



National Brownfields Nonprofit Network Initiative

To: The Obama Transition Team

From: New Partners for Community Revitalization (NPCR), New York City, 917-817-7068
Delta Redevelopment Institute (Delta), Chicago, 312.554.0900
Colorado Brownfields Foundation (CBF), Denver, 303.962.00940
Creative Center for Land Recycling (CCLR), San Francisco, 415.398.1080

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Re: Maximizing Brownfield Resources for Re-Building Local Economies and Protecting the Environment

Brownfields redevelopment cuts across many issues the Transition Team is grappling with, including protecting the environment, reversing the impacts of Climate Change, rebuilding our urban centers and downtowns, and re-fueling our economy. Over the last few years, nonprofit organizations across the country have been quietly working in New York, California, Illinois and Colorado to advance a common agenda that creates value and maximizes limited government resources. By extending the reach of government through the utilization of nonprofits organizations' resources and capacity, innovative public-private partnerships are recycling many of this country's polluted sites; and in doing so, creating a new foundation to advance the nascent green economy.

I. INTRODUCTION

Regional and community based nonprofit organizations across the country are now engaged in cutting edge neighborhood revitalization projects on brownfield sites. In the process they are i) advocating for and making infrastructure investments that open these sites to development, ii) generating redevelopment strategies and investments that take advantage of the transition to the green economy to create demand for sites previously left vacant and blighted by the market place, iii) creating new green collar jobs, and iv) building affordable housing and job-generating enterprises. Nonprofit organizations are greening the way we think about brownfields, land use, infrastructure, job creation and community economic development. The National Brownfield Nonprofit Network Initiative (NBNNI), a national association of nonprofit organizations involved in hands-on brownfields redevelopment and community revitalization is transforming to the green economy through collaboration. Its leadership, Delta Redevelopment Institute (Delta) in Chicago, New Partners for Community Revitalization, Inc (NPCR) in New York, , and Center for Creative Land Recycling (CCLR) in San Francisco and the Colorado Brownfields Foundation (CBF), is a leader in their respective states and has deep experience.

The Obama Administration has the opportunity to maximize limited government resources and seize the tremendous value not-for-profit development organizations—whether single-handedly or in partnerships — play in redeveloping brownfields and greening community development. Over the last twenty years the nonprofit community development and the financing infrastructure that has developed to expand the reach and make more efficient use of public and private resources for successful community development. Community Development Corporations (CDCs), Community Development

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Financial Institutions (CDFIs), and other nonprofit organizations have in place the infrastructure that will allow them to leverage funds with other public and private resources and expeditiously deliver these resources to revitalize brownfields in struggling neighborhoods of all sizes. CDFIs, CDCs, and many other nonprofits have established track records developing and implementing cutting edge brownfield remediation loan products and successfully navigating the complicated and multi-faceted world of brownfield development financing. In recent years they have become environmental leaders as well--developing and implementing cutting edge supply and demand side models for greening communities, buildings, infrastructure, jobs and the economy as they carry out their community development mission.

II. GREEN BROWNFIELD DEVELOPMENT IS AN IMPORTANT COMPONENT OF THE ECONOMIC STIMULUS PACKAGE

With the nation's economic problems creating tremendous pressure to cut government budgets, coupled with the climate change crises, there is an urgent and growing need to ensure that the limited resources and programs provide economic stimulus in a manner that addresses climate change and other environmental problems. In many urban neighborhoods and downtown areas of all sizes, brownfield properties, represent the bulk of properties still available for economic development, housing, and open space.

Any economic stimulus must promote green economic development programs that address the unique needs of urban communities and downtown areas because these are areas greatest needs, but also because public investment in these tight budget times must maximize limited funds to create jobs, leverage private investment, increase tax revenue and strengthen communities facing unprecedented stress. There is a growing recognition of the economic benefits and environmental efficiencies of rebuilding these areas. Studies show that every dollar of public investment spent on brownfields development leverages up to \$8 in total investment through wages, job creation and taxes¹; property values increase up to 15%² and public investments are recouped within three years³. There are also tremendous savings in infrastructure costs associated with brownfields redevelopment (\$5,000 to \$10,000 per unit for a brownfield as compared to \$50,000 to \$60,000 per unit for greenfield sites⁴). And, there are environmental benefits that go beyond the value of removing toxic eyesores and improving public health: compact urban developments use, on average 4.5 fewer acres than greenfield developments⁵, they reduce greenhouse gas emissions due to the 20 percent reduction of vehicle miles traveled⁶, and improve water quality by reducing stormwater run-off⁷.

¹ NorthEast-MidWest Institute Digest Report, *Brownfields Policy Research*, Volume 1, Number 3, August 15, 2008

² De Sousa, C. and C. Wu. "Assessing the Impact of Publicly Supported Brownfields Redevelopment on Surrounding Property Values." (In Progress)

³ De Sousa, C. 2006. "Unearthing the benefits of brownfield to green space projects: An examination of project use and quality of life impacts." *Local Environment* 11(5): 577-600.

⁴ Environmental and Energy Studies Institute and the Funders Network, "Energy and Smart Growth and Energy, it's about What and Where We Build."

⁵ George Washington University, see <http://www.gwu.edu/~eem/Brownfields/>

⁶ Urban Land Institute, Smart Growth America, the Center for Clean Air Policy, and the National Center for Smart Growth, "Growing Cooler, Evidence on Urban Development and Climate Change,"

<http://www.smartgrowthamerica.org/gcindex.html>

⁷ Lynn Richards, "Water and the Density Debate," *Planning Magazine*, June 2006, APA

http://www.epa.gov/smartgrowth/water_density.htm

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On the **supply side**, resources are needed, particularly for site investigation, clean-up and for infrastructure investments, to fully enable brownfields activities to stimulate downtown economies.. Such public investments are necessary to foster private investment in brownfield sites where real estate values are too low to absorb these legacy costs within a private transaction and for investments in parks, community services, affordable housing, infrastructure and other uses that provide important public benefits, but cannot compete with so called “highest and best use” private development.

On the **demand side**, tax credits, financing and other incentives and policies should be greater for investments in urban communities, downtown areas and other infill locations—especially on brownfield sites and in distressed communities-- that can play a role in revitalizing infill sites, increasing energy conservation and renewable energy alternatives, reducing of carbon emissions, water use and wasted resources, improving food security, greening businesses, government, communities and institutions, creating green collar jobs, preserving endangered eco-systems and habitat, developing green infrastructure such as transit and parks. This is an opportunity to leverage prior public investment and reuse existing infrastructure. By targeting greater resources to brownfield sites and distressed communities, the stimulus package will help undo the legacy of pollution and generate demand for development in communities that have been left out in recent conceptions of economic growth and prosperity.

III. REPLICABLE MODELS HAVE BEEN CREATED BY NONPROFIT ORGANIZATIONS AROUND THE COUNTRY

Non-profit organizations have created local and regional models that offer critical lessons learned and that could be scaled up on a national level. Examples from several NNBNI partners are attached for your consideration. These include:

- a. Chicago's initiative to use green policy drivers such as waste reduction and recycling policies, climate action plans and local food production initiatives to spur the transformation to the green economy and create demand for brownfield and other redevelopment sites in low income communities.
- b. In Colorado's that turn brownfields to brightfields by reusing landfills and mine scarred lands to generate alternative energy and supporting Mainstreet programs by linking streetscape and other improvements to brownfield sites to increase their marketability and spur redevelopment.
- c. New York's initiative to link brownfield redevelopment planning - the Brownfields Opportunity Area Program - with smart growth.

Detailed descriptions of these models are attached for your information.

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Attachment

Models for Maximizing Brownfield Resources for Re-Building Local Economies and Protecting the Environment

CHICAGO'S USE OF GREEN POLICIES TO GENERATE DEMAND FOR SITES IN LOW INCOME COMMUNITIES

Demand, a critical piece of the brownfield redevelopment puzzle, is often missing for sites in low income communities where market demand for sites—brownfield or not—is limited. Most developers choose to invest their time and resources in less risky, healthier communities. This problem is exacerbated on brownfield sites where the weak market cannot accommodate the extra, non-value added, costs of brownfield assessment and clean-up. In Chicago nonprofit organizations are hard at work using green policy drivers and the transformation to the green economy to redevelop brownfield and infill sites in low income communities.

For example, the Delta Redevelopment Institute (Delta), a Chicago based nonprofit, has developed a number of model programs designed to spur demand for these sites. Delta worked with the Chicago Botanic Garden and other organizations to develop the business plan for **Windy City Harvest**, a social venture that is transforming a __ acre brownfield site into a year-round farm with greenhouses and outdoor growing space where unemployed trainees produce organic vegetables for sale through farmers markets and local stores. Delta also worked with a local produce store to establish a **farmers market** to test the market for a permanent store on a brownfield site in Chicago's food desert. The farmers market provided fresh fruits and vegetables to community residents this past summer and negotiations are underway regarding construction of a permanent store.

Delta is using the City of Chicago's new construction and demolition debris recycling ordinance and growing demand resulting from the LEED certification process to establish a building materials reuse center called the **Rebuilding Exchange** in an underutilized multi-story industrial building on Chicago's south side. Delta has partnered with another nonprofit organization, the Reuse People, to deconstruct (as opposed to demolish) over 25 homes to date for sale at the Rebuilding Exchange and is actively working with the City, the State and other partners to develop the deconstruction industry in the Chicago area. The Rebuilding Exchange will provide many economic and environmental benefits.

The Rebuilding Exchange is a driving force for constructive change in the Chicago region, creating new jobs, fostering sustainable, healthy communities and protecting the environment. In the United States, buildings consume 60 percent of our raw materials, and account for 40 percent of the solid waste stream. Deconstructing buildings rather than demolishing them allows these materials to be reused in other building and renovation projects, diverting waste, creating jobs and protecting natural resources.

The first of its kind in Chicago, the Rebuilding Exchange features a rich inventory of used building materials for developers, contractors and individuals alike, making them accessible to everyone, at a variety of income levels. By providing materials, educational resources, job training and policy guidance, the Rebuilding Exchange is driving the growth of a truly sustainable construction industry.

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A typical residential demolition requires 1-2 workers for 1-2 days. Deconstruction requires 5-6 workers for up to 6 weeks, thereby creating jobs and diverting material from the landfill. The Rebuilding Exchange provides deconstruction job training and placement for ex-offenders in this emerging green collar jobs sector.

Quality used building materials at a low cost will be available at the Rebuilding Exchange. Chicago residents can now afford a healthier home, while contributing to a healthier community. In 2006 alone, demolition permits were issued for 4,500 single-family homes and duplexes in Chicago. If deconstructed, most of these materials could be reused and diverted from the landfill. Deconstruction and reuse protects natural resources and reduces our carbon footprint!

Delta has partnered with a private developer, Baum Development, to create the **Green Exchange**. The Green Exchange will be the country's largest commercial real estate development designed for the advancement of green business, located in a vacant four story industrial loft building. Beginning in early 2009, the Green Exchange will provide 272,000 square feet of LEED certified space that will serve as an epicenter for green businesses and organizations in the region.

As the transformation to the green economy gets underway, businesses face many challenges making sense of the dizzying array of options and opportunities for greening their businesses. The Delta Institute managing the share space portion of the Green Exchange and establishing a Green Business Development Center there to help green and greening businesses make economically, environmentally and socially sound choices about greening their business operations, their buildings, their products and their supply chains.

Delta's Green Business Development Center, the first of its kind in Illinois. Its mission coincides with the mission of the Green Exchange—to move the green marketplace from niche to mainstream. Our common goal is to transform the region into a vital center of the emerging green economy.

What do businesses *really* need to participate in the green economy? They need the roadmap from here to there, inspirational leadership, the capital to take their first steps, and credible answers from people with experience. The Center will address these needs by providing services to green and greening businesses:

- Planning and goal setting to clarify which green pathways a business should explore based upon their unique circumstances;
- Education, training, and workshops about green options and opportunities;
- Audits and technical assistance to assess the environmental and economic impacts of a range of alternative green strategies;
- Assistance with meeting new green supplier standards;
- Services such as bulk purchasing of green commodities to lower costs and seed capital for promising new businesses;
- Information about and access to a variety of incentives and financing alternatives that support green business investments;
- A buyers and suppliers network connecting green businesses;
- A resource and referral network connecting businesses to other resource organizations;
- Mentors and volunteers recruited help customers achieve their goals.

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Delta will use feedback from the green and greening businesses it works with to identify unmet needs and new opportunities to facilitate their transition to the green economy by creating additional programs, resources and financing tools that support green and greening businesses.

Delta was recently awarded a four year grant from the US EPA to develop additional models that use green policy drivers to generate demand for brownfield sites in weak market communities. Delta is considering assisting projects such as a waste reuse park and a wind energy parts production strategy.

COLORADO'S MAINSTREET AND BRIGHTFIELDS PROGRAMS

Community-focused nonprofits are catalyzing brownfields redevelopment that supports green infrastructure by developing renewable energy on brownfield sites called brightfields and in supporting Mainstreet programs to revitalize the downtowns of communities large and small.

Brownfields sites can provide new opportunities to develop our green infrastructure-- especially our nation's renewable energy generation infrastructure. For example communities in Virginia, South Dakota, and Colorado are taking advantage of infill sites where environmental conditions result in a highest and best use for distributed renewable energy generation-- energy generated for the benefit of local businesses and residents (surplus energy can also be put back into the grid). The development of distributed renewable energy production requires a skilled workforce, supports national energy security goals, and is an opportunity in just about every community across the country. Research and development is creating renewable energy systems that can be constructed on industrial sites, mine scarred lands, closed landfills, and similar sites. Community-focused nonprofits working in the brownfields arena can provided the necessary technical assistance to effectively move these development sites to success.

As one example, the Colorado Brownfields Foundation is evaluating the feasibility of using multiple renewable energy technologies (solar, biomass, and methane) at a former landfill site centrally located in Colorado Springs, Colorado. The key to this economic development model is situating renewable energy on an infill site that is not only in proximity to existing businesses, but also supports the community's ability to attract new businesses. As a model, similar former landfill sites located throughout the country are an opportunity to implement widespread development of renewable energy infrastructure and to showcase emerging energy production technologies **changing these sites from brownfields to brightfields**. Community-focused nonprofits are a catalyst to turning these well located yet fallow sites into green infrastructure.

Redeveloping brownfields on Main Street facilitates economically strong downtowns. Brownfields sites are often in and around downtown districts creating eyesores and gaping holes in urban, suburban, and rural streetscapes. The reuse of these sites fosters economic stability, improves property values, and encourages new private investment in these crucial economic nodes. For example, in Colorado, brownfields redevelopment has facilitated the revitalization of downtown sites including the Colorado towns of Rocky Ford (1/2 acre site; population 4,000; projected new payroll \$80,000; projected new jobs 4) and Westminster (1/2 acre site; population 100,000; projected new payroll \$1 million; projected new jobs 30). Community-focused nonprofits working in the brownfields arena provide the necessary technical assistance to effectively redevelop similar sites.

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Concerned about continuing threats to Main Street's commercial architecture and aware of the need to stimulate economic activity in small-city downtowns, the National Trust for Historic Preservation created their Main Street Program. As an example of leveraging the Main Street Program, the Colorado Brownfields Foundation (a brownfields-oriented Community-focused nonprofit) has been collaborating with the Colorado Main Street Program to conduct downtown assessments and provide the economic and real estate expertise to help downtowns create new business plans for their success. Nationally, the Main Street Program has proven to be an incredibly successful economic development tool; it has been implemented in 44 states and more than 1,600 communities. Promoting more coordination between brownfields-oriented nonprofits and local and state main street organizations can be a powerful economic development apparatus utilizing existing organizational infrastructure. Support of these collaborations between community-focused nonprofits is critical to the economic revitalization of the country's downtowns.

NEW YORK'S BROWNFIELD OPPORTUNITY PROGRAM

A critical component of any economic stimulus/green economy program is the need to prioritize and target resources based on local community priorities and plans for redevelopment. A potential model for developing plans to revitalize communities, particularly those in urban/downtown areas is **New York's Brownfield Opportunity Area (BOA) program**. The BOA program brings together key ingredients necessary to catalyze the revitalization of economically distressed areas through the reclamation of brownfields in a way that will help to meet local community needs and ensure the sustainability of the neighborhoods in which these sites have long been eyesores. The BOA program is also critical to reducing unhealthy sprawl development.

The BOA Program is a community planning tool that seeks to address entire neighborhoods and clusters of brownfields within those neighborhoods, including the conditions fueling abandonment and decay. It encourages residents and community groups to work with municipalities, providing planning grants and seed money to conduct planning, economic analysis, market studies, and data gathering to create a viable plan for the cleanup and redevelopment of brownfield projects. It is possible, through BOAs, to attract new investments in neighborhoods that might otherwise never inspire a developer or site owner to redevelop an abandoned property. The BOA Program was conceived as a tool to achieve environmental justice by enabling low income communities burdened with multiple brownfield sites, high incidence of disease and unemployment, to identify and implement alternatives to noxious uses as the primary future for brownfield sites.

At its heart, the BOA program is about creating value. It recognizes that a brownfield program that is based on a "one-parcel-at-a-time" strategy will not result in the revitalization of distressed areas and will frequently invite dirty or stigmatizing uses such as garbage transfer stations. Instead, the BOA approach can reverse the cycle of disinvestment and decay – not by cleaning up one parcel at a time, but by creating a plan for an entire area, including housing, shops, small manufacturing, public amenities, and infrastructure improvements: street lights, trees, parks, sidewalks and roadways. These are the things that together define functional communities and livable neighborhoods that allow current residents to remain and also attract new residents.

Recently, the BOA program was recognized as a key piece of New York State's smart growth strategy to connect the previously disparate initiatives of "smart growth" and brownfields. In the press release announcing Brownfield Smart Growth Spotlight Communities Initiative, Governor Paterson stated "Even

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in these economically trying times, we must remain aware of the need for us to invest in New York's future. The Brownfields Smart Growth Spotlight Communities Initiative helps us to achieve that goal by building on our commitment to the smart growth principles of sensible, balanced development in town and city centers in need of revitalization. The partnership between BOA community participants and my Smart Growth Cabinet will ensure that the improvements we make create jobs and generate growth as we protect our environment." By formally linking the community based planning and prioritization that is at the core of the BOA program with smart growth principles and resources, this initiative would address the unique urban neighborhood circumstance of clustered brownfield sites, dilapidated infrastructure, inadequate access to waterfronts and parks, and cumulative environmental exposures, in a manner that integrates smart growth, environmental justice, sustainable design and ecosystems management components. It is the targeting of public resources, such as infrastructure resources, based on local priorities and planning, that offers the opportunity to establish a similar program at the federal level, particularly in connection with the economic stimulus programs. .

This initiative is viewed as a first step towards achieving a larger vision that seeks to leverage the "smart growth" wave to achieve community revitalization goals in urban areas/downtowns, especially low income communities. Until now, New York's smart growth efforts had been focused exclusively on preserving the green, low population areas. This is similar to efforts around the country to advance sustainable practices, utilizing terms such as "sustainable development," "green development/green jobs." There has not been a parallel focus on or commitment to regenerate urban/downtown areas or low income communities, in an environmentally or economically beneficial way. The limited government resources through the Spotlight Communities Initiative, particularly in these difficult fiscal times, are replicable in other downtowns/urban centers. And, we expect opportunities to arise for showcasing this work at the national level as a model for urban centers across the country.

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