

SOUTH DAKOTA BROWNFIELDS REVITALIZATION AND ECONOMIC DEVELOPMENT PROGRAM FY 2023 WORK PLAN

INTRODUCTION

The state of South Dakota proposes to adopt the following Work Plan for federal fiscal year 2023 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: Rapid City Journal, American News - Aberdeen, and Capital Journal-Pierre. 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 Agriculture and Natural Resources (DANR) currently has no funds available to capitalize the revolving loan fund.

DANR does however have limited funding for the Assessment and Cleanup Subfund. These funds will be used by DANR 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 DANR. In addition, DANR may supplement Brownfields Assessment and Cleanup funds with other available funds such as Leaking Underground Storage Tank (LUST) Trust Funds and other appropriate funds. DANR 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 calendar years 2023-2024. 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. Inventory of the Brownfields Sites.
3. Board approval of the annual work plan.
4. Table 1 - List of projects being assessed or cleaned up using the Brownfields Assessment and Cleanup Subfund.
5. Public Review and Comment.
6. Information on the Brownfields Revolving Loan Subfund.

Brownfields Assessment and Cleanup Subfund

DANR has received funds from the Environmental Protection Agency (EPA) for the development and enhancement of state Brownfields program. DANR has the ability to use a portion of these funds to perform assessment and cleanup activities at eligible Brownfields sites.

DANR 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 DANR 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 2023, DANR has received **\$506,800** in funds for the Brownfields Program. DANR has also received an additional grant of **\$1,194,560** in CERCLA 128(a) funds under the Infrastructure Law (BIL). This CERCLA 128(a) funds will be used to assess and cleanup the Brownfield sites into properties that will provide increased tax resources, an economic boost and/or affordable housing to the community. DANR will prioritize the work that is performed in the next year to ensure 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.

DANR 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, DANR 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.

DANR typically hires a contractor to perform the necessary work. DANR 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 DANR, the following must occur:

- Assessment and Cleanup funds must be available
- An application must be submitted to DANR.
- DANR 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.
- DANR must meet or have a conference call with the applicant to discuss the work needed and to discuss prospective redevelopment plans.
- DANR 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 Agriculture and Natural Resources, or the Secretary's designee.

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

Inventory of the Brownfields Sites

The South Dakota Department of Agriculture and Natural Resources has again received an additional Small Technical Assistance Grant of **\$20,000** from EPA to perform inventory of the Brownfields sites in disadvantaged communities. This work will help in compiling the information and data the small towns need to inventory abandoned or blighted properties in their communities and move their redevelopment efforts forward. DANR has identified five rural communities to target this inventory outreach and effort: Eureka, Gettysburg, Ipswich, Huron, and Miller. These towns are located in five different counties in rural South Dakota.

Board Approval of the Annual Brownfields Work Plan

It is anticipated that DANR 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 DANR 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 DANR 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. DANR will provide the Board with an updated list of projects at each scheduled board hearing when new projects are listed.

See page 4 for Table - 1

Table 1-

List of Brownfields Assessment and Cleanup Projects 08/29/2022

Applicant	Site Name/Location	Assessment, Cleanup, or Other Funds	Amount Anticipated / the Amount Spent as of 08/29/2022
DANR	Inventory of the Brownfields Sites	Data Gathering	\$20,000 - complete
Wessington Springs Area Chamber and Development	Old Fish Hatchery- Wessington Springs	Assessment	\$5,910.24 - complete
DANR	Inventory of the Brownfields Sites	Data Gathering	\$20,000/ -0.00
City of Yankton	Old Water Treatment Plant	Assessment	\$10,558.39 - complete
South Dakota Military Heritage Alliance	Former AAA Building – Sioux Falls	Assessment	\$2,066.73 - complete
Horizon Health Care	Horizon Health Care - Plankinton	Assessment	\$5,875.50 - complete
Avera Hospital	Avera Gregory Hospital	Assessment	\$4,938.78 - complete
Dakota State University	DSU- Athletic Center - Madison	Assessment	\$3,139.26 - complete
Bennett County Hospital and Nursing Home	Martin Hospital	Assessment	\$12,779.08 - complete
Planning and Development District III	Downtown Buildings	Assessment	\$4,410.25 - complete
Missouri Shores Domestic Violence Center	Domestic Violence Center - Pierre	Assessment	\$3,620.00 - complete
Alcester School District	Old School Building	Assessment	\$2,914.85 - complete
City of Philip	Vivian Hanson Subdivision	Assessment	\$3,359.50 - complete
City of Harrisburg	Gateway Park- Harrisburg	Assessment	\$3,589.00 - complete
City of Winner	Downtown Buildings	Cleanup	\$28,696.00/ -0.00
City of Pierre	City Hall	Assessment	\$7,092.50/ -0.00
City of Yankton	Water Treatment Plant	Cleanup	\$29,939.00/ -0.00
City of Yankton	Yankton Care Center	Assessment	\$4,631.00/ -0.00
City of Yankton	Yankton Mall	Assessment	\$5,800.00/ -0.00
City of Tabor	Downtown Buildings	Cleanup	\$27,106.60/ -0.00

Bold = new projects

Public Review and Comment

In accordance with ARSD 74:05:12:02 DANR 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 of each year thereafter. Upon completion of the work plan by the DANR, 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 30 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 Agriculture and Natural Resources (DANR) currently has no funds available to capitalize the revolving loan fund. If DANR 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 1
Public Comments on the Annual Work Plan