
The State of Rural and Small Metropolitan Brownfields Redevelopment

**Special Report
September 2002**



A special report based on
**Rural and Small Metropolitan Regional Focus
Group Discussions**

Hosted by the
National Association of Development Organizations
(NADO) Research Foundation

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Cover photo:
The 27-acre brownfields site
in Ware Shoals, South Carolina.
A former textile mill in operation
from 1906 to 1984.

Executive Summary

Brownfields redevelopment in rural and small metropolitan areas is happening, but just not as quickly as it appears to be happening in urban America. In an effort to determine the obstacles holding rural redevelopment back and to offer insight on how rural communities are overcoming the obstacles, the NADO Research Foundation is continuing to research rural and small community brownfields from a regional perspective.

Like NADO's two previous research reports – Reclaiming Rural America's Brownfields: A National Report on Rural Brownfields and Reclaiming Rural America's Brownfields: Alternatives to Abandoned Property – this report gives a current cross section account of the state of rural and small community brownfields redevelopments. It outlines actual feedback for regional development organizations concerning their experience and their thoughts about redevelopment impact, program resources, local perception of brownfields redevelopment and techniques used to overcome obstacles.

This research report used group discussions to draw out obstacles experienced and solutions used to overcome them. Similar to the NADO's two previous reports, the discussion revealed several reoccurring obstacles. The most frequently cited are as follows:

- Limited local funding resources and technical assistance for leveraging additional funds.
- Lack of education for community leaders, misinformation, reluctant local acceptance and public fear about brownfields costs, health risks, reuse restrictions and site qualifications associated with assessment, cleanup and redevelopment.
- Inconsistent support from state programs.
- Rural demographics that limit the likelihood of having local technical expertise, which drives up projects costs and weakens redevelopment demand and cost feasibility.
- Rural geography that drives down redevelopment demand because of the abundance of green space, adding to the cost advantage of green development verses redevelopment.

The regional development participants offered a variety of ways to overcome the obstacles, but conclusively they agreed that the most important lesson learned was that community buy-in or support was the key to successful redevelopment in rural areas. And, reportedly, the number one motivating force behind making brownfields redevelopment a priority in rural areas was the potential for economic development, the potential for job creation and the assurance that they would be able to obtain support to offset liability and costs.

Credits

This research report is based on the outcomes recorded during the December 2001 regional focus groups hosted by NADO and attended by regional development organizations representing rural and small metropolitan communities. This report updates NADO's earlier findings, which identified rural and small community obstacles associated with rural and small community brownfields assessment, cleanup and redevelopment. Special thanks to the 27 regional development organizations who participated in the focus groups, to Sven-Erik Kaiser of the Environmental Protection Agency's (EPA's) Office of Brownfields Cleanup and Redevelopment and to the EPA for their continued support of NADO's research into rural and small metropolitan brownfields. Kelly Novak, Research Manager and Laurie Thompson, Program Director conducted the focus group discussions and prepared this report.

NADO and NADO Research Foundation's Brownfields Background

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 (1) 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.

Under a cooperative agreement with the Environmental Protection Agency (EPA), NADO Research Foundation's work in brownfields began in 1998. The initial research for rural and small communities was designed to host workshops, conduct surveys and publish reports focused on identifying and exploring obstacles and presenting profiles of rural and small community successes in brownfields assessment, cleanup and redevelopment.

In 1999, the Foundation conducted a survey to identify rural assessment, cleanup and redevelopment obstacles. The survey findings were released in 2000, NADO's special report entitled *Reclaiming Rural America's Brownfields*. The report also presented recommendations applicable to overcoming obstacles.

In 2001, a follow-up report was released, *Reclaiming Rural America's Brownfields: Alternatives to Abandoned Property*, based on brownfields site visits and interviews conducted by NADO. The report further supported the obstacles identified in the previous report and survey findings. Profiles of 16 rural and small communities were presented to demonstrate how rural and small communities can overcome brownfields assessment, cleanup and redevelopment obstacles.

NADO's rural and small communities brownfields research continues with the release of this report and recent release of the *NADO 2002 Brownfields Resource Guide for Rural and Small Communities*.

For more information about NADO Research Foundation's rural and small metropolitan brownfields outreach and research, contact Research Manager, Kelly Novak at 202/624-7809 or email knovak@nado.org.

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

Introduction

The NADO Research Foundation conducted a series of five focus group discussions via telephone conferencing with regional development organizations who provide services, such as economic development planning and environmental and social services. The typical participating regional organization provides these services to an average of six rural and small communities. The focus group discussions took place on December 6, 7 and 10, 2001. Each discussion group was attended by five to seven participants and had a running time of one hour in length.

The purpose of the discussion groups was to gain a real, first-hand and up-to-date perspective of the state of rural and small metropolitan brownfields from regional development organizations. The recorded outcomes are intended to provide useful feedback and insight into understanding the challenges that rural and small communities have experienced in using federal, state and private brownfields resources. In addition, the discussion groups were designed to also gain a better understanding of the local communities' perspectives and expectations of brownfields.

The participating regional development organizations were from rural and small metropolitan regions in the following states, according to Environmental Protection Agency (EPA) regions:

- EPA Region 1: Connecticut, Maine, Vermont
- EPA Region 2: New York
- EPA Region 3: Pennsylvania
- EPA Region 4: Alabama, Florida, Kentucky, South Carolina
- EPA Region 5: Illinois, Michigan, Ohio, Wisconsin
- EPA Region 6: Arkansas, Louisiana
- EPA Region 7: Iowa
- EPA Region 8: ⁽²⁾
- EPA Region 9: Arizona, California, Nevada
- EPA Region 10: Alaska, Idaho, Oregon

Five focus groups with 27 participants from 22 states discussed the state of rural and small community brownfields redevelopment.

(2) Participant availability from Region 8 was limited and unable to be scheduled. As a result NADO Research Foundation is assisted and co-sponsored the National Association Local Government Environmental Professionals (NALGEP) in developing 2002 brownfields workshops in Colorado, Utah and South Dakota.

Discussion Questions and Outcomes

Discussions were formed around a set of six questions that probed the participating organizations' levels of redevelopment experience, their region's participation level in redevelopment, economic impact of brownfields redevelopment in their region and the organizations' knowledge and experience with federal and state brownfields resource and technical assistance programs. The 27 participants received the following six questions prior to the focus group convenings:

1. **Has your organization and the communities you serve been involved in brownfields redevelopment? And if not, why not and what have been the obstacles?**
2. **For those organizations that have done brownfields redevelopment, how did you get your funding and was the funding adequate enough to cover redevelopment costs? Do you feel that being rural/small metropolitan has affected the amount of funding you need(ed) and the amount of funding resources available to you?**
3. **What have been the effects of local government on your redevelopment efforts, e.g. are there zoning and ordinance issues or reluctance of local official to acknowledge the existence of contaminated or perceived contaminated properties?**
4. **What has your state government done to promote or not promote brownfields overall, specifically in rural and small metropolitan areas?**
5. **What has been the community involvement in redevelopment? How do you think being a rural or small metropolitan community has impacted your redevelopment efforts?**
6. **What has been or is projected to be the economic impact of redevelopment in your region, e.g. the positives of increasing the tax base and creating jobs or the negative of increased demand for community services, utilities and other infrastructure?**

The following are the synopsised general outcomes from the discussions:

1. **Has your organization and the communities you serve been involved in brownfields redevelopment? And if not, why not and what have been the obstacles?**

More than half of the 27 participants reported that their organization and a majority of their region's communities, which they serve, have not yet been involved in a redevelopment undertaking.

Most participants who cited not being involved in redevelopment, reported they have potential sites but have not done an assessment for various reasons.

- An Idaho participant noted three sites have just become idle in their region, one being a phosphate plant.

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- A Louisiana participant reported that they do not have a specific assessment site selected, making application to the EPA assessment pilot program difficult.

Some participants cited having assessed and cleaned up sites in their region but not having undertaken redevelopment yet due to lack of demand. The lack of demand may be attributed to a reluctance of prospective purchasers, private owners or local government to carry the burden of liability.

- A Wisconsin participant noted that developing 40 acres of green space in their region was more expensive in cost and liability, than acquiring one of the available (six) cleaned up sites.
- An Iowa participant noted that in rural remote areas it is tough to sell redevelopment to prospect purchasers, because of abundant greenspace and location is not conducive to business development.

Other reasons discussed included:

- The reluctance of local elected officials to accept the existence of contaminated or perceived contaminated sites. A Vermont participant stated that some officials felt that assessment meant that they would immediately have to clean up the site and shoulder the costs alone.
- Lack of state legislation, unclear state brownfields definitions and lack of general information about state standards. Nevada and Alaska participants agreed that their state brownfields program lacked a clear brownfields definition and information about state standards.
- Banks are not as involved as they could be to encourage redevelopment. A Pennsylvania participant confirmed that because his region is rural, often banks do not have the confidence level required to offer the lending needed for redevelopment projects.
- A combination of not being a community economic priority and inability to locate private owners. Arizona, California, Kentucky, Louisiana and Oregon participants agreed on this point.
- Popular perception among their communities that superfund sites are not eligible or suitable for redevelopment. Florida and Illinois participants noted that this community perception has led to publicly held fear of the process of assessment, which impedes and sometimes stalls assessments.

More than half of the 27 participants reported that their organization and a majority of their region's communities, which they serve, have not yet been involved in a redevelopment undertaking.

2. **For those organizations that have done brownfields redevelopment, how did you get your funding and was the funding adequate enough to cover redevelopment costs? Do you feel that being rural/small metropolitan has affected the amount of funding you need(ed) and the amount of funding resources available to you?**

Many of the participants that have launched and completed redevelopment projects noted that the initial funds or “seed money” often came as a result of a local grass roots initiative, sometimes aimed at revitalization and improving healthful living standards. A participant from Oregon stated that one of their redevelopment projects was born out of a MainStreet program’s downtown revitalization effort to entice developers.

An Iowa participant’s waterfront redevelopment was championed by the city and combined funds from different sources. One noted source was accessed via appropriation that was supported by a Senate congressional member. The other sources included:

Some participants noted their state’s aggressive brownfields program have made obtaining funds easier.

- *Department of Transportation funds to develop a point of access walking bridge*
- *Army Corp. of Engineers technical assistance for assessment*
- *EPA pilot grants for assessment*
- *Farm Bureau and local power company financial and in-kind support for assessment, cleanup and redevelopment*

Some participants noted their state’s aggressive brownfields program have made obtaining funds easier and getting local matches easier. An Illinois participant reported that Illinois’ aggressive program has helped regions obtain low cost-loans (some revolving loan funds) and leverage funding with private foundations.

Some participants noted that there is a lack of funding at the state level, but are regardless finding funding from various sources to move redevelopment forward.

- A Vermont participant stated that using the EPA Targeted Brownfields Assessment program got them to the clean up stage. They plan to pursue preservation and community funding for the redevelopment, as the site will be a heritage and community center.

Other avenues of funding and leveraging reported were:

- Recapturing Community Development Block Grant (CDBG) funds
- Assisting with tribal funding opportunities
- Combining workforce development funds and tax incentives
- Recreation grants (mostly from state governments)
- Community investment from counties, cities and private citizens

Participants reported that communities were more willing to invest if they understood that costs can be recovered following redevelopment.

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- A Michigan participant reported that upon proposing the redevelopment to community leaders he reminded them that the project would spawn annual tourist events and expand the tax base through new business development and business expansions, proving a positive rate of return on investment for the community.

Most participants cited that initial cost estimates were not adequate to cover clean up or redevelopment because of their rural location, unanticipated costs of importing expertise and institutional controls needed to properly and safely expedite cleanup leading to redevelopment.

- A Wisconsin participant noted that inexperience resulted in underestimated clean up costs: Costs were estimated to range from \$50,000 to \$1,000,000, and wound up costing over \$1,000,000. Costs would have been even greater, if local in-kind services donations had not been contributed.
- A Connecticut participant stated that despite good budget estimates, costs rose during clean up as additional contaminants were found, and the costs are expected to carry over into redevelopment to ensure that health risks do not become an issue.
- A Michigan participant reported that due to lack of local expertise to address health risk concerns, more time, more local partnerships and more monetary resources have been needed to plan and execute redevelopment. Often, outside expertise must be brought into the community to assure community leaders that qualified people have addressed the pertinent health risks, reducing liability risks to property owners and prospective purchasers.

All participants agreed that having local champions coupled with an economic directive, enables them to be resourceful in finding funding, private and public, for redevelopment.

- A South Carolina participant stated that local buy-in often enables redevelopment projects to overcome the financial obstacles that inherently come with being rural or small metropolitan.

Some participants noted that there is a lack of funding at the state level, but are regardless finding funding from various sources for redevelopment.

3. What have been the effects of local government on your redevelopment efforts, e.g. are there zoning and ordinance issues or reluctance of local official to acknowledge the existence of contaminated or perceived contaminated properties?

Similar to the discussions concerning the obstacles and costs of redevelopment, the discussion this question prompted illustrated the importance of gaining local acceptance of brownfields redevelopment and the need to help communities distinguish between misinformation and fact and to understand the economic benefits.

Overall, participants remarked that having community leaders understand the facts and economic benefits was especially important in rural and small metropolitan communities because often community leaders serve in more than one board capacity and at different levels, such as county and city, making political acceptance particularly difficult if opposition arises.

Overall, participants remarked that having community leaders understand the facts and economic benefits was especially important in rural and small metropolitan communities because often community leaders serve in more than one board capacity and at different levels, such as county and city. This makes political acceptance particularly difficult, if opposition arises.

- Pennsylvania and Vermont participants reported that once their local officials understood that the health risks were already there, whether assessed or not, that clean up and redevelopment was the most profitable way to remove the health risk liabilities.
- This basic knowledge has enabled the Pennsylvania participant undertake three redevelopments and pursue a fourth site.
- The Vermont participant has ten redevelopments in progress and is acting as a model to a neighboring region pursuing the redevelopment of two sites.

Few participants reported that zoning laws were an issue, although for some the location of the site complicated assessment, clean up and redevelopment.

- An Alaska participant stated that they begin assessment of their potential sites in May 2003. The sites are old dumps with five crude oil tanks, an old cannery on native lands and an abandoned barge off shore. These locations reportedly are requiring the region to build double the number of partnerships to approve the assessment approach, coordinate liability and share the costs.
- A New York participant cited that redevelopment near a state border gets somewhat complicated if there is a bi-state shared watershed that might be affected. The process is often longer and liability issues become an impediment when multi-jurisdictional areas are involved.

Other local government indifferences mentioned and discussed include:

- Lack of understanding about the economic benefits
- Lack of promoting economic incentives
- Fear of clean up
- Redevelopment process, cost and liability
- Inability to sustain interest

An Arizona participant noted that redevelopment was attempted in one community but failed. Now, because of the false start, redevelopment has a reputation in the community for being difficult and prone to failure.

4. What has your state government done to promote or not promote brownfields overall, specifically in rural and small metropolitan areas?

The discussion generated by this question overlapped with some of the other questions discussed, in that misinformation and lack of information from state brownfields and voluntary clean up programs was evident. However, some states did appear to have strong programs.

- Illinois, Ohio, California and Pennsylvania participants credited their state with having aggressive programs, resulting in successful redevelopment projects.
- California participants described several value-added business developments that resulted from California's mill site re-use initiative.

Some participants felt that their state programs were not effective.

- Arkansas and Iowa participants reported that their state programs weren't initially supportive of redevelopment and had internal departmental conflicts, which has left assistance in a holding pattern and made the program lack effectiveness.

Some participants felt that their state associations for regional government could influence the effectiveness of their state programs.

- An Iowa participant noted the state program's lack of momentum could be improved with the assistance of their state association for regional governments.
- A South Carolina participant reported that their state association for councils of government has been instrumental in helping advance regional demonstration pilots.

Some participants felt that their state associations for regional government could influence the effectiveness of their state programs.

Other participants mentioned the lack of their state program's outreach, stating that they know the state program exists but have little knowledge of it or how to apply the program opportunities to their circumstances.

- Kentucky participants reported not having been involved in redevelopment, but knowing that the state has a program for improving environmental health. In addition, a Kentucky participant acknowledged the lack of outreach and reported that they (a University) are in the process of developing a brownfields academy geared at informing local officials on state opportunities and specific redevelopment best practices in areas of financing, smart growth planning, institutional controls and environmental justice.

Finally, as stated in NADO's earlier reports and survey, some participants acknowledged that they and the communities they serve are aware of state programs, services and funding opportunities, but the alternatives outweigh the costs of redevelopment and short-term economic impacts.

- A Maine participant noted that their rural location offers large amounts of greenfields that developers find to be more cost effective than redevelopment sites, hence a lack of demand makes the effectiveness of the state program a moot point of discussion for their region.

5. What has been the community involvement in redevelopment? How do you think being a rural or small metropolitan community has impacted your redevelopment efforts?

Several participants re-stated that in-kind services were a valuable community contribution (*See question two previously*).

- Community cooperation was cited by one California participant as the catalyst behind a memorandum of understanding to put one brownfields site on a fast track for redevelopment in the summer of 2003.

Participants discussed how community involvement and cooperation can help overcome obstacles. Some obstacles that have been overcome with community involvement, as discussed, included:

- Local cooperation is useful in obtaining and leveraging funding.

An Arkansas participant reported that one of the communities they serve has agreed to issue a bond to fund redevelopment if needed.

- Forming local task forces help to establish site inventories.

An Ohio participant reported forming a local community action agency for inventorying sites.

- Community support can serve as a redevelopment catalyst.

An Alaska participant reported that the support via local media is helping build partnerships.

- Local participation assists in addressing infrastructure short-falls.

A Louisiana participant reported that communities in their region have agreed to focus on infrastructure needs revealed during redevelopment.

Participants noted that often because of small population, geographic isolation, limited funding and limited local resources a brownfields endeavor is often the single biggest event that the community may be able to afford or undertake at a given time. In effect this raises the stakes for rural and small communities pursuing brownfields projects. The increased community focus and importance can result in impeding or completely stalling endeavors.

- An Arizona participant restated that a failed redevelopment attempt in one community has resulted in the community's lack of trust and reluctance to further pursue a redevelopment.
- A South Carolina participant noted that including brownfields redevelopment into a community's economic development plan reassured the community that local resources would not be solely dedicated to the project.

Overall, participants stated that the interest, trust and confidence of local elected officials/local government, along with public confidence, is crucial to undertaking redevelopment.

It was noted again, that it is especially important in rural and small metropolitan areas because often, elected officials serve in more than one capacity e.g. a county judge may also serve on school boards, fairground board, chamber of commerce committees, etc. (See question three outcomes).

6. What has been or is projected to be the economic impact of redevelopment in your region, e.g. the positives of increasing the tax base and creating jobs or the negative of increased demand for community services, utilities and other infrastructure?

The participants overwhelmingly agreed that the positive economic results of redevelopment could be translated into one word: "jobs".

- A Vermont participant reported that their redevelopment is estimated to directly retain 400 jobs, directly create 200 jobs and indirectly boost job creation among their tourism industry.
- A Louisiana participant reported that job creation was the major motivating force, second to revitalization, in the decision to pursue assessment pilots and redevelopment projects.

Although the participants have and are pursuing redevelopment with varied intentions and varied forms, whether it be redeveloping a brownfields into a business incubator, recreation area or industrial park, all stated that it leads to job creation and retention, potential increase in the tax base, often improving infrastructure (expanding sewer capacity and utility services) that enhances overall community marketability and a reduction in the long term costs associated with liability, health risks and social services.

The participants overwhelmingly agreed that the positive economic results of redevelopment could be translated into one word: "jobs".

Conclusion

The most frequently made statements in the discussions indicated that lack of information and/or misinformation is a paramount obstacle and limits brownfields redevelopment. In some of the discussions, the lack of information and misinformation was demonstrated by the narrow scope of the discussion among the participants.

Participants repeatedly remarked (and in some cases demonstrated) that the lack of information and/or misinformation resulted in the following:

- A misunderstanding of what qualifies as a brownfields site.
- An inability to recognize financial resources available from federal, state and private entities.
- The unawareness of the technical assistance available for assessment, cleanup and redevelopment.
- Public and local leaders having residual fears about pursuing assessment and clean up and the liability, health risks and costs that are encountered in a redevelopment.
- An unclear understanding of what state programs offer.

In four out of five of the discussion groups, participants stated that rural and small communities in their regions have a lack of knowledge about brownfields redevelopment.

In four out of five of the discussion groups, participants stated that rural and small communities in their regions have a lack of knowledge about brownfields redevelopment. In turn, their lack of knowledge resulted in a lower level of the community confidence and trust necessary to undertake successful redevelopment projects.

The discussion group participants agreed that rural communities are significantly impacted by lack of community confidence and trust, because local leaders often serve in more than one capacity and community stakes are higher due to limited resources.

Participants stated repeatedly, that being rural or small metropolitan created inherent obstacles, such as an inability to estimate the increased costs of importing redevelopment expertise and the struggle to educate isolated, uninformed communities about the benefits of brownfields redevelopment.

Each discussion group expressed interest in receiving more materials geared specifically at rural and small metropolitan communities. When participants were asked if they would be interested in having access to an electronic forum devoted to addressing rural and small metropolitan brownfields redevelopment issues, all responded that they would participate. More than 50 percent of the participants remarked that it would be valuable to have access to a real time support service.

The discussion participants also expressed an interest in having, specifically rural, peer-to-peer support. In addition, participant discussions conveyed that peer testimony is an effective educational tool for teaching local officials and leaders about the economic benefits of brownfields redevelopment.

Finally, the discussions also demonstrated that rural and small community brownfields redevelopment success is heavily dependent upon community involvement and community buy-in. The 27 participants, who represented roughly 162 communities, each were able to cite at least one case where community cooperation helped overcome the obstacles associated with being rural and various unexpected obstacles. Community support was identified in the discussions as key to facilitating assessments and cleanups that lead to redevelopment.

The outcomes from these discussions will be used to further NADO Research Foundations efforts and peer organizations in advancing brownfields redevelopment in rural and small metropolitan regions. As the third NADO research report exploring the state of brownfields in rural and small communities, this report makes it even clearer that there is a need to further extend the brownfields dialogue to rural areas and bridge the information gap.

This report will offer the NADO Research Foundation and interested organizations with a backbone to expand rural and small community outreach.

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