



Legislation Text

File #: 22927, **Version:** 1

Fiscal Note

This resolution has no fiscal impact other than the commitment of available staff resources needed to complete the proposed grant application.

Title

Authorizing the City to apply to the Wisconsin Department of Natural Resources for a Ready to Reuse Brownfields Cleanup loan in an amount not to exceed \$2,000,000 for the purpose of assisting in the remediation and demolition of the former Royster Clark property.

Body

The Wisconsin Department of Natural Resources (DNR) administers the Ready to Reuse Program under which it offers zero interest loans to local governments to help clean up environmental contamination at eligible Brownfield sites. RDC Development, LLC (“Developer”) has requested that the City apply to the DNR for a Ready to Reuse loan and provide the funds to Developer to assist in the remediation and demolition of the former Royster Clark property (the “Property”). In order to be approved for a Ready to Reuse loan, the City must agree to issue a promissory note or other obligation payable to the DNR secured by the tax levy, to indemnify the DNR, and to provide a minimum of 22% of the requested funds as a match contribution. If the City’s application is approved by the DNR, the City would loan the funds to Developer to partially assist Developer’s remediation and demolition of the Property. The approximate costs of the remediation and demolition exceed \$4 million.

On May 17, 2011, the Common Council adopted Resolution No. RES-11-00453, File No. 22235, authorizing the City to provide a BREWD grant to Developer to assist in the remediation and demolition of the Property. The BREWD grant funds may be counted towards the City’s match requirement, and when combined with private equity from Developer, will satisfy the DNR’s match requirement.

This Resolution only authorizes the City’s application to the DNR for the Ready to Reuse Loan funds. The acceptance of the loan funds, the terms and conditions of a loan agreement with the DNR, the issuance of a promissory note by the City, the indemnification of the DNR by the City and the terms and conditions of a loan agreement between the City and Developer will require separate authorizing resolutions.

NOW THEREFORE, BE IT RESOLVED, that the Common Council hereby authorizes the City to apply to the Wisconsin Department of Natural Resources for a Ready to Reuse Brownfields Cleanup loan in an amount not to exceed \$2 million for the purpose of assisting in the remediation and demolition of the Royster Clark site.