

**SOUTH DAKOTA
BROWNFIELDS REVITALIZATION AND ECONOMIC DEVELOPMENT
PROGRAM
FY 2017 WORK PLAN**

INTRODUCTION

The state of South Dakota proposes to adopt the following Work Plan for federal fiscal year 2017 as required under ARSD 74:05:12:02. The primary purpose of the Work Plan is to identify proposed annual Brownfields projects to be funded through the Brownfields Revolving Loan Subfund and Brownfields Assessment and Cleanup Subfund and amounts available to fund such projects. The Board of Water and Natural Resource's intent to adopt the Work Plan has been publicly noticed in three state papers: Aberdeen, Rapid City Journal and the Pierre Capitol Journal. Copies of the Work Plan have been provided to those parties requesting a copy. This Work Plan reflects the results of the public's review.

The Department of Environment and Natural Resources (DENR) currently has no funds available to capitalize the revolving loan fund.

The department does however have limited funding for the Assessment and Cleanup Subfund. These funds will be used by the department to hire contractors to perform assessment and cleanup work on eligible Brownfields sites. The work plan provides a list of projects and the work that is being performed on each project by the department. In addition, the department may supplement Brownfields Assessment and Cleanup funds with other available funds such as Leaking Underground Storage Tank (LUST) Trust Funds and other appropriate funds. The department estimates that \$100,000 in LUST Trust funds will be used through the Assessment and Cleanup Subfund on LUST eligible activities at Brownfields sites in 2017. These funds will be used to assess and cleanup petroleum contaminated properties that meet the requirements of both the Brownfields Program and the Leaking Underground Storage Tank Program.

WORK PLAN ELEMENTS:

1. Information on the Assessment and Cleanup Subfund
2. Table 1 - List of projects being assessed or cleaned up using the Brownfields Assessment and Cleanup Subfund.
3. Board approval of the annual work plan.
4. Information on the Brownfields Revolving Loan Subfund.

Brownfields Assessment and Cleanup Subfund

The department has received funds from EPA for the development and enhancement of a state Brownfields program. DENR has the ability to use a portion of these funds (up to 50%) to perform assessment and cleanup activities at eligible Brownfields sites.

The department has been using these funds to assist eligible entities with work to assist in the redevelopment of Brownfields sites. Table 1 lists projects that have been funded or are being funded with Brownfields Assessment and Cleanup sub-funds. Each year the department prepares a work plan and budget which is submitted to EPA. Funding to the states fluctuates each year and is not guaranteed. For federal fiscal year 2017, the department will receive \$499,700 in funds for the Brownfields Program. EPA limited states ability to apply for additional funds based on the amount of unexpended funds that each state has remaining. The department will prioritize the work that is performed in the next year to insure that remaining funds are used to complete the projects that are already in progress. Table 1 contains a list of qualifying projects where assessment and cleanup actions are currently being conducted.

The department currently has selected projects based on the qualifying applicant/project, availability of funds, environmental merits of the project, and public benefit. All projects have been funded based on a first come basis. Due to the increased awareness of the program and the limited funds available, the department will prioritize assessment activities over cleanup activities. Property held by public entities (cities or counties) or non-profit organizations will receive priority over privately held properties. Assessment work will only be performed on privately owned property if the project can be shown to provide a significant public benefit to the community. If funds are available, cleanup activities will be performed on those projects where the cleanup provides a clear public benefit and provides significant protection to human health or the environment.

DENR typically hires a contractor to perform the necessary work. The department can contract or grant funds directly with a City or County to fund assessment and cleanup activities under certain circumstances.

To be eligible for Assessment or Cleanup assistance from the department, the following must occur:

- Assessment and Cleanup funds must be available
- An application must be submitted to DENR.
- DENR must review the application and determine that both the project and the applicant are eligible to receive funding under the federal act.
- The applicant must have a letter of support from the Mayor or City Commission or if the site is located in a rural area, the County Commission.
- EPA must approve of each applicant, project, and the work plans for each phase of the work performed if the property is owned by the State of South Dakota.
- DENR must meet or have a conference call with the applicant to discuss the work needed and to discuss prospective redevelopment plans.
- The Department and its designees must have access to the property to perform the necessary work.
- The work plan and budget for each project must be approved and signed by the Secretary of the Department of Environment and Natural Resources, or the Secretary's designee.

- The applicant must agree to comply with the cleanup requirements of the department.

Board Approval of the Annual Brownfields Work Plan

It is anticipated that the department will provide Assessment and Cleanup Subfund assistance in those circumstances where the costs of performing the project are low, cleanup could be completed with available funds, and there is strong community support of the project.

With the approval of the annual work plan, the Board grants approval to the department to proceed with the expenditure of the funds to perform work that is eligible under federal and state laws. Projects that meet the eligibility requirements of the state and federal law may be added at any time to Table 1: *List of Brownfields Assessment and Cleanup Projects*. The addition of projects to Table 1 allows the department to proceed with the expenditure of funds to perform the assessment and cleanup work as necessary at each site. This work may be initiated prior to the next board hearing as long as the project expenditures are within the guidelines established by EPA. The department will provide the Board with an updated list of projects at each scheduled board hearing when new projects are listed.

Table 1

List of Brownfields Assessment and Cleanup Projects 09/12/2016

Start Date	Applicant	Site Name/Location	Assessment, Cleanup, or Other Funds Requested	Amount Anticipated / the Amount Spent as of 9/23/2016*
2005	City of Pierre	Pierre VOC (BETX) Investigation	Leaking Underground Storage Tank Funds	\$400,000/ -\$474,917 complete
2011	Harding County	Airport project	Leaking Underground Storage Tank Trust Funds	\$80,000 -31,528 complete
2013	Stanley County School District	Fort Pierre Elementary School	Leaking Underground Storage Tank Trust Funds	\$30,000 -21,428 complete
2013	City of Miller	Street Project	Leaking Underground Storage Tank Trust Funds	\$20,000 -0.00
2014	City of Colman	Street Project	Leaking Underground Storage Tank Trust Funds	\$30,000 -4,657 complete

2014	DENR	Former Baltie Service	Leaking Underground Storage Tank Trust Funds	\$35,000 -0.00
2015	City of Highmore	Street Project	Leaking Underground Storage Tank Trust Funds	\$80,000 -0.00
2015	Madison Economic Development	Former Wenk Foods	Assessment	\$30,000 -21,788 complete
2015	Northern State University	Former Madison Community Hospital	Assessment	\$45,900 - 16,499 complete
2015	Belle Fourche Economic Development	Former Airport Property	Assessment	\$55,000 -0.00
2016	City of Brandon	Peterson Property	Assessment	\$35,000 -30,333 complete
2016	Volga Economic Development Corp.	Former Volga Power Plant	Assessment	\$35,000 -20,371 complete
2016	City of Highmore	Hyde County Auditorium	Assessment	\$10,000 -3,169.00 complete
2016	Charles Mix County	Former Mercantile Building	Assessment	\$30,000 -0.00
2017	Sturgis Economic Development Corporation	New Industrial Redevelopment Park	Assessment	\$50,000 -0.00
2017	Sturgis Economic Development Corporation	School Redevelopment Area	Assessment	\$40,000 -0.00
2017	City of Madison	Former Wenk Foods	Cleanup	\$30,000 -0.00

Bold = new projects

Strike through = projects that have been removed or withdrawn

* = projects completed with other funds

Public Review and Comment

In accordance with ARSD 74:05:12:02 the department shall develop an annual work plan which will be provided to the Board of Water and Natural Resources within 30 days of the effective date of the rules and prior to January 1st each year thereafter. Upon completion of the work plan by the department, the board shall conduct a public hearing and receive comments from the public. The Board shall provide notice of the public hearing prior to adoption of the work plan. This work plan has been provided to the public at least 20 days prior to the Board hearing. Comments to the work plan, if any were provided, will be attached. See Attachment 1.

Brownfields Revolving Loan Subfund

The Department of Environment and Natural Resources (DENR) currently has no funds available to capitalize the revolving loan fund. If the department would receive Brownfields Revolving Loan Funds, the Work Plan will be modified to clearly outline the following details:

1. Goals and objectives of the program;
2. Eligible activities as outlined in ARSD 74:05:12:06; and
3. Criteria and method for distribution of the Revolving Loan Subfund.

Attachment

Public Comments on the Annual Work Plan