

**Three Case Studies  
on  
The Roles of Community-Based Organizations in  
Brownfields and Other Vacant Property Redevelopment:  
Barriers, Strategies and Key Success Factors**

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## Abstract

These case studies, representative of some of the different roles that **community-based organizations (CBOs)** can play in **brownfield property redevelopment**, were written based on interviews by the author with senior staff and/or directors of the CBOs involved in the projects. Despite variations from case to case in CBO role, organizational structure and external conditions, common successful redevelopment strategies emerge, including partnering with city officials on property acquisition and use of city services; linking redevelopment with other visible physical improvements; communicating regularly with city officials and community groups; undertaking redevelopment primarily as part of a **comprehensive plan**, instead of on a site-by-site basis; and utilizing **tax increment financing**. Obtaining property ownership or site control, a major barrier, can be overcome with city involvement or even temporary municipal ownership. CBO involvement with another major barrier -- extensive pre-development work (e.g. preparing the site, navigating confusing site control issues, assessing environmental conditions) -- greatly improves the chances for redevelopment success. Finally, while site contamination is seldom a primary barrier to property redevelopment, market conditions and location remain more frequent and intractable barriers.

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These case studies were researched and developed for use in a seminar focusing on roles that community-based organizations (CBOs) play in the reuse of brownfields and other underutilized properties, held at the Lincoln Institute of Land Policy in January, 2003. Each of the cases is followed by discussion questions meant to assist CBO directors and staff in identifying key redevelopment issues and also to stimulate CBOs to analyze critically their own practices and, where appropriate, adopt new tools and techniques for property redevelopment projects in their own neighborhoods. The author gratefully acknowledges the support and assistance of Rosalind Greenstein, Senior Fellow and CoChair of the Department of Planning and Development at the Lincoln Institute.

## Table of Contents

Introduction	1
Case #1 – “Brokering Redevelopment on a ‘Silver Shovel’ Property,” Greater Southwest Development Corporation, Chicago, IL	2
Case #2 – “Maximizing Community Benefits Through a Community Garden Strategy,” New Kensington Community Development Corporation, Philadelphia, PA	6
Case #3 – “Connecting Comprehensive Economic Planning with Brownfield Projects,” Racine County Economic Development Corporation, Racine, WI	10
Conclusion	14

**Three Case Studies  
on  
The Roles of Community-Based Organizations  
in Brownfields and Other Vacant Property Redevelopment:  
Barriers, Strategies and Key Success Factors**

**Introduction**

These three case studies were researched and developed for use in a seminar focusing on roles that community-based organizations (CBOs) play in the reuse of brownfields and other underutilized properties, held at the Lincoln Institute of Land Policy in January, 2003. The course covered legal and financing mechanisms, as well as methods for identifying end uses and users, building organizational capacity, working with local governments, creating community benefits, and finding and obtaining resources. Participants were primarily CBO directors and staff from around the country.

The cases provided an opportunity for seminar participants to examine three different CBO approaches to redevelopment and how they successfully overcame a variety of barriers. The roles played by these CBOs range from brokering redevelopment among public and private sector stakeholders for a single property to a dual role of comprehensive planner and site redeveloper for multiple properties to maximizing quality of life benefits for the community. Typical barriers the CBOs face are a prior owner's reluctance to sell property, initial weak local political support, a weak market, difficulty gaining site control, uninterested city officials, coordinating the timing of pre-development work (site preparation, remediation, site control etc.) with end user needs, and maintaining momentum (funding sources, sustained site reuse etc.) after initial organizational success with redevelopment. Site environmental conditions pose only an indirect obstacle as an original cause of abandonment (with liability implications) and contributing factor to blight, but difficult market conditions and location are greater barriers overall.

Common key success factors utilized by these CBOs include partnering closely with city officials on property acquisition and use of other city services; linking redevelopment with other visible improvements (roadways, e.g.) to foster community buy-in and city support; communicating regularly with city officials and community groups; working within a strategic or comprehensive plan; and utilizing tax increment financing.

Certain contextual factors in part dictate the different strategies adopted by each CBO. For instance, two of the three cases -- Racine County Economic Development Corporation (RCEDC) in Wisconsin and the New Kensington Community Development Corporation (NKCDC) in Philadelphia -- deal with multiple properties and necessitate creation of comprehensive or master plans encompassing the properties in the area. Consequently, NKCDC views the neighborhood holistically and takes an unconventional, community-oriented approach to determining the "highest and best use" for the sites. NKCDC maximizes community benefits by developing and implementing a long-term

and neighborhood wide strategy of creating community gardens on vacant properties with the goal of increasing property values neighborhood-wide.

RCEDC also looks at redevelopment more comprehensively. It relies on a county-wide comprehensive economic plan and a city master plan driven by multiple community goals, including transportation improvements and creation of public amenities (such as enhanced streetscape and riverwalk), to prioritize the brownfield properties redevelopment and also elicit community buy-in for the redevelopment efforts.

The third case, Greater Southwest Development Corporation (GSWDC) in Chicago, involves a single parcel and consequently adopts a strategy focused on finding an end user. Also GSWDC deliberately chooses not to take ownership of the property, even though this prevents it from benefiting financially from the deal. Instead it acts as the broker in bringing all the important parties to the table, as well as organizing community support for and championing community interests in the project.

In all three cases, the CBOs rely on their experience with other projects and leveraged their partnerships with government entities, private sector organizations and other local groups, such as schools and volunteer groups, to the advantage of the redevelopment projects.

## **Brokering Redevelopment on “A Silver Shovel” Property**

### **Greater Southwest Development Corporation Chicago, IL**

#### **Background**

The Greater Southwest Development Corporation (GSWDC),<sup>1</sup> a community development corporation located on the southwest side of the City of Chicago, covers a neighborhood that has been historically dominated by a mix of industrial and residential uses. Located in a white, working class old industrial neighborhood, the thirty-eight acre property was adjacent to a drive-in movie theater and vacant shopping center and located two blocks from a plant in which the Nabisco Company had invested \$300 million in an operation that produces 22 million oreo cookies daily.

The GSWDC embarked on redevelopment of the site, known as one of Chicago’s “Silver Shovel” sites, in 1997 when the local alderman (who has just been released from jail) asked the CDC staff to testify at a City zoning board hearing involving a request for a zoning change to allow “temporary dumping” on the site to continue. Four years (from 1992-96) of illegal dumping of construction/demolition debris and auto fluff had resulted in a mound on the site over four stories high. Further information gathering by the CDC

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<sup>1</sup> The background and information for this case study was primarily derived from conversations with Jim Capraro, Executive Director of the Greater Southwest Development Corporation.

revealed that the dumping did not appear to be temporary. In fact, it turned out this and several other sites throughout the city of Chicago, were being investigated as part of an organized crime ring by the U.S. Department of Justice under the code name, “Operation Silver Shovel.” This investigation uncovered the criminal operations of the company and, among other things, exposed the company as a fraud used to cover up the illegal dumping.

Therefore, tinged with Chicago-style intrigue involving illegal dumping and organized crime, the site achieved a certain amount of notoriety even prior to redevelopment. This embarrassing notoriety, along with the typical brownfield property “qualities” (as an environmental and safety hazard, and a blight on the neighborhood threatening to further reduce property values and scare away current and future business) motivated the GSWDC to undertake its efforts to act as an intermediary brokering site redevelopment.

### **GSWDC’s Role and Redevelopment Strategy**

Despite GSWDC’s long development experience -- completing \$500 million dollars in retail, industrial and housing projects in the neighborhood over a twenty-eight years time span -- GSWDC strategically chose not to be the developer in this project. In fact, because of its experience, GSWDC knew enough to limit its own risk -- choosing neither to assume ownership of the property, nor to become financially involved in the deal. Instead, GSWDC’s role as an unconventional (i.e. receiving no fee for its “services,”) “deal broker” involved working with almost all of the essential parties to a brownfields deal: the previous property owners, the City, different community sectors, and finally an end user. The only party that GSWDC did not bring into the deal was private sector financing institutions.

GSWDC’s redevelopment strategy, which focused sharply on finding an end user, was the driving force behind its role as a broker among the parties. GSWDC hoped that finding a tangible end user would achieve several ends: justify expenditure of the millions of dollars needed to remediate the site by amortizing the cleanup costs, convince the current owner to sell the property, and turn the blighted parcel into an investment property.

### **Key Barriers and Challenges**

Initially, one of the key barriers was the reluctance of the property owner to sell – a common occurrence given the uncertainties associated with unknown contamination and potential for unanticipated liability claims. GSWDC proceeded with its brokering role with different parties. It met several times with the current (now previous) owner who was reluctant to sell and asked him for permission to conduct an environmental review of the site. (The CDC was never certain if the owner – an elderly gentleman – was aware of the illegal dumping or whether he was naïve, but working behind the scenes, the CDC encouraged a journalistic expose article about the property to “motivate” the owner and his family to want to unload the property.)

Another challenge in accomplishing this project was garnering the political support from the community (particularly in light of an unsupportive alderman) to obtain support from the City. GSWDC's efforts to gain community support included focusing efforts on getting local folks to testify before City Council in favor of creating a Tax Increment Financing district (TIF), the most effective means of financing the remediation around the site. GSWDC organized an intensive grassroots effort that included enlisting the help of a nearby all-girls Catholic high school, the local parish and the Nabisco Company, among several other community institutions. Nabisco testified about its concerns for the health of its food products and safety of its workers. The GSWDC used different approaches to appeal to these constituencies. For instance, it arranged for the Catholic girls high school to be involved in analyzing the findings from the site soil samplings for which they ultimately won a national award for its project, and the Parish was promised adult workforce training paid for by TIF funds. The TIF passed, despite the fact that no TIF had ever been approved in the City of Chicago where the local alderman, as in this case, opposed it.

A final barrier was the market, in that there was little demand for extensively contaminated property in that location. After showing the property to over 30 potential end users over a more than two year time period, the search for an end user appeared fruitless, thus temporarily challenging the credibility of the strategy. Finally, GSWDC identified an African-American business woman with a compelling story. She had grown up in the largest public housing project in the country, Chicago's Robert Taylor Homes, and started her own company that made plastic injection molding products, such as storage containers for glass ornaments. She was motivated to locate her business in the City to create opportunities for lower income city residents. Too, the property was the right price. The business woman's partners bought the property and turned it into an industrial park, and she agreed to build her new plant on the site. They broke ground in June 2000, and the new plant was completed one year later.

### **Key Success Factors**

In the end, the key success factor was the strategy employed by the GSWDC to attract an end user to the site. Identifying an end user did finally motivate the city to start remediating the site and the property owner to sell. Another important component to the project's success was the community goodwill that GSWDC had generated from its successful development track record and reputation in the neighborhood. GSWDC capitalized on its community goodwill to harness community support and create the political will necessary to involve the City.

Another factor important to the success of the project was the City's role. The City agreed to buy the property and sell it to the future owner, thus inserting itself in the chain of title so as to limit the future owner's liability. With the property located in a designated TIF district -- which could be used to pay off the U.S. Housing and Urban Development (HUD) 108 loans used by the City -- and with an end user in place, the City agreed to be responsible for and undertake the remediation which ultimately cost approximately \$18 million.

## **Results**

The property was certainly redeveloped. Although the end user has been in and out of bankruptcy since site development, the company generated 60 jobs initially. The number then spiked to 120 jobs at one time and has since declined somewhat. Accordingly, the business, fluctuating with its solvency status and in response to recent economic pressures, has not grown as quickly as hoped. Nevertheless, after the business was put up for auction during the bankruptcy, the owner was able to buy it back and continue making its product for major retail distributors, such as Target and Walmart. The property is owned by a partnership of the company owner and other investors, which remains solvent.

Other community benefits of redevelopment were manifested by an upswing in adjacent property values and the prevention of potential exodus of other job-producing companies, such as Nabisco, from the neighborhood. Other indirect benefits mentioned earlier were reaped by local parties such as the local parish and the high school.

GSWDC was never a legal party to the deal or a financial investor, and therefore did not play a role in structuring the specific legal terms of the agreement among the parties -- the previous owner, the city and the future owners -- nor in the details of the financing arrangements. GSWDC did not benefit financially, except that the CDC was reimbursed by the previous owners for an initial environmental review of the site.

GSWDC capitalized on its previous successes and reputation – its historical relations with City Hall, established community reputation for completing solid development projects, community organizing capacities, and savvy about shaping a key role for itself without jeopardizing the CDC's security, enabled it to act as the primary force in making redevelopment happen.

## **Future Issues**

Obviously, one major lingering issue remains the financial health of the end user, since it has been in and out of bankruptcy. In the bigger picture, the GSWDC continues to seek additional redevelopment opportunities by leveraging the neighborhood's rich industrial heritage, such as the extensive rail lines, while also preserving its residential integrity. One recent achievement by GSWDC is a transportation project spearheaded by the GSWDC on an old Conrail site that was transformed into an intermodal freight facility to retain existing local industry and to attract new firms. These projects are sought to make the neighborhood economically healthy and sustainable while at the same time trying to ensure that new industrial uses do not encroach upon (through increased noise or air pollution) or threaten the quality of life of the residential areas.

## **Discussion Questions**

1. What are the primary lessons to be learned from this case?
2. What factors primarily shaped GSWDC's role?

3. What input did the community have?
4. How should the project's success be measured?
5. Did the GSWDC maximize community benefits with its strategy?
6. What elements or conditions contributed most significantly to the project's success?
7. What kind of risks did GSWDC take and what did it avoid with this strategy?
8. Should the GSWDC have adopted a less risk-averse role? What would that have been?
9. What aspects of this case do you think are transferable to your own projects or neighborhood challenges?
10. How would your organization define the "best use" for a site?
11. What are your community's goals for successful reuse?
12. How would your organization and its skill set need to grow or change in order to undertake a new project such as this one?
13. What aspects of this case would you like to know more about?

### **Maximizing Community Benefits Through A Community Garden Strategy**

#### **New Kensington Community Development Corporation Philadelphia, PA**

#### **Background**

New Kensington Community Development Corporation (NKCDC),<sup>2</sup> founded in 1985 by the leadership of the local civic association to meet the housing needs of the community, concentrated for its first ten years on rehabilitating vacant homes and providing housing counseling services. Located in an historically white working class, old industrial neighborhood on the east side of Philadelphia that has grown increasingly diverse in recent years with immigrants from Indonesia, Vietnam and Albania joining Latino and African-American residents, the neighborhood has been losing population in recent years -- in fact the western portion had lost more than half its population. After a 1995 neighborhood planning process, NKCDC began addressing other quality of life issues.

In the mid-1980's, through a demolition project, NKCDC became involved with a local Superfund site. In the next decade, NKCDC assisted in negotiating an agreement with the

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<sup>2</sup> The information for this case study was derived primarily from conversations with and information provided by Sandy Salzman, Executive Director of the New Kensington Community Development Corporation.

United States Environmental Protection Agency on cleanup terms and future use of the site. The terms of the settlement agreement included creation of a hydroponic farm on the Superfund site.

### **NKCDC Role and Neighborhood Revitalization Strategy**

Resolution of the Superfund Site cleanup plan coincided with New Kensington's completion of a strategic plan in the mid-90's which identified the more than 1500 vacant parcels as the number one priority to address in the neighborhood. To address this abundance of vacant land, the CDC developed a community garden strategy as a mechanism for stabilizing the properties and beautifying the neighborhood. The strategy, which included conveying the smaller vacant lots to adjacent homeowners and clearing off larger lots for community gardens, was intended to turn these lots into neighborhood assets and leverage their reuse to stem the tide of declining land values and revitalize a whole neighborhood. The NKCDC, possessing a sort of community mandate to proceed as a result of the community's strong involvement in its strategic planning process, spearheaded the community garden strategy, acted as the clearinghouse for targeting the properties for improvements, harnessed the energy of the many community volunteers to perform the necessary gardening work and property improvements.

Since gentrification was already occurring in the eastern portion of the neighborhood (Fishtown) as an extension of gentrifying areas in Philadelphia, NKCDC focused on the most blighted areas of the neighborhood particularly along and near the old commercial area (Frankford Avenue) in which the CDC works -- those with the highest number of vacant lots and buildings requiring demolition. The CDC viewed the vacant lots with the biggest demolition challenges as also the greatest opportunities for promoting change.

### **Key Barriers and Challenges**

The primary barrier to achieving success has been the inability to make timely and streamlined land acquisition. The City does not have a mechanism in place to acquire vacant land, so it must use eminent domain. Through its Redevelopment Authority, the City has acquired ownership of vacant properties and turned many of them over to adjacent homeowners. However, the condemnation process does not ensure that adjacent owners acquire the property, and the process is prolonged by the statutory notice requirements and by the property liens and back taxes that commonly encumber the title.

The CDC has taken ownership of some properties. For instance, the City is transferring ownership to the CDC of one property with major environmental problems that has gone through the Pennsylvania Department of Environmental Protection Key Sites Program and received liability protection. The CDC has taken control of other smaller lots, as well, following completion of a Phase I environmental site assessment. However, many more vacant properties remain "orphaned" or unacquired. Consequently, when CDC staff and volunteers enter a site to undertake site clearance and improvements, they are legally trespassing on the property making them vulnerable to tort and liability actions and raising issues with NKCDC's insurers.

Once the program was funded and the gardens began to proliferate in the community, the CDC encountered other challenges inherent in sustaining the program. The CDC is struggling with maintaining the Garden Center that it started in the neighborhood to supply the community with plant materials. The CDC's role in starting the Center was effective, but as often is the case with CDC's, it is having trouble successfully operating the business. There are not enough volunteers or CDC staff to keep the Center open at times convenient for people to shop there. A related challenge has been the extent to which the program relies on volunteers. The CDC has learned that it needs staff to maintain the program, as volunteers "burn out" and may not have sufficient technical expertise to do the gardening, in this case, or the time needed to devote to it.

Finally, in trying to diversify uses for the vacant land, the CDC has wanted to rely on the community, which has not been as creative in developing alternative uses to the gardens.

### **Key Success Factors**

On the other hand, the program developed champions early on that allowed it to succeed. The partnerships that NKCDC formed were essential to the success of this focused program. The city of Philadelphia's Office of Housing and Community Development partnered the Pennsylvania Horticultural Society with the NKCDC. The City gave a grant to the Horticultural Society, and the Society brought the funds and provided invaluable technical assistance to the CDC and gardening "hints" as well. In addition, the City role extended to creative use of city services, such as the fire hydrants for watering the grass and plants and use of the city trash dump for the debris cleared from the lots.

NKCDC leveraged this partnership and sought funds from private foundations, such as the William Penn Foundation, the Philadelphia Foundation, and First Union Bank, to support this "guerilla gardening" and other neighborhood beautification efforts, and sought assistance through the state representative and city council person representing the area.

The success of this project also hinged on the community buy-in that occurred from the beginning as it participated in the planning process to direct the CDC towards the neighborhood's chief problem of vacant land. The community was a partner in this project both through the CDC board membership, which consists of all local residents, and also through resident volunteers. Through the CDC's community network and its new Land Use Management Program Area, residents increased their involvement in the actual planting, seeding and hoeing in the gardening project. There are sixteen groups that take care of the gardens and, in some cases, these community groups raise their own funds.

### **Results**

NKCDC was the first community development organization in Philadelphia to utilize vacant land management as a community revitalization strategy. Since 1996, NKCDC has cleaned and landscaped more than 13 acres of vacant land, created 15 community gardens and planted more than 1,000 trees. In addition, it has helped more than 200

homeowners acquire adjacent parcels as side yards. The short-term results were to discourage the “short” – or local trash -- dumping in the neighborhood through planting trees and other greenery. The long-term results were to increase the property values making homes more desirable thus allowing homeowners, in some cases, to repay their loans faster. The NKCDC is teaming with The University of Pennsylvania’s Wharton School of Business to demonstrate that the greening of open space has been the primary force stabilizing and increasing property values.

In terms of organizational change, in 1996, NKCDC added a land use management program in response to the demands of converted vacant land to community gardens and also an economic development program in 1999 to strengthen local businesses and help generate jobs with a job bank. The job bank was not successful. The NKCDC now works to strengthen businesses by forming a business committee, making them aware of programs that they can take advantage of and by bringing new businesses into the area.

Although NKCDC has been involved in other brownfields redevelopment on a project-by-project basis, none is part of a broader strategy, such as the community garden program is, which has provided comfort to NKCDC’s partners and also reduced the CDC’s overall risk in taking on the individual projects.

### **Future Issues**

This year the funding from the City to the Horticultural Society ended. NKCDC has begun the difficult process of seeking new funding sources to continue this neighborhood revitalization strategy through gardening and other aspects of neighborhood improvements. The CDC needs to seek financing, perhaps from the City, to support the maintenance necessary to sustain these neighborhood improvements and also needs to address needed infrastructure that will help serve the local community. The NKCDC hopes to develop “close to” market rate residential housing. Also, NKCDC is currently working with Wharton to spin-off a private, revenue-generating landscaping business venture which would revolve its business around the on-going gardening efforts in the New Kensington neighborhood.

### **Discussion Questions**

1. What are the primary lessons to be learned from this case?
2. What factors primarily shaped NKCDC’s role?
3. How did the NKCDC come up with its strategy and/or projects?
4. What input did the community have?
5. How should the project’s success be measured?
6. Could the NKCDC have improved the outcome?
7. What elements or conditions (e.g. community’s economic status, degree of homeownership, market conditions/direction, city policies/role, etc.) contributed most significantly to its success?

8. What kind of risks did NKCDC take and what did it avoid with this strategy?
9. What aspects of this case do you think are transferable to your own projects or neighborhood challenges?
10. How would your organization define the “best use” for a site?
11. What are your community’s goals for successful reuse?
12. How would your organization and its skill set need to grow or change in order to undertake a new project or strategy such as this one?
13. What aspects of this case would you like to know more about?

## **Connecting Comprehensive Economic Planning with Brownfield Projects**

### **Racine County Economic Development Corporation Racine, WI**

#### **Background**

The Racine County Economic Development Corporation (RCEDC)<sup>3</sup> -- which operates in Racine County (Wisconsin) located along Lake Michigan sandwiched between outlying Chicago suburbs to the south and Milwaukee to the north -- traces its involvement in brownfields projects to a recognition in the early 90’s that Racine County needed to examine alternative business development strategies. Racine, the largest city in the County, was running out of green space and was landlocked. Additionally, the County’s reputation, in southeastern Wisconsin and northern Illinois, as an old industrial area was interfering in development of other, newer business sectors. RCEDC began to encourage the city of Racine to expand its definition of economic development to mean growth of its tax base, in addition to job creation.

To begin to address these concerns, RCEDC assisted the city of Racine in developing a business retention plan and ultimately in creating a revenue-sharing agreement with areas beyond the city of Racine’s boundaries. Recently, in connection with this, the RCEDC led development of a comprehensive county-wide economic development plan whose vision was based not just in business and job creation but in encouraging entrepreneurship and changing land uses. Brownfields redevelopment in Racine County, then, is a component of this plan and is tied to a broader economic development strategy that stretches out over a five to ten year timeframe.

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<sup>3</sup> The information for this case study was derived primarily from conversations with and information provided by Gordie Kacala and Jenny Trick, Executive Director and Brownfields Coordinator, respectively, of the Racine County Economic Development Corporation.

## **RCEDC's Roles and Strategy**

In this case, RCEDC assumes dual roles, one as an organization creating an economic development strategy and, a second, as a brownfields project manager. The RCEDC's approach rejects "incrementalism" -- taking on brownfields projects on a case-by-case, opportunistic basis -- and advocates conducting brownfields redevelopment within the context of a broader economic development strategy that uses master planning in the surrounding geographic area to inform individual brownfields project decision-making and procedures. This case divides into two "sub" stories: one, about the creation of a comprehensive economic development plan, and, two, about RCEDC's role in the brownfields redevelopment in the Racine County city of Burlington.

### A Comprehensive Economic Development Strategy

The RCEDC's comprehensive approach to economic development in the County grew out of its work with the city of Racine on its business retention plan and related revenue-sharing agreement. Upon recognizing the city of Racine's inherent economic growth limitations in the early 1990's, the RCEDC initiated a business retention plan the centerpiece of which was creating a business park outside the city instead of redeveloping brownfields within the city -- gambling that expanding to new, greenspace would prevent these businesses from leaving the area altogether. The result was a weakened tax base for the city. In 1999, this weakened condition, in combination with the pending termination of the city's role as provider of sewer and water to outlying townships, created the circumstances that led to a novel revenue-sharing agreement between the city and surrounding areas. In exchange for continued supply of the utilities, the city exacted agreement from the surrounding areas that it would receive a certain incremental value from any increase in property values that occurred in these areas with the bulk of the funds going for brownfields redevelopment in the city exclusively.

For the city of Racine, the strength of this agreement lay in property values continuing on an upward swing and on sustained economic growth in those outlying areas. Therefore, two years ago RCEDC recommended development of a comprehensive economic development strategy. Recently completed, this strategy was ultimately adopted by all the County's units of local government (but one). Previously, none of the brownfields projects in the city of Racine were part of a comprehensive strategy but rather were a piecemeal approach driven by demand from individual business needs or outside developers looking for financial deals. Now, as the result of the strategy, RCEDC has begun five different projects in the city of Racine totaling 80 to 100 acres. The ultimate goals are to use brownfields redevelopment to preserve the tax base within the city and to link land use with business expansion.

### The city of Burlington's Brownfields and Vacant Property Redevelopment Project

At the same time, in 1999, the city of Burlington -- population less than 10,000 people and located in the western part of the County -- suffered a setback in its own master planning efforts due to some key city staff changes. Spurred by some much needed transportation improvements, Burlington was working to create a master plan for a 20 block span that included the possible redevelopment of up to 25 parcels that would

become either remnant parcels or need to be vacated due to the planned roadway modifications. The city brought in RCEDC staff, eventually hiring RCEDC staff through a city arm, the Community Development Authority, to maintain redevelopment momentum in connection with its master plan. Once hired, RCEDC staff began managing the entire Burlington brownfields and vacant property redevelopment project, totaling between 15 and 20 acres along the Fox River which winds through the middle of downtown Burlington.

### **Key Barriers and Challenges**

The RCEDC's two roles shared some common barriers. In both instances, there were city officials who were potentially short-sighted in their vision for their locality. Another obvious challenge is the condition of the economy and the market in generating sufficient revenues, in the instance of Racine, and in attracting users for the parcels in Burlington.

The challenges in Burlington were more specific. First, because of the multiple number of parcels involved in the redevelopment and their interrelationship with the master plan, there were timing and coordination challenges. For instance, a novel remediation approach at one site delayed the site's inclusion in a state fill and grading permit issued for other properties, which in turn delayed completion of the Riverwalk pedestrian walkway project. This "domino effect" among the parcels caused complications throughout the redevelopment process. Additionally, the city's Tax Increment Financing designation (TIF) in the area had an expenditure deadline, which also put pressure on the timing for parcel redevelopment.

Another challenge was one property owner's refusal to allow its site to be accessed and remediated, a common problem to brownfields redevelopment projects. Time-consuming and costly delays resulted as the property owner brought legal challenges that ultimately made their way twice to the Wisconsin Supreme Court.

### **Key Success Factors**

The redevelopment achievements in Burlington can be attributed to both RCEDC's and the city's roles. In addition to the technical expertise and management skills that RCEDC staff brought to the redevelopment process, RCEDC utilized its perceived neutrality to mediate among the public and private sector interests in the city. RCEDC also educated city council and communicated regularly with them about the condemnation process to increase their comfort level with the use of this mechanism. In the broader picture, the RCEDC has the organizational advantage of commanding a broad mandate; that is a focus on economic development covering a larger geographic area than traditional community development corporations.

The city's master plan process helped engineer community buy-in that benefited the redevelopment process. Due to the traffic congestion in crossing the river, there was community-wide agreement on the need for transportation improvements along the River, which was the original impetus for the redevelopment and remained a key part of the entire master planning process. According to the plan, redevelopment was one of four

components -- the others being transportation, parking and streetscape. The other components and related elements in the master plan, such a riverwalk and historical preservation, enhanced the basic property redevelopment work.

The city of Burlington effectively utilized the TIF as the primary funding mechanism for the redevelopment efforts and also acquired over 25 parcels mostly through eminent domain. The city's willingness to acquire the properties, coupled with its use of a state municipal liability exemption, expedited the environmental assessment activities, thus increasing the properties' values and marketability to the private sector. Additionally, the city's use of other liability-limiting techniques such as the shifting of roadways to avoid direct contact with contaminated areas and the capping of public green spaces, saved money that was later used for additional needs in the redevelopment area. Of course, these liability-reducing mechanisms reduced the potential for liability exposure to future owners and increased the comfort level for private developers and funders. Finally, the city's budget anticipated and included substantial line items for environmental-related activities, including attorneys, assessment, investigation, and remediation.

## **Results**

Completing redevelopment of multiple brownfield properties in Burlington and creating a revenue-sharing plan for the city of Racine are two achievements for the RCEDC. Arguably, the RCEDC's role and its relationship to the cities represent one model that other CBOs can adopt, once they master basic, technical brownfields redevelopment skills. In Burlington, the redevelopment, which cost approximately \$34 million overall, has resulted in additional park space, a new restaurant, a financial institution, and a new 128-unit apartment complex, in addition to the roadway and other infrastructure improvements. Burlington's successful incorporation of property redevelopment into its master plan could act as an impetus for moving ahead in the city of Racine and may serve as a pilot approach for Racine (and other cities), as it structures its own property redevelopment strategy.

Additionally, although separate initiatives, the brownfields redevelopment project and the county's comprehensive economic development plan are intertwined and build on each other for success. Undertaking site redevelopment in a broader geographic and strategic context (either in the context of a master plan or within an economic development plan) has the potential for improving the chances of success for each individual site. Site redevelopment has less potential to compete with other nearby sites, more ability to attract new business as part of a larger development strategy, and greater potential for community and political support.

## **Future Issues**

Future issues include the ability of the industrial park land to generate enough tax revenues to make the revenue-sharing plan viable to fund brownfields redevelopment in the city of Racine. The success of this novel plan rests on this. Other issues are RCEDC's ability to replicate its role or achieve similar redevelopment successes in Burlington or

other cities in the County. Convincing others of the merits of a broad, long-term economic development strategy that includes more than merely business retention remains a challenge for RCEDC.

### **Discussion Questions**

1. What are the primary lessons to be learned from this case?
2. Could a local CDC engineer an overarching economic development strategy and incorporate brownfields redevelopment?
3. How did the master plan change the CBO's approach to redevelopment in Burlington?
4. Could a revenue-sharing agreement, or an equivalent, be implemented in your community?
5. Do all the conditions and elements that existed in Burlington need to be present in order for a multi-property brownfields redevelopment project to be successful?
6. What are the advantages of playing a consulting-type role in brownfields redevelopment? What are the drawbacks?
7. What aspects of this case do you think are transferable to your own projects or neighborhood challenges?
8. How would your organization define the "best use" for a site?
9. What are your community's goals for successful reuse?
10. How would your organization and its skill set need to grow or change in order to undertake a new project or strategy such as this one?
11. What aspects of this case would you like to know more about?

### **Conclusion**

In conclusion, despite the variations in CBO role, organizational structure, and external conditions, common successful redevelopment strategies emerge from the cases. The CBOs use these strategies to overcome successfully some of the common redevelopment barriers, such as obtaining site control, gaining local support, and obtaining project funding. Although market forces sometimes put successful property redevelopment beyond the control of CBOs or other institutional players, the CBO's role is crucial to prepare a brownfield or other vacant property for redevelopment and position the property for its greatest potential for success.

