

Incorporating Brownfields Revitalization Projects into Regional Comprehensive Economic Planning

The Impact on Rural and Small Metropolitan Redevelopment



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NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS
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and Small Metropolitan Redevelopment**

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Acknowledgements

This report is based on regional focus group discussions held in conjunction with three of the Economic Development Administration's (EDA) 2002 regional conferences and NADO's 2002 Washington Policy Conference. The discussion groups were hosted by the NADO Research Foundation and were largely attended by regional development organizations that represent rural and small metropolitan communities.

We thank the 31 regional development organizations¹, county authorities, state and federal environmental, economic and transportation organizations and national non-governmental organizations that participated in the project. Special thanks are extended to Sven-Erik Kaiser, Environmental Protection Agency's (EPA's) Outreach and Special Projects Staff for Brownfields and EDA's Brownfields Coordinator, Dennis Alvord. We also extend a special thank you to Bob Turner (EDA Denver Regional Office); Bettye Atkinson (EDA Seattle Regional Office); and Robin Bush (EDA Chicago Regional Office) for their assistance in coordinating discussion groups. This report was prepared with assistance from EPA (R-82718401-4).

With support from EPA, the NADO Research Foundation began researching the level of brownfields redevelopment activity in rural areas in 1998. The initial outreach and education for rural and small communities was designed to research and publish reports focused on identifying and exploring obstacles. Profiles of rural and small community successes in brownfields assessment, cleanup and redevelopment were included in the Foundation's previous reports.

The NADO Research Foundation has written four reports and a resource guide pertaining to rural brownfields.² In 1999, the Foundation researched over 200 regional development organizations to identify real assessment, cleanup and redevelopment obstacles. The findings were published in *Reclaiming Rural America's Brownfields: Alternatives to Abandoned Property*.

The NADO Research Foundation released *Reclaiming Rural America's Brownfields: Alternatives to Abandoned Property*, (2001) based on brownfields site visits and interviews. As a follow-up to the previous reports, discussion groups involving 27 regional development organizations were hosted and the outcomes were published in *The State of Rural and Small Metropolitan Brownfields Redevelopment*. The reports validated earlier findings about the obstacles in brownfields redevelopment. These two reports profiled 16 rural and small communities and demonstrated how rural and small communities' assessment, cleanup and redevelopment can overcome related obstacles. The reports also presented recommendations applicable to overcoming obstacles and the discussion groups allowed organizations an opportunity to offer brownfields peer-exchanges. In addition to the Foundation's work in identifying obstacles and solutions, the *Brownfields Resource Guide for Rural and Small Communities*³ offers small and rural communities a one-stop publication for brownfields needs.

The Research Foundation's rural and small communities brownfields outreach and research continues with the release of this report. We are pleased to note that four of the regional development organizations that participated in the discussion groups/peer-exchanges for this report received EPA pilot assessment grants in 2002.

¹A regional development organization is also known as an Area Development District, Council of Governments, Planning and Development District, Economic Development District, Economic Development Commission, Business Development Corporation, Local Development District, Regional Planning Commission and Regional Development Council.

²*Reclaiming Rural America's Brownfields*
Reclaiming Rural America's Brownfields: Alternatives to Abandoned Property
Brownfields Resource Guide
The State of Rural and Small Metropolitan Brownfields Redevelopment
Six Common Threads: Weaving Successful Brownfields Projects in Rural and Small Communities

³Updated September 2004; available to download at www.nado.org/pubs/index

Executive Summary

Four focus group discussions in 2002 attended by brownfields and economic development professionals from Economic Development Districts (EDDs), federal, state and local government and non-governmental organizations focused on the frequency that brownfields revitalization projects are included into regional economic development plans, such as comprehensive economic development strategies (CEDS).⁴

Most participants concluded that incorporating brownfields revitalization into regional economic development planning is beneficial to successful redevelopment in rural and small metropolitan communities. This conclusion was the same among non-EDD participants. Participants determined that changes in the Small Business Liability Relief and Brownfields Revitalization Act, or brownfields law, (PL 107-118) signed into law January 2002, will have significant implications for rural and small metropolitan communities. Specifically, the mandatory 20 percent match for grants, the prohibition of indirect costs inclusive of administrative costs and the required property ownership and resulting liability complications will likely impede brownfields redevelopment in rural and small metropolitan communities.

Participants at each discussion group agreed that measuring the success of rural and small metropolitan brownfields redevelopment requires different criteria and timeframes than determining success among urban brownfields redevelopments. In addition, the limited scope and inquiries about brownfields in general among the group discussions confirmed the sense that brownfields outreach to rural and small communities is still needed to promote successful redevelopment in these communities.

Each focus group size was designed to be small to facilitate constructive and inclusive discussion. Regional development organizations that provide services, such as economic development planning, for rural and small communities, federal, state and local government representatives; and professionals involved in brownfields revitalization attended the focus group meetings.

These discussions took place before the law's changes were officially available (via EPA draft guidelines) in September 2002. Consequently, the discussions lacked inclusion of the guidelines for threshold criteria for community notification and ranking criteria for community need. Inclusion of these facts might possibly have had an impact on discussion outcomes.

Participants focused on six questions:

1. Is there a relationship between regional economic conditions and brownfields revitalization projects?
2. Why is it, from your perspective, that brownfields are or are not incorporated into your area's (regional and community) economic development strategic plans?
3. How is brownfields redevelopment viewed in your region/community? Is it considered a local issue?
4. Have regional approaches to brownfields redevelopment been undertaken in your region? Is there a solid inventory of potential brownfields sites? Is there an entity assigned to do inventories?
5. Are brownfields considered as part of a larger smart growth strategy, a way to control sprawl?
6. Are environmental and social justice initiatives a part of brownfields redevelopment in your region?

The discussion participants represented 34 regional development organizations from 25 states, the District of Columbia and the Commonwealth of the Northern Mariana Islands, of which 30 are EDA-designated and funded EDDs. Each discussion was held on-site at each EDA regional conference or NADO policy conference.

⁴The CEDS is a plan that emerges from a broad-based continuous planning process addressing the economic opportunities and constraints of a region. It is the primary tool used by all Economic Development Districts (EDDs) for regional economic development. For more information refer to the "Definitions" section of this report.

Focus Group One: Washington, DC, April 14, 2002

EPA Regions Covered: Boston, Philadelphia, Atlanta, Chicago, Dallas

Key Discussion Points:

- There is a relationship between regional economic condition and brownfields redevelopment. In fact, brownfields redevelopment was part of the CEDS process in some regions, resulting in increased brownfields assessments.
- Brownfields redevelopment among rural communities is envisioned as a local economic and environmental venture, as well as a need. Using abandoned textile mills as an example, the group discussed their roles as community center. Redevelopment of these sites is a local concern because of the loss of the industry, and the central location is a matter that local leaders intending to re-build and diversify their economies must consider.
- RDOs play an integral part in the redevelopment process; in fact, some participants reported that the RDO was instrumental throughout the planning phase and in assuring that any contamination findings would not be complicated by outside regulators.
- Environmental and social justice initiatives are critical components of many brownfields projects. 169 sites in Connecticut, mostly located in high poverty areas, prompted the exploration of job-training support from EPA.
- Controlling sprawl, especially in rural and small metropolitan communities, is a positive benefit of brownfields redevelopment. Many local elected officials involved in developing community CEDS prefer to revitalize the center of their communities rather than add to the fringes.
- Factors involved in successful brownfields redevelopment projects in rural and small communities included:
 - Positive community reception due to support from local officials well educated about brownfields redevelopment opportunities.
 - Ability to leverage and co-mingle additional funds without taking funding opportunities away from other local projects.
 - Including the project into all community planning, such as transportation improvements plans (TIPs), zoning, CEDS, watershed plans and land use studies.
 - Having a solid inventory of “potential” sites.
- Obstacles common to rural brownfields revitalization included:
 - Inadequate financial resources to support inventorying and multiple assessments, as well as a shortage of resources available for cleanups.
 - Difficulty accessing funds for redevelopment beyond EDA funding, such as the HUD Brownfields Economic Development Initiative (BEDI) program requiring use of section 108 loan funds as collateral.
 - Turnover in staff and local elected officials.
 - Lack of resources necessary to hire qualified staff.
 - Obtaining community buy-in because of the belief that documenting a contamination will lead to local financial hardship, costly cleanups and difficulty in property re-sale or inability to reuse the property for desired purposes.
 - Inability to obtain insurance coverage for small redevelopment projects due to lack of resources and disinterest of insurers.
 - Abundant green space drives demand for redevelopment down and reduces the cost of greenfields development.

Focus Group Two: Chicago, Illinois, EDA Chicago Region Conference, Chicago May 8, 2002

EPA Region Covered: Chicago

Key Discussion Points:

- There is a relationship between economic conditions and the existence of brownfields. Specifically, during years of economic decline the number of brownfields sites increased. In developing CEDS, local leaders feel that redeveloping their brownfields sites would be an avenue to job creation.
- Community reluctance to inventorying potential brownfields sites was a key obstacle to including brownfields in CEDS. Participants felt that the community reluctance was rooted in a misunderstanding of the definition of a brownfields and resulted in a fear of liability and cost upon local government.
- A lack of understanding about the potential impact that economic planning can have on improving the success rate of redevelopment projects was apparent. Participants commented that state brownfields programs are not as effective as they could be, and recommended that states' brownfields programs should make use of the established partnerships that RDOs have when doing outreach. RDOs felt they could offer state programs an appropriate forum to educate local decision makers.
- By making brownfields an economic priority within the EDA CEDS process, the federal government was able to encourage future redevelopment success in rural areas. By engaging other agencies to support brownfields redevelopment with grants to cover the costs of tasks associated with redevelopment, federal agencies were able to help RDOs gain more access to technology, such as Geographic Information Systems (GIS), to support the inventorying process through agencies like EDA.
- Alternative technologies for cleanup and incorporation into redevelopments would help offset redevelopment costs for rural areas. However, several participants stated that many rural areas lack knowledge about alternative technologies and the consultants used on redevelopment projects do not always know about cost-effective alternatives either. Rural peer exchanges might help educate decisionmakers in rural areas about alternative technologies and offer models for incorporating renewable energies into their redevelopment projects.
- The importance of inventorying at the state level on a regional basis seems to work. Focusing on redevelopment regionally offers communities a way to facilitate smart growth planning. The CEDS process and the tie to economic development have influenced the direction taken and success of their redevelopment projects.

Focus Group Three: Kansas City, Missouri, EDA Denver Region Conference, June 10, 2002

EPA Regions Covered: Kansas City and Denver

Key Discussion Points:

- The new brownfields definition's inclusion of mine-scarred lands, the hardship on rural areas to get brownfields started due to the proposed 2002 guidelines to prohibit indirect/administrative costs, and the required 20 percent match were discussed at length. There were also many questions about liability associated with existing public ownership of sites.
- Participants could not agree on the relationship between brownfields and regional economic conditions. Several participants felt the economic impact of brownfields redevelopment is a long-term investment and measuring the economic success of redevelopment in rural areas is a complex matter that includes assessing the tangible (number of jobs created) and intangible (community involvement) results of a project. The potential for rural brownfields redevelopment projects to become job-training sites was addressed.
- The number one obstacle experienced in pursuing (or even considering) brownfields projects is a lack of community buy-in and, in some cases, reluctance on the part of private property owners. Because of this, it is understandable why ten out of the 15 RDO participants included brownfields as an economic priority in their CEDS. Participants felt that by incorporating brownfields into their CEDS enabled local leadership to reach across the remoteness of their regions' rural communities and support redevelopment start-ups.

Other obstacles included:

- Superfund sites in their region had heightened community fear in exploring potential brownfields sites. Many communities have not included brownfields as a priority in their CEDS because open or green space is abundant, putting greenfields development in a position of being more cost-efficient than brownfields redevelopments.
- Interest in the new law's definition of brownfields, in particular mine-scarred lands and the proposed guidelines for application to the EPA brownfields program, dominated discussion.

This discussion session was the largest with 18 participants representing 15 RDOs. Attendance was large in part due to the fact that the EPA brownfields program pilots had been announced. Much of the discussion that took place reflected an understanding of what the redevelopment opportunities were as a result of the new expanded definition of brownfields and the proposed distribution of the funds, offering a direct cleanup program and special petroleum cleanup funds.

Focus Group Four: San Diego, California, EDA Seattle Region Conference, September 4, 2002

EPA Regions Covered: Seattle and San Francisco

Key Discussion Points:

- There is a direct relationship between economic conditions and brownfields in their regions. The participants reported many of their potential economic development locations are now brownfields sites, inhibiting economic development, healthy community development and smart growth. Specific responses included:
 - An abandoned oil field in one small city is centrally located; as a result, economic development has sprawled to the outskirts of the community.
 - Redeveloping brownfields would make space available for light industrial development.
 - The groundwater contamination resulting from exiting brownfields has inhibited development immediately surrounding these sites.
 - Lack of information about and understanding of brownfields has often prevented redevelopment from being included in the CEDS process. Education and outreach are necessary because of the new brownfields definition.
 - Participants from Alaska and the Northern Mariana Islands noted that the brownfields program is new to their community and the education process is still taking place, but felt that brownfields redevelopment would be locally accepted. The participant from the Northern Mariana Islands further stated they are looking into how brownfields would fit into their development plans.
 - Only one participant reported they have approached brownfields on a regional scale; a redevelopment agency was formed to assist the less technologically equipped rural communities to address potential site inventorying and propose inclusion of the sites in community CEDS. Rural areas are typically more focused on basic infrastructure development, such as water and roads, and often do not have the budget or staff to pursue brownfields redevelopments.
 - A lack of understanding and lack of information about brownfields was identified as the number one obstacle to brownfields redevelopments.

Focus Group Participants

Focus group participants represented 34 regional development organizations in 25 states, the District of Columbia and the Commonwealth of the Northern Mariana Islands.

WASHINGTON, DC, NADO POLICY CONFERENCE, APRIL 2002

Arkansas

- Kathy Lee, Southwest Arkansas Planning and Development District

Connecticut

- Richard Eigen, Valley Regional Planning Agency

Florida

- Carolyn Deckle, South Florida Regional Planning Commission
- Leel Czeck, South Florida Regional Planning Commission

Georgia

- Greg Halverson, Central Savannah River Area Regional Development Center

Indiana

- Debby Beavin, Indiana 15 Regional Planning Commission

Michigan

- Sandeep “Sean” Dey, West Michigan Shoreline Regional Development Commission Muskegon

Oklahoma

- Blaine Smith, Association of South Central Oklahoma Governments

Texas

- Jake Brisbin, Rio Grande Council of Governments

Washington, DC

- Mary Sivage, DOT Truman Fellow, NRDP Livable Rural Communities Task Force
- Tom Groenveld, International City/County Management Association (ICMA), Brownfields Program
- Katie Whiteman, International City/County Management Association (ICMA) Brownfields Program

CHICAGO, ILLINOIS, EDA CHICAGO REGION CONFERENCE, MAY 2002

Illinois

- Kent Tucker, Village of Rantoul

Indiana

- Sara Westrick, Indiana Development Finance Authority
- Susan Tynes, Indiana Department of Environmental Management - Brownfields Program
- Judy Weatherholt, Southwestern Indiana Regional Development Commission
- Debby Beavin, Indiana 15 Regional Planning Commission

Minnesota

- Robert Hutton, Region 5 Regional Development Commission Minnesota

Ohio

- Robert F. Hickey, Economic Development Administration Chicago Region
- Joe Hadley, Northeast Ohio’s Four County Regional Planning and Development Organization
- Lana Watkins, Ohio Mid-Eastern Governments Association
- Gil Peterson, Eastgate Regional Council of Governments

KANSAS CITY, MISSOURI, EDA DENVER REGION CONFERENCE, JUNE 2002

Colorado

- John Stump, San Luis Valley Development Resources Group

Iowa

- Kelly Deutmeyer, East Central Intergovernmental Association
- Tom Masey, Upper Explorerland Regional Planning Commission
- Mary Kunkle, Iowa Northland Regional Council of Governments

Kansas

- Randall Hrabe, Northwest Kansas Planning and Development Commission

Missouri

- John Murrell, South Central Ozark Council of Governments
- James Dancy, South Central Ozark Council of Governments
- Debi Richardson, Southwest Missouri Council of Governments

Montana

- Connie Ternes Daniels, Headwaters RC & D/Economic Development District
- Evan Barrett, Butte Local Development Corporation
- Cheryl MacArthur, Great Falls Development Authority
- Paul Tuss, Bear Paw Development Corporation

Nebraska

- Terry Meier, Southeast Nebraska Development District

South Dakota

- Ted Dickey, Northeast Council of Governments
- Eric Senger, Northeast Council of Governments

Utah

- Jeri Hamilton, Southeastern Utah Association of Local Governments Economic Development District
- Brett Behling, Southeastern Utah Association of Local Governments Economic Development District

Wyoming

- Erin Alspach, North East Wyoming Economic Development Coalition

SAN DIEGO, CALIFORNIA, EDA SEATTLE REGION CONFERENCE, SEPTEMBER 2002⁵

Arizona

- Joe Brannan, SouthEastern Arizona Governments Organization
- Rosanne Sanchez, City of Phoenix, Office of Environmental Programs

California

- Dion Jackson, University of Southern California
- Jack Marshall, City of Ventura, Information Technology Division, City Hall
- Thomas Mix, EPA Region 9

Oregon

- Anne Berblinger, EDA Seattle Region

Washington

- Karen L. Borell, EDA Seattle Region

⁵ Included three attendees from California, and one attendee from Alaska and the commonwealth of the Northern Mariana Islands.

NADO and NADO Research Foundation

The National Association of Development Organizations (NADO) is a public interest group founded in 1967 to promote community, economic and rural development in America's small metropolitan and rural regions. The Association is the largest and leading advocate for a regional approach to development. NADO's members are regional development organizations (RDO) that work directly with local governments to develop comprehensive locally driven economic and community development strategies.

The NADO Research Foundation, established in 1988, is a 501(c)(3) affiliate of NADO that provides research, education and training to community and economic development practitioners and policymakers. The Foundation identifies issues and develops training strategies to help professionals and local elected officials.



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