

Brownfield Remediation and Redevelopment in Illinois

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Many Illinois municipalities have been actively engaged in remediating and redeveloping brownfield properties. In a recent article we examined the types and characteristics of properties redeveloped, actual or planned uses of the properties, investment amounts and expected employment outcomes.

Municipalities responding to surveys in 2002 reported that brownfield properties are usually returned to industrial or commercial uses or to start a new industrial or commercial enterprise. The amount of investment and the number of jobs created or retained are key outcomes used to analyze the economic impact of a brownfield project. Private investment generates tax revenues for the municipality; however, public investment in parks or other public facilities improves quality of life and may ultimately attract business investment. This article examines the processes or strategies used in brownfield redevelopment and identifies the key players involved in the process, the expected public returns and the impacts on municipalities.

Management Strategies

Effective planning helps to increase the likelihood of success in municipal brownfield redevelopment projects. A majority of responding municipalities have a comprehensive land use plan (84.6 percent) as well as an economic development plan to help retain and/or expand current businesses (77.6 percent). Approximately half have a *written* plan for business attraction (52.9 percent). When asked whether brownfield redevelopment is a part of the city's formal economic development strategy, 56.9 percent replied affirmatively; however, only 21.2 percent of the cities had a written policy.

Respondents reported that brownfield redevelopment efforts are important in managing municipal growth and development (an average of 3.48 on a five-point scale, where 5.0 is very important). On average, municipal officials are more neutral regarding whether brownfield remediation is a *municipal* responsibility (2.94), indicating private investment is crucial to future successes on this issue.

A survey conducted in 2000 by the IIRA concluded that many cities lack the necessary funding for significant brownfield remediation efforts and demand for industrial or commercial property is limited especially in smaller cities. Likewise, a fear of potential liability hinders some local initiatives.

Management Practices

Most cities (80.4 percent) reported an active management process for brownfield properties usually with monitoring by the city. Inspections by city personnel (65.9 percent), meetings with developers (61.0 percent), and meeting with city representatives (60.0 percent) were most often reported. In addition, 56.0 percent reported institutional/engineering controls such as land use or groundwater restrictions, or engineered barriers, on some or all brownfield sites.

Statewide, nearly two-thirds (62.5 percent) of respondents said that brownfield properties will require additional public expenditures to attract private investment (Table 1). A need for extra actions by city government to attract businesses was reported by nearly all respondents (91.8 percent). Infrastructure upgrades were most common (64.4 percent) especially in cities with 300,000 or more square feet of brownfield property (76.5 percent) compared with 47.1 percent of cities with small projects. Cities with smaller property sizes are more likely to return them to previous uses while larger properties are more likely to be subdivided which requires additional infrastructure modifications.

Table 1. Attracting Investment and Businesses

Question	All Respondents	
	Percent	Number
Will the Brownfield properties require additional public funds to attract private investment?		
Percent responding yes	62.5	30
Will additional city actions be used to attract businesses?		
Percent responding yes	91.8	45
If yes, which actions will be taken:		
Infrastructure upgrades	64.4	29
Technical support by city employees	57.8	26
Property tax incentives	53.3	24
Low interest loans/revolving loan funds	46.7	21
Land price write-downs	44.4	20
Zoning concessions	20.0	9
Job training initiatives	15.6	7
Free city services	8.9	4
Loan guarantees	6.7	3

Source: Brownfield Outcomes General Survey, 2002-2003, n = 52.

Technical support by city employees was listed as needed by 57.8 percent of respondents as were fiscal incentives such as property taxes (53.3 percent) and land price write-downs (44.4 percent). The need for land price write-downs varies with the attractiveness of the property for economic development. Nearly half of the respondents (46.7 percent) said the city would offer low interest loans or revolving loan funds to businesses.

Respondents also rated the involvement of various groups in promoting brownfield properties (Table 2). City administrators (4.22 on a 5.0 point scale) were most involved, followed closely by the mayor or village president (4.16), and IEPA representatives (4.14). The city council (3.98), private consultants (3.98), and property owners (3.06) also promote brownfield properties. The Department of Commerce and Economic Opportunity (DCEO) is involved but to a lesser extent (2.22) probably because many projects are still in the early stages of the development process where the focus may be more on remediation, rather than redevelopment, issues.

Table 2. Promoting Brownfield Projects

Question	Code: 1=not at all; 5=very involved	All Respondents	
		Mean	Number
How much were the following groups involved in promoting Brownfield projects?			
City administrators		4.22	49
Mayor or village president		4.16	51
IEPA representatives		4.14	51
City council		3.98	51
Private consultants		3.98	49
Property owners		3.06	48
Business investors		2.83	41
Economic/community development corporations		2.57	44
Other state agency representatives		2.38	21
Federal agency representatives		2.28	46
DCCA representatives		2.23	47
Financial institutions		2.16	45
General public		2.16	38
Regional planning commissions		2.02	45
Local environmental groups		1.61	44
Public health agencies		1.59	44
Non-governmental organizations/community groups		1.58	31
Local colleges/universities		1.49	43

Source: Brownfield Outcomes General Survey, 2002-2003, n = 52.

Public Returns

Brownfield redevelopment projects often produce substantial public returns in increases in assessed valuation, sales taxes and building permits. Survey respondents reported an average expected net increase in assessed valuation of \$6.0 million, with downstate municipalities reporting a significantly higher expected increase (\$7.9 million) than those in Cook and collar counties (\$3.4 million) due to the large properties in a few downstate municipalities.

The expected average increase in retail sales taxes was estimated conservatively at \$108,571 and optimistically at \$245,250. A majority of building permits issued in cities in Cook and collar counties were for residential uses, whereas downstate cities issued more permits for industrial and commercial uses.

Impacts on Municipalities

Respondents ranked the impacts of brownfield redevelopment efforts on the municipality (Table 3). Improved aesthetic appearance of the community is a major effect (4.07 on a 5.0 scale), followed by: helped to prioritize local economic development projects (3.30), decreased perceived health risk (3.28), and revitalized local tax base (3.05). On the other hand, lowering crime, vandalism and other social problems (2.02), changed municipal approach to industrial recruiting (1.79), and created affordable housing (1.62) were not viewed as major outcomes of brownfield redevelopment efforts.

Inadequate local funding to undertake brownfield projects as reported by many cities (3.43) (Table 4). Other limiting factors include perceived potential liability (2.91), environmental regulations (2.87), and resistance from property owners (2.81). Compared with previous surveys, perceived potential liability is a less significant limitation,

Table 3. Impact on City

Question	Code: 1=no effect; 5=major effect.	All Respondents	
		Mean	Number
How did the Brownfield redevelopment efforts impact your municipality?			
Improved aesthetic appearance of community		4.07	44
Helped prioritize local economic development projects		3.30	44
Decreased perceived health risk		3.28	43
Revitalized local tax base		3.05	40
Improved local infrastructure		2.62	42
Stimulated downtown		2.57	42
Decreased citizen complaints		2.52	44
Made residents more aware of pollution issues		2.29	42
Promoted more environmentally friendly industries		2.20	41
Decreased pollution		2.27	41
Strengthened industrial attraction of city		2.24	42
Increased access to public facilities		2.07	42
Lowered crime, vandalism, and other social problems		2.02	42
Changed municipal approach to industrial recruiting		1.79	42
Created affordable housing		1.62	42

Source: Brownfield Outcomes General Survey, 2002-2003, n = 52

probably due to outreach efforts by the IEPA in recent years. When asked about assistance/information needed to more adequately address issues and concerns about brownfield redevelopment, a majority of municipal officials (69.4 percent) requested information about financing options. Printed material outlining programs and EPA-related seminars and workshops were each mentioned by 35.4 percent of respondents.

Table 4. Brownfield Successes

Question	Code: 1=no limitation; 5=major limitation.	All Respondents	
		Mean	Number
How much have the following factors limited the successes of Brownfield projects?			
Shortage of local funds		3.43	49
Perceived potential liability		2.91	46
Environmental regulations		2.87	46
Resistance from property owners		2.81	47
Need for additional assessment of property		2.44	48
Paperwork involved in applying for funds		2.39	46
Limited or no demand for property		2.24	46
Lack of city staff and/or technical expertise		2.20	46
Lack of support from financial institutions		2.09	45
Lack of understanding of grant requirements		2.07	46
Inadequate infrastructure for development		1.93	46
Lack of community interest		1.91	47
Neighborhood conditions (crime, poverty, etc)		1.58	45
Poor intragovernmental coordination		1.47	45
Poor coordination with utilities		1.40	45

Source: Brownfield Outcomes General Survey, 2002-2003, n=52.

Municipalities (57.1 percent) have used community outreach techniques to gain support for brownfield projects. Most often, public forums (51.1 percent) and a community advisory committee or task force (42.2 percent) were employed.

Conclusion

Successful brownfield remediation and redevelopment requires effective planning and management practices as well as involvement by private investors. There is clear evidence that lack of local funding is an issue limiting remediation by some cities. Potential liability was also mentioned in some instances but, as an obstacle, that seems to be less now than before.

The survey responses indicate that brownfield projects can produce significant public returns and various non-monetary benefits to participating municipalities. However, the redevelopment process is not quick and takes substantial effort by municipal officials working with private businesses. As the national economy recovers, one might expect to see more interest in brownfield properties by businesses and it appears from this survey that many municipal leaders are ready to work with them. ■

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