

Wisconsin Plant Recovery Initiative

WPRI Two-Year Report

Stemming the tide of new brownfield properties

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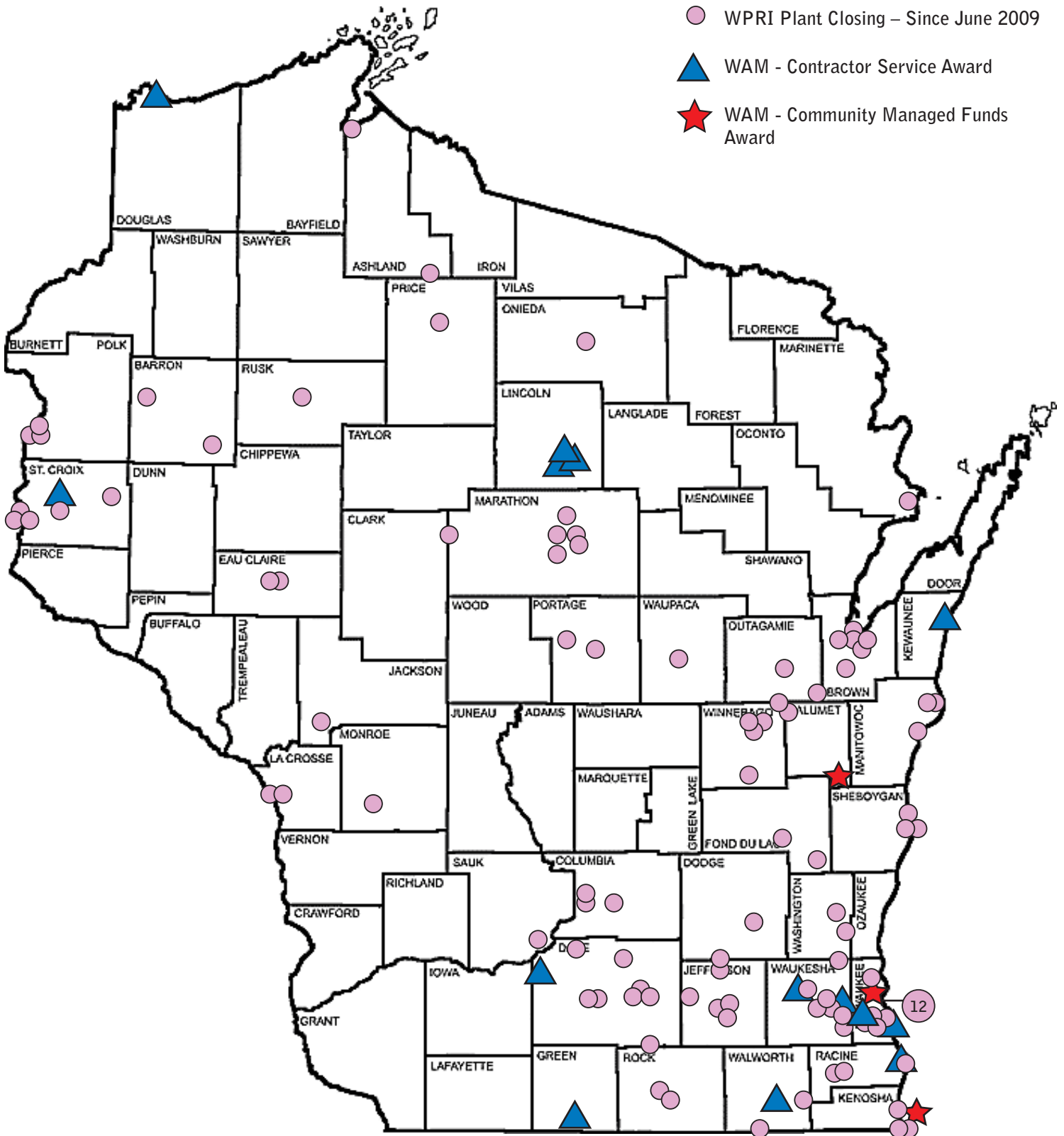
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WPRI: By the Numbers	
Since June 2009	
Plant Closings Reported with Environmental Concern	109
Jobs Impacted	9,800 +
Sites Where Staff Completed the WPRI Process (Triage Checklist, Letter Sent, Follow Up Phone Call)	85
Resulting Green Team Meetings	27
WAM Awards	14

WPRI: Statewide Reach



Executive Summary

Wisconsin Plant Recovery Initiative: Stemming the tide of new brownfield properties

The Wisconsin Plant Recovery Initiative (WPRI) was created in 2010 as a response to the challenging economic conditions that arose following the financial crisis of 2008 and beyond. The Wisconsin Department of Natural Resources' Remediation and Redevelopment (RR) Program has invested significant staff time in proactively responding to new closures of industrial and manufacturing facilities to avoid future brownfields from being created in Wisconsin.

This report reviews the tangible work outcomes that stem from the initiative, and analyzes the results of the efforts. Two years into this initiative, it is important to review the effect WPRI has had on the problems it was created to solve, and look towards how WPRI should be prioritized going forward.

DNR staff have responded to more than 100 closings of plants with known or possible environmental issues. These closings directly affected nearly 10,000 people.

The report describes how even small success stories are big for the communities they are in. The examples in this report showcase how staff have made progress at specific closed plants. Over the past two years, approximately 25% of the plants included in the WPRI were successfully re-purposed or redeveloped, minimizing the true impact a closing can have on a community. Also, the WPRI Assessment Monies is an effective tool for starting the conversation with communities and businesses about assessing these properties.

Following this analysis, the writers of this report recommend the following to DNR and RR Program management:

- This initiative should be continued;

- DNR should pursue additional funding for WPRI; and,
- The RR Program should streamline and continually improve the process.

As the DNR program responsible for protecting the soil and groundwater from environmental contamination, maintaining WPRI also helps the RR Program fulfill its charge of helping communities manage the economic costs of that contamination.

First Steps

Revitalizing Closed Plants: Sowing the seeds

The Wisconsin Plant Recovery Initiative (WPRI) is a DNR-led effort to help communities expedite the cleanup and redevelopment of “brownfields” – properties with real or perceived contamination that, for most communities, are difficult to revitalize.

Revitalizing brownfields, however, is not a new idea. What makes WPRI different from other standard cleanup programs is our proactive focus on immediately addressing industrial and commercial facilities that have shut their doors.

Like many states across the country, Wisconsin has witnessed a significant increase in business and plant closings in recent years. In addition to the impact of losing jobs, tax revenue and local business, a plant closing may create a new brownfield, leaving a legacy of environmental contamination at a community's doorstep, yet providing no adequate road map to recovery.

The idea for a focused plant recovery initiative sprung from DNR brownfields staff and the Brownfields Study Group, a statewide advisory group comprised of our partners in the brownfields arena. In 2009, the Study Group observed with growing concern the rapid rise in closed plants, along with growing anecdotal evidence from their clients. Because these companies were going under at such a fast pace, properties were

likely being abandoned with virtually little thought to environmental issues and the need for environmental assessment and possible cleanup work.

It didn't take long for these brownfield practitioners to recognize that, unless swift action was taken immediately, an entirely new generation of brownfield sites could be created within a decade.

Revitalizing brownfields is not a new idea.

Trying to inspect, clean up and redevelop a newly closed factory or plant BEFORE it becomes a community's 20-year brownfield problem is.

Working with a core group of Study Group members, the DNR's work began in earnest. Besides outlining a process by which closing plants could be identified, information collected and response actions taken, the core team made it clear the DNR needed to personally reach out to property owners and communities when the plant closing is announced, and offer tools and advice that could put the site on the right path to recovery. This proactive approach needed to happen before the plant shut down, to allow for contact with facility managers and employees who can provide valuable information about the environmental history and compliance issues at the plant.

In March 2010, the DNR launched the Wisconsin Plant Recovery Initiative (WPRI). Managed by the DNR's Remediation and Redevelopment (RR) Program, WPRI includes a set of core goals (see next page) which outline the objectives of the Initiative.

To help strengthen the WPRI portfolio, the DNR netted \$1 million in U.S. EPA brownfields assessment funding. These funds, known as the WPRI Assessment Monies (WAM), help communities stem the tide of new brownfield properties.

Cranking It Up: Building the WPRI machine

Part of creating an efficient way of dealing with new plant closings is working with other partners involved in the economic and environmental impact of plant closings. The DNR has established a partnership with the Wisconsin Department of Workforce Development (DWD) and local workforce development boards across the state.

According to state law, businesses employing 50 or more persons in Wisconsin must provide written notice to the state 60 days before implementing a "business (plant) closing" in the state. This notice is sent to the DWD.

Via the WPRI partnership, an email is sent to the DNR's WPRI statewide coordinator once DWD staff hear of a closing. The email typically includes the letter submitted to DWD on behalf of the closing plant, the number of employees affected and the address of the closing plant. The WPRI coordinator may also hear about closings from other sources, including DNR staff and the news media.

Once a closing plant has been identified, the WPRI coordinator begins the tracking and research process. The coordinator works with regional staff and management to prepare letters to the company and the local government in the community where the closing is located. Staff coordinate with all DNR regulatory programs to determine all the environmental issues that may exist at the property. This information is put on a checklist and a tracking spreadsheet. By gathering information from several programs into one checklist, DNR can streamline our interactions with the company. Staff can also identify any potential need to secure state and federal resources to remove any unsecured contamination (e.g. waste barrels) that may pose a public health threat.

With checklist in hand, the coordinator then works with DNR Air and Waste Division leaders in both Madison and the regional field offices to send letters

In the Spotlight: Goals of the Plant Recovery Initiative

- **Turn Closed Sites Around Quickly.** Efficiently transition closing or closed plants to the next generation of use. Provide one point of contact for all environmental issues.
- **Stop the Creation of Brownfields.** Expedite the investigation, cleanup and redevelopment of closing or closed plants and mothballed facilities over the short and long term.
- **Leverage, Leverage, Leverage.** Leverage available local, state and federal resources to maximize efforts, with a focus on federal and state funds to assess closed plants.
- **Build Brownfields Redevelopment Capacity.** Improve state and local governments ability to proactively address contamination issues at the time of plant closings, when facility staff are on-hand to answer questions.
- **Encourage Brownfield Partnerships.** Improve state, local and private partnerships to encourage and accelerate the recovery of closing or closed plants and mothballed facilities.
- **Create Jobs.** Improve Wisconsin's economy and create living wage jobs.

to the company and community(ies) impacted by the closing; offering DNR staff assistance, tools and services. Letters typically go out to communities and businesses within four to six weeks of the closing announcement. Copies of the letters are also sent to other key local government officials and our WPRI partners, including the Wisconsin Economic Development Corporation (WEDC), community or county treasurers, the community executives (e.g., economic/community development director or municipality administrator) and the executive director of the local workforce development board.

The letters explain environmental obligations – for example, state and federal permitting and reporting requirements – and also identify financial, liability and technical resources available to the company and community. An invitation to meet with DNR staff is extended to the company and community to answer any questions they may have and to provide more

information on resources available. These “Green Team Meetings” are opportunities for the key players to make important decisions that can hopefully set the plant on a path to reuse.

Once accepted, Green Team meetings serve as a first step toward a community's goal of revitalizing a closed plant.

In some cases, a hazardous waste inspection is conducted by the DNR's Waste and Materials Management staff at the request of the closing plant or if there is a possibility of environmental contamination that threatens human health. To date, a total of seven hazardous waste inspections have been conducted at WPRI sites.

In the Spotlight: Two years later, Job losses continue

Wisconsin Mass Layoffs and Plant Closings							
	2005	2006	2007	2008	2009	2010	2011
Number of Events	110	117	87	149	241	71	88
Number of Workers Affected	10,986	10,488	7,448	17,633	18,265	6,915	6,851

In the past decade Wisconsin lost 25 percent of its manufacturing base. Since 2007, the state has lost 69,000 manufacturing jobs.

An important fact which adds context to the need for the Plant Recovery Initiative is the significant impact that manufacturing has on Wisconsin's economy. Nationwide, Wisconsin has the second highest percentage of its job base in manufacturing. However, with the recent economic downturn many of these small and large factories significantly downsized or shut their doors.

As displayed in the table above, the number of dislocation events peaked in 2008 & 2009 (either plant closings or mass layoffs as tracked by Department of Workforce Development), and while there has been improvements, major closings are still announced virtually every month. Also, these numbers do not even include many smaller plant closings not subject to the state notification requirements.

Every corner of the state has experienced the hardships of plant closings. The table below shows the number of closings and jobs impacted by DNR region, since the launch of this effort.

WI Plant Closings with Environmental Impacts (Since March 2010)		
DNR Region	Closings	Jobs Impacted
Northeast	21	1281
Northern	9	959
South Central	16	992
Southeast	23	2596
West Central	16	2075
Total	85	7,903

WPRI Results: Having an impact

Since WPRI was launched in March 2010, 85 Plants have announced closure with potential contamination. These closings have impacted more than 7,900 jobs. (see chart on page 8). Of these 85, the DNR has sent 74 letters to businesses and communities offering assistance.

Of those 74 communities and businesses that were sent letters, 14 requested Green Team meetings. Thanks to many of these meetings, DNR and other state agencies were able to proactively address environmental issues, provide liability assurance letters or exemptions, and offer WPRI Assessment Monies (see WAM section for more information). Approximately 20 plants which were included in the WPRI process have since sold or were re-purposed.

When WPRI was launched in March of 2010, the DNR decided to respond to each new closing with potential for environmental issues. Also, staff made one large effort to respond to the many closings which occurred between July 1, 2009 and February 28, 2010 (see chart on page 8). There were 24 plants with possible contamination or environmental issues which announced closings. Of those, DNR staff issued 12 WPRI letters to both the business and the community. (Five sites were determined to not need further action.) The letters resulted in three Green Team Meetings. Of the pre-March 2010 sites, seven have since reopened under new ownership, or never completely closed.

Impact Example: A marketing success

Plant: Thermo Fisher
Community: Two Rivers
Production: Steel & Wood Institutional Furniture
Jobs Hit: 600

RR staff worked with all parties involved with this site: City of Two Rivers, Thermo Fisher and a new

purchaser (Formrite) to help facilitate the sale and decommissioning of two closing industrial sites.

When Thermo Fisher announced they were closing their steel plant, the DNR helped the company prepare the facility so it could be used by a new industrial company. The steel plant, which employed about 140 people, closed because the company decided to shift production to a facility in Mexico. DNR staff worked with the company to keep an air permit for a paint booth active to help with the marketing of the site and also conducted a hazardous waste inspection which helped assure Formrite that the facility was in compliance with hazardous waste requirements. The owner of Formrite, which makes hydraulic equipment, was familiar with contaminated properties as his existing plant is a closed remediation site with residual soil and groundwater contamination. Formrite was able to purchase the site, expand into a larger building and hire additional people.

Within months of the announced steel plant closure, Thermo Fisher revealed it was closing its downtown wood plant which makes wooden laboratory furniture. The city and the DNR continue to work with Thermo Fisher on the future of this large facility which employed about 150 people, down from a high of 625 in recent years. To help ensure the factory doesn't become a dangerous eyesore, the city passed a resolution controlling the demolition and salvaging of buildings without immediate repurposing of the buildings. This resolution was crafted utilizing efforts in other communities that worked with the Remediation and Redevelopment program in the repurposing of sites.

Impact Example: Green Team to the fore

Plant: Wausaw Paper Mill, LLC-
Brokaw Mill

Community: Brokaw

Production: Paper

Jobs Hit: 450

The closing of this large paper mill which had been in operation since 1899 had a significant economic impact on the small community of Brokaw. 450 people worked at this mill and would be directly affected by the closing. DNR staff participated in two "Green Team" meetings. The first was held with the Community Action Group consisting of the Wausau Area Chamber of Commerce, Village of Brokaw officials, and state representatives. The purpose of the meeting was to review regulatory issues associated with the closing of the mill and to discuss future uses for the property.

The second meeting was held with environmental staff from Wausau Paper Mills, LLC to provide technical assistance and guidance with regulatory issues related to the plant closing. The company is presently seeking bids on the property from interested parties.

The meetings gave the DNR an opportunity to share various environmental requirements with stakeholders. This information is invaluable for the proper decommissioning of the plant and moving the site forward (i.e., bringing in a new owner and/or redevelopment). The DNR continues to work with stakeholders to get this site back into productive use.

Impact Examples: Across the state

- **RR Donnelley, Menasha** – After this printing and bindery facility announced it was closing in 2011, the DNR held a sit down meeting with City of Menasha officials who are interested in this facility due to its prime downtown location. The DNR provided important information to the city on acquisition options in obtaining local government unit exemptions to state Spill statutes. The city and the company are continuing to discuss options for working together on the future of this property.
- **Skana Aluminum Company, Manitowoc** – The company gave new life to a shuttered aluminum rolling mill in May, 2010 when it acquired the property. During acquisition, Skana entered DNR's Voluntary Party Liability Exemption process in November, 2010. The company received a Certificate of Completion (COC) in March, 2012. The working relationship between Skana and the DNR has been exemplary. DNR staff has been timely in their permitting approvals and eager to work with the company to make sure Skana can do what it does best – roll aluminum.

“This is the way business and government work together, not the way they talk about it on TV.”

– Tom Testwuide, Sr., Chairman and CEO of Skana Aluminum Company

In the Spotlight: WPRI kudos

International Automotive Components

E-mail (January 5, 2011):

Thank you for taking the time to present information about the Wisconsin Plant Recovery Initiative. The contact lists, and other information about other programs related to the potential reuse of the property will be very helpful.

In my experience working throughout EPA Regions II to V, this is the first time a state environmental agency has reached out to a company while they were closing a plant to discuss redevelopment opportunities. This is unique in Wisconsin, and the programs we discussed at the meeting may be valuable references to draw on when in conversation with potential buyers. Instead of saying, “I’ll get back with you”, we can now say, “we have that information right here!”.

Thanks again. I hope to be talking with you soon.

Pat Kresnak

Director, Environmental Health & Safety

International Automotive Components

- **Best Biodiesel, Cashton** – After this biodiesel manufacturer went out of business, DNR staff provided the bankruptcy receiver with environmental and waste management information. A number of phone and email correspondences occurred; as well as a waste and storm-water site inspection. As a result, the receiver properly managed waste materials that remained at the facility. RR staff fielded calls from perspective purchasers interested in site conditions, specific environmental requirements and the availability of funding to assist with cleanup. The site was recently purchased by Green Fuel Technologies LLC, which plans to operate as a biodiesel plant in the near future.

- **Oshkosh Industries, Oshkosh** – Through WPRI, a local bank learned about lender liability options and is being proactive in the cleanup of the site. Working with RR Program staff, bank officials have requested a lender liability clarification letter.
- **Town Socials/Presentations:** On numerous occasions, RR staff have provided information on programs and resources available to assist in the remediation and redevelopment of contaminated or perceived contaminated properties. Examples of this outreach include staff presentations at the following:
 - Intergovernmental Cooperation Council of Milwaukee County Mayors meeting;
 - Jefferson County Economic Development Consortium meeting; and,
 - Wisconsin Economic Development Corporation’s Regional Development Directors meeting.

Cashing In:

WPRI Grants – WAM brings key resources to the fight

In the spring of 2009, the Wisconsin Brownfields Coalition (WBC) was awarded a \$1 million Brownfields Coalition Assessment Grant from US EPA. The WBC elected to use those funds to supplement the Wisconsin Plant Recovery Initiative by providing environmental site assessment funds and services to local governments and private parties interested in jumpstarting the redevelopment of a closed or closing plant.

The funds were split up into two funding mechanisms. The first, referred to as “Community Managed Funds,” was open to local governments, but only for larger, more complicated plant closing sites and provided awards ranging from \$100,000 to \$200,000. The communities were directly responsible for retaining an environmental consultant to carry out the grant eligible activities at the award site. All funds allocated to this arm of the

In the Spotlight: Getting aggressive with bankruptcy

The RR Program offered WAM as a financial incentive to bring plant owners and communities to the table to discuss assessment of potentially contaminated properties. However, the Program has perused an alternate track at specific contaminated sites where environmental contamination threatens public health and the owners have filed for bankruptcy.

Staff are now tracking bankruptcy filings, and working to identify those insolvent companies who own sites with substantial environmental liabilities; especially active remediation systems. The purpose of dedicating staff time to this effort is to safeguard taxpayer dollars that might have to be spent to keep remediation systems active if no other funding is available.

This tracking has lead to claims being filed in over nine cases. The RR Program has been successful in securing \$14 million in settlements.

program (\$500,000) were awarded as of December 2010.

The second funding mechanism, referred to as “Contractor Services,” was set up to provide environmental site assessment services to local governments or private parties interested in assessing smaller, less complex plant closing sites. Upon award, DNR assigns one of their previously selected environmental consultants to carry out the assessment services. No funds actually exchange hands between the DNR and the applicant and all work is managed by DNR. To date, 14 projects have been selected for contractor services.

For more on the success of WPRI Assessment Monies, see the special feature section on page 14.

In the Spotlight: WPRI Innovation Awards & Recognition

Environmental Council of States (ECOS)

The DNR received one of four State Program Innovation Awards from the Environmental Council of the States (ECOS). Based in Washington D.C., the Council is a non-profit association made up of state agencies from across the nation with a role in protecting the environment. This honor recognized the Wisconsin Plant Recovery Initiative (WPRI), a statewide effort to provide environmental and economic assistance to communities and companies struggling with closed manufacturing facilities. Air and Waste Deputy Division Administrator Sue Bangert accepted the award on the DNR's behalf.



EPA Region 5

The RR Program was recognized for its innovative approach to addressing the problems of brownfields. EPA Region 5 presented the RR Program with a Brownfields Recognition Award at the Brownfields 2011 conference in Philadelphia. The honor recognizes “participants who have made exceptional contributions to the Brownfields Program.”

In making the award, EPA recognized the overall work done by the RR Program, including projects such as our report on institutional controls, the Wisconsin Plant Recovery Initiative, our

memorandum of agreement with EPA, and our program transparency. The RR Program was the only state run program to receive an award this year in Region 5.

EnPPA Joint Priority

In the most recent Environmental Performance Partnership Agreement with USEPA Region 5, the DNR and USEPA included WPRI as a joint priority for both agencies to work on together.

Looking Forward:

Years 3 and 4 – Building momentum

It took a significant investment of time and energy on the part of RR Program staff to get the Plant Recovery Initiative up and running. Now that staff have put in the work to establish the processes for responding to closed manufacturing plants, the DNR would be well-advised to continue WPRI.

With a finite amount of staff resources, all workload issues such as this, should be evaluated for their effectiveness. When putting WPRI to this test, it is clear that small success stories can have a big impact. Even if only a small percentage of WPRI sites are repurposed in the next five to ten years, the additional job gains, tax revenue and quality-of-life improvements that would come to those communities are incredibly valuable.

This report also notes that the annual number of plant closings is scaling back from recent highs. If these trends continue, DNR staff will be able to have a smaller WPRI workload – with staff becoming more efficient at moving sites through the process.

Additionally, the report includes the following recommendations and lessons learned:

Recommendations

- **Continue Initiative.** Based on feedback from local governments, companies and DNR staff and management, WPRI should be continued given the continuing number of closings, as well as the positive impacts of the effort. DNR should continue WPRI and reevaluate its effectiveness in two years.
- **Pursue Additional Funding.** The Wisconsin Assessment Monies (WAM) program has been very successful in helping move closed plants forward towards redevelopment and the State should seek additional funding to continue the program.
- **Streamline.** For closings that don't have any known environmental issues, a boiler plate letter with general explanations of requirements is a good approach to help streamline efforts. This saves staff time and still showcases a proactive approach of offering assistance to communities and businesses.

Lessons Learned

- **Call early.** Early contact with companies is constructive. The environmental information identified in the letters provides a road map for companies in addressing outstanding issues prior to closure. This upfront communication gives companies an opportunity to seek liability relief and allows the DNR to share information companies may not be aware of; such as keeping an air permit active as a way to increase a site's marketability.
- **Follow Up.** With two years of WPRI under our belt, we have seen companies who don't respond to our calls and letters or weren't ready for assistance when first contacted by the DNR. Also, some of these companies may not be handling environmental issues appropriately as they shut their doors. If a site has potentially serious environmental issues, DNR staff should meet and consider all options (inspections, enforcement, bankruptcy claim, further attempts to contact company, etc.) to respond to the closing after the initial contact is made in order to try to move the site towards reuse and prevent environmental problems.

- **Stick to the script.** Developing a consistent message for DNR staff provides all of the information needed in a discussion meeting or during follow up calls. It also keeps DNR information being given to companies and communities consistent across the state; regardless of staff changes or turnover.
- **Communication with local governments creates opportunities.** This contact not only assists with the current announced closure, but often leads to dialogue regarding other properties within the community.
- **Green team meetings work.** Green Team meetings are a great tool for providing an avenue to get everyone on the same page. Agency staff can explain environmental requirements and company or community officials can discuss the site and plan for the future.
- **Some companies are cautious.** Company officials may be reluctant to properly assess their closing plant for contamination, thinking DNR staff may require an immediate cleanup. Some businesses might not be aware that the department can work with plant officials to analyze the information and develop a timeline that makes the most sense. They may not understand how the Spill Law works and why it is in their best interest to begin the due diligence process to help market their property.
- **Regional DNR staff are critical for a successful WPRI interaction.** Involving regional DNR staff from start to finish, including gathering environmental information and participating in Green Team meetings, has been effective. These individuals know the sites and the communities impacted.
- **Company contacts vary.** During WPRI's early stages, it was thought that proactive contact with companies would lead to more discussions about plant operations and history with plant managers and staff closer to the factory floor. In practice, that has not been the case. Calls and meetings have typically been with company executives and human resource staff.



WAM: Assessment Solutions

for Closed Manufacturing Facilities

Community Managed Funds Awards

Community	Project	Amount
Kenosha	Chrysler Engine Plant	\$200,000
Milwaukee	A.O. Smith/Tower Automotive	\$200,000
New Holstein	Tecumseh	\$100,000

Contractor Services Awards

Community	Project	Services
Racine	Shurpac	Phase I and II ESAs
Merrill	Semling & Menke Corporation	Phase I and II ESAs
Merrill	Development & Leasing	Phase I and II ESAs
Baldwin	Jongquist Family Kitchen	Limited Site Investigation
Mazomanie	Synergy Web Graphics	Phase I and II ESAs
Waukesha County	Vander Heyden Dox Block	Phase I and II ESAs
Monroe	Monroe Cheese Corporation	Phase I and II ESAs
St. Francis	D. F. Inc	Phase I and II ESAs
Elkhorn	Oak Communications Off-site Sampling	Limited Site Investigation
Elm Grove	TAPCO	Phase I ESA
Poplar	Torrey Furniture Clinic	Phase I and II ESAs
Merrill	Hurd (Prospect Street Facility)	Phase II ESA
Two Rivers	White & Lesperance Properties	Phase I and II ESAs
West Allis	Milwaukee Ductile Iron	Phase I and II ESAs

WAM: A two track approach

Track 1: Community Managed Funds

The Community Managed Funds Program was designed to provide a select group of communities with a larger pool of assessment funds to be used at large-scale plant closings with little or no previous environmental assessments completed on them. These funds are managed by the communities and can be used for Phase I or II environmental site assessments, NR716 site investigations and/or remedial action planning. While the communities are in charge of hiring environmental consultants to develop work plans and carry out the work, the sites still go through an active NR700 oversight process where the DNR project manager provides comments and approvals on all scopes of work. The Community Managed Funds program has allowed the three communities selected for funds to initiate comprehensive site assessments at sites they consider some of their most difficult obstacles to inner-city redevelopment. All three projects are expected to wrap up in late summer 2012.

Track 2: Contractor Services

The success of the Contractor Services Program has been threefold. First, as opposed to RR's former state-funded brownfields assessment program (SAG), WAM contractor services are open to private parties in addition to local governments. This has proven to be a strong incentive for private owners of closed or closing plants to initiate conversations with RR. These conversations have subsequently given RR the opportunity to provide other forms of assistance and tools important to brownfield redevelopment.

Second, because the environmental consultants pre-selected by the DNR have EPA-approved Quality Assurance Project Plans (QAPPs) and other template documents in place and are managed directly by the program, these projects have proven to be fast and cost-efficient. For example, Phase I ESAs are, on average, taking 30-40 days and costing \$3,500 to complete. It has also allowed parties with more fast-paced projects (due mostly to property transaction timing/needs) the opportunity to access funding. Phase II ESAs are taking,

on average, 75-120 days to complete with costs ranging from \$5,000 for less complicated sites to \$32,000 for more complicated sites. Again, these seem to be quite a bit faster and less costly than assessments completed under US EPA's Target Brownfields Assessment Grant program and those completed under programs run by communities who received direct CERCLA 104(K) assessment grants.

The third and final noted success of the Contractor Services Program is the ability to reach out to and assist small communities. Eleven of the fourteen contractor services awards made to date have gone to communities with populations less than 11,000; four of which have gone to communities with populations less than 5,000. The majority of these smaller communities lack the administrative capabilities to apply for or manage state or federal brownfields funds. WAM Contractor Services has been successful in bringing brownfields resources to these small communities that would otherwise be a challenge for them to secure and implement.

To date, WAM Contractor Services Funds have provided seven Phase I ESAs, six Phase II ESAs and two limited site investigations.

WAM: Success stories

City of New Holstein, Tecumseh facility - \$100,000 Community Managed Funds award

The Tecumseh site in New Holstein is a roughly 40-acre site that has been used for manufacturing since the early 1900's. In 1908 the John Lauson Manufacturing Company developed the site for production of farm implements, steam tractors and gasoline engines. During the early 1940's a shoe factory also occupied the site. The property was acquired by Tecumseh in 1956. Tecumseh continued manufacturing at the site; particularly small engines. The property was sold in 2007 to Heus Manufacturing. Heus operated the site for a short time before declaring bankruptcy. A 430,000 square foot facility, in significant disrepair in some areas, remains on the site.

The City of New Holstein successfully applied for WAM Community Managed Funds in the fall of 2010. The RR program, upon learning of hazardous materials remaining in the facility, referred the site to the US

EPA Superfund Removals program. EPA was able to work with the responsible party, Tecumseh, to remove the hazardous waste left at the site and clean the floors, floor drains and pits. EPA completed the removal action in the summer of 2011.



Tecumseh Facility, New Holstein, WI

Utilizing their \$100,000 WAM Community Managed Funds award, the City of New Holstein has made significant progress in assessing the areas of the site that have had no previous assessments. A Phase I ESA was completed for the site in the summer of 2011. Phase II sampling began in March 2012. A total of 49 soil samples from borings and 21 monitoring wells were installed. Groundwater sampling is expected to begin once a thorough review of the soil results is complete. Upon completion of the assessment work funded by WAM, the RR program hopes that the city has the information necessary to begin planning for cleanup and redevelopment.

City of Milwaukee, Former A.O. Smith/Tower Automotive facility – \$200,000 Community Managed Funds award

The former A.O. Smith/Tower Automotive site, now commonly referred to as Century City, is an 84-acre industrial property located in the heart of Milwaukee. From the early 1900's to 1997, the property was owned by the A.O. Smith Corporation. The facility's primary function was the production of auto frames, but a number of other products were manufactured there as well, including military equipment, water heaters, electric motors and linseed oil.

At its peak, the facility employed more than 8,000 people. In 1997, Tower Automotive acquired the business and operated it until 2005, when Tower filed for bankruptcy. At one point, the property was the single biggest brownfield in Milwaukee. In 2009, the city took title to the property which is located in the 30th Street Industrial Corridor, a five-mile long stretch of historically industrial properties adjacent to an active railroad line. The city divided the property into six areas and has since been diligently assessing and remediating the environmental concerns at the site with the goal of redeveloping it as a modern business park.

The City of Milwaukee successfully applied for WAM Community Managed Funds for three (totaling

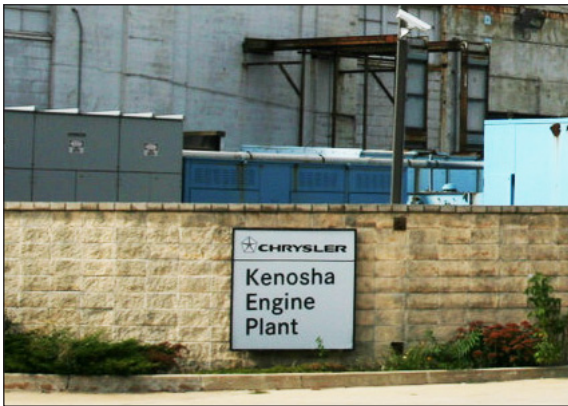


Tower Automotive, Milwaukee, WI

36 acres) of the six areas in the summer of 2010. These 36 acres have approximately 1,000,000 square feet of building space within multiple deteriorating buildings. The \$200,000 has allowed the city to initiate assessment of the numerous above ground storage tanks, various containers of hazardous waste and materials, transformers, spray paint booths, flammable liquid storage containers, parts washers, equipment pits and trenches, and tunnels. Additionally, the city has submitted a PCB Sewer Site Investigation Work Plan to DNR and EPA. The intent of the work plan is to identify which portions of the manhole sewer systems at the property are contaminated with PCBs and to determine how to manage sediment within these systems. Work under the WAM award is anticipated to be completed this summer.

City of Kenosha, Former Chrysler Kenosha Engine Plant – \$200,000 Community Managed Funds award

The former Chrysler Kenosha Engine Plant is located on a 106-acre property in Kenosha. Approximately 50 acres of this site are occupied by numerous buildings that were used for manufacturing, warehousing and office space over the years. Industrial activities began at the site in 1895 when the Sterling Bicycle Company opened a machine shop. Automobile and engine production began at the site in 1905 and carried on under various companies through 2010 when it closed its doors as a result of Chrysler's bankruptcy and restructuring arrangement. At the time closure was announced, the plant employed 800 people.



Former Chrysler Kenosha Engine Plant, Kenosha, WI

The City of Kenosha successfully applied for WAM Community Managed Funds in the fall of 2010. Utilizing their \$200,000 award, the city initiated Phase II assessment at the site in 2011. Soil and groundwater samples have been collected and analyzed. The city anticipates submitting a Phase II report by June 2012. Any remaining funds will be used for further investigation. This project is expected to be completed by the end of this summer.

City of Racine, Shurpac facility – Phase I and II ESA Contractor Services Award

The Shurpac facility is located on a 4.5-acre site in a heavily industrial area in Racine. The site has a long history dating back to the early 1900's. The property was once part of a larger, 50-acre manufacturing complex that was initially used to manufacture automobiles in



Shurpac Inc., Racine, WI

the early 1900's and then later for tank production during the 1940's. This particular property was used for metal forging operations by several different companies from 1900 to 1992. Shurpac, Inc., began utilizing the property in the early 90's for industrial coating, crating and packaging manufacturing and is still operating out of the facility today.

The City of Racine successfully applied for Phase I and II ESA contractor services for the Shurpac facility in the summer of 2010. They sought funds from the RR program in order to help the owner expand his business onto a neighboring parcel that needed environmental assessment prior to securing financing for the expansion. Utilizing one of their pre-selected environmental consultants, the RR program completed a Phase I ESA for the property in December 2010 and a Phase II at the property in May 2011. The property owner is currently working with the city to secure brownfields cleanup funding to continue redevelopment of the neighboring parcel and expansion of his operations.

World Cheese Discovery Center – Monroe Cheese Corporation, Monroe – Phase I and II WAM Contractor Services

The former Monroe Cheese Corporation is 17,000 square foot facility located on a 0.4-acre site in downtown Monroe. The facility was built in the late 1800's and utilized as a brewery and feed yard before being purchased by the Monroe Cheese Corporation in the early 1900's. The site was used for the aging of cheeses up until 2005, when Monroe Cheese closed their doors and filed for bankruptcy.



Former Monroe Cheese Corporation, Monroe, WI

The World Cheese Discovery Center, made up of a group of Monroe community and business members, successfully applied for WAM contractor services in the fall of 2011. Utilizing one of their pre-selected contractors, the RR Program completed a Phase I ESA for the site in February 2012. The Phase I revealed just one on-site Recognized Environmental Concern (REC). As such, a small Phase II is currently being completed at the site and is expected to be finished in May of this year. It is the intent of the World Cheese Discovery Center to purchase the site, once the environmental assessments are complete, and repurpose the building into a World Cheese Discovery Center that will educate visitors on the importance of cheese manufacturing in the state of Wisconsin.

SEMCO Windows and Doors, Merrill – Phase I and II WAM Contractor Services

The SEMCO property is a 9-acre site located on the Wisconsin River in an industrial area in the City of Merrill. Several lumber mills and furniture and door manufacturing companies occupied the site from the early 1900's through the 1930's. The Semling-Menke Company, predecessor of SEMCO Windows and Doors, started operations on the site in 1941. The site has since been used by SEMCO mainly for the production of windows and doors. Faced with the impacts of a significant nationwide reduction in commercial and residential construction, SEMCO is in the process of shutting down this plant and consolidating their operations at another facility in Merrill, away from the river.

SEMCO has carried out considerable investigation

and remediation activities at this site related to a pentachlorophenol (PCP) and mineral spirits release reported to the DNR in 1987. For the past 25 years, they have been operating a groundwater extraction and treatment system to minimize the discharge of contaminated groundwater into the Wisconsin River. In the early 1990's SEMCO carried out soil remediation activities including the installation an in-situ bioremediation system near the source of the release and construction of a shoreline riprap/liner system along the north bank of the Wisconsin River. Despite these efforts, long-term monitoring has shown occasional spikes in product being recovered from the site; triggering the need for additional investigation.



SEMCO Windows & Doors, Merrill, WI

SEMCO successfully applied for WAM contractor services in late 2010. Their hope in acquiring WAM funds was to take a more aggressive approach at environmental assessment and remediation planning. Utilizing one of their pre-selected contractors, the RR Program completed a Phase I ESA in September of 2011. The Phase I provided the DNR, the contractor and the property owner with the information necessary to allow the three parties to collectively develop a targeted Phase II scope of work. The RR Program's contractor is currently conducting Phase II activities which are expected to be completed by May of this year.

SEMCO and its adjacent site, Development & Leasing (also in WAM Contractor Services), represent 22 acres of contiguous waterfront property in Merrill. The City of Merrill has included the two of these properties in a tentative Riverfront Redevelopment Plan which aims to attract new development and jobs to a long strip of land along the Wisconsin River.

WAM: The future

In May 2012, the Wisconsin Brownfields Coalition was awarded \$500,000 in US EPA Brownfields Coalition Assessment funds. The WBC will likely use a portion of the funds to supplement Contractor Services Awards Program.

