

Other Amendments

Staff received valuable input from the community after introduction of the BREWD Guidelines to the Common Council. Following is a list of additional edits suggested by the community, with concurrence of the EDC, to incorporate into the final BREWD guidelines:

- Specify within definition of “Applicant,” that prospective purchasers with an option on the Property in question may apply (p. 2).
- Provide a reference for the section of the Comprehensive Plan that defines transit-oriented development (p. 2).
- Reinforce that all three of the Forgivable Remediation Loan criteria must be met for a loan to be forgiven (p. 3).
- Note that required off-site remediation activities are eligible, regardless of the use of the off-site property (p. 4).

- Allow a DNR “Approval for Remedy” to be used in lieu of a “Closure Letter” in circumstances where full closure cannot be granted until after the post-Project construction occurs, or another clearly specified event takes place (p. 5).
- Under responsible party exceptions, allow an exception in situations where a tenant caused contamination with no knowledge of the owner (p. 5).
- Re-draft timing section to emphasize that Phase I Assessments, Phase II Assessments, and Remedial Action Plans completed before application are eligible remediation costs (p. 4/5).
- Simplify Sections II B, C, & F of the application to request the ownership history of the property to the best knowledge of the Applicant, including when along the chain of ownership contamination occurred or continued, and any due diligence activities (ie. site investigation) on the part of the current or previous owners.
- Delete “Phase I Environmental Site Assessment” from Section V E, recognizing that the City would be interested in any site assessments that have been completed to date.
- Add “or equivalent” to Section V F of the application.
- Note that VPLE is not a requirement of the Applicant under Section V J of the application.
- Other similar minor text and grammar modifications may be made to the BREWD Guidelines prior to final approval.