



Testimony on *Senate Bill 518* before the
SENATE COMMITTEE ON NATURAL RESOURCES AND ENERGY
September 29, 2021

Wisconsin Economic Development Association

Good morning, Chairman Cowles and members of the committee. My name is Michael Welsh, and I am the Legislative Affairs Director for the Wisconsin Economic Development Association (WEDA). Thank you for the opportunity to testify today in favor of Senate Bill 518. This legislation will allow communities to utilize Environmental Remediation Tax Incremental Districts (ERTIDs) more effectively to revitalize contaminated properties and spur exciting redevelopment projects.

By way of background, WEDA is a statewide association representing over 425 public and private sector economic development professionals. We are dedicated to advancing economic prosperity in Wisconsin and providing our members with the necessary tools to encourage business expansion, promote private investment, and attract much-needed talent to the state. Senate Bill 518 will help expand the local economic development toolbox in Wisconsin, and I would like to thank Chairman Cowles for authoring this important legislation.

Under current law, Wisconsin communities can create an environmental remediation tax increment district (ERTID) to fund environmental remediation projects to clean-up contaminated sites and pave the way for new development. ERTIDs can cover capital costs, as well as financing and professional services costs associated with the investigation and removal of pollution from the soil, air, and water in the TID. Statewide, there are currently 16 ERTIDs in existence. Unfortunately, current law does not reflect the needs of many communities to address environmental pollution within existing structures, as these are not currently eligible ERTID project costs.

More specifically, ERTIDs cannot be used to raze or redevelop an existing structure that is contaminated with hazardous materials, such as asbestos, lead, and other heavy metals. These contaminants often create an insurmountable barrier to the redevelopment of older properties due to the increased challenges and costs of environmental remediation. As a result, these sites can remain vacant for decades, contributing to blight and diminished property values in communities across the state.

Senate Bill 518 would address this issue by making a slight modification to current TIF law that would modify the definition of “environmental pollution” to include harmful substances found inside of existing structures, which would qualify the redevelopment of these buildings as an eligible ERTID project cost. While the change to current law is small, SB 518 would have a significant economic development impact, providing communities with a narrow, yet effective tool to encourage the redevelopment of blighted sites and spur new development.

While the bill modifies TIF law, it is not necessarily a TIF bill. Rather, it is environmental remediation and redevelopment bill that will help municipalities drive much-needed economic growth. It also important to point out that the legislation, if passed into law, could help advance the development of much-needed workforce housing across the state. A growing trend in Wisconsin and across the country is the conversion of aging, vacant schools, churches, and even medical clinics into affordable workforce housing, giving these buildings a second shot at serving their communities.

Unfortunately, due to their age, these structures are often contaminated with asbestos and other hazardous materials, making it very difficult to secure financing for their redevelopment. Without financial incentives, such as the use of ERTIDs, these types of buildings will remain unused, hamstringing local governments and their ability to encourage growth. Senate Bill 518 would address this issue by making ERTIDs an option for communities to redevelop these contaminated buildings and offer additional housing options.

In closing, I would ask you to support SB 518 to provide local communities with an enhanced tool to remediate contaminated sites, revitalize main streets and key commercial corridors, and drive economic prosperity.

Thank you for your consideration.