

**Promoting Brownfield Redevelopment:
Role of Public-Private Partnerships**

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PUBLIC- PRIVATE PARTNERSHIPS: A Key Component in Local Brownfield Success

Partnerships are vital to a sustainable redevelopment program because they foster communications and the building of cooperation and trust between relevant stakeholders. Public-private partnerships also provide the mechanism to identify and apply available financial resources to meet the needs of brownfield redevelopment efforts – either broadly or site specific. By their nature, successful brownfield public-private partnerships are closely linked to community involvement and state and federal program participation, which also play a vital part in brownfield revitalization strategies. Therefore, initiating such partnerships as early in the process as possible – recognizing the characteristics of the particular brownfield situation – can contribute to the achievement of other critical components and provide the framework that addresses the barriers that can impede local brownfields activities. Most important, these partnerships will ensure that the interests and concerns of the involved stakeholders will be identified – and ultimately met.

STEPS IN A SUCCESSFUL PARTNERSHIP PROCESS

Defining and launching “public-private partnerships”. A successful local brownfields redevelopment effort will involve a variety of stakeholders, each of whom has specific interests and capabilities which can contribute to project and process achievements. The stakeholders in a brownfields context include bankers, elected officials, investors, developers, (both private and non-profit), private business owners, lawyers, environmental professionals, local agency staff and private practitioners in several areas (such as economic development, engineering, or technology services), insurance providers, state and federal government officials, community representatives, and university experts – basically, anyone with an interest in reviving a distressed area.

In addition, groups of these stakeholders – such as community development organizations, chambers of commerce, or business councils – can contribute to the process. For example, in some places, civic improvement associations or area improvement councils serve as coordinating entities or informational focal points, and can serve as a recognized "rallying point" for diverse stakeholders as local plans evolve. Such broader partnerships, however, need “teeth” to be more effective – they need adequate funding and technical resources to operate.

Brownfield redevelopment partnerships must both be pursued according to the particular local situation and also supported by the state and federal government with process and/or financial resources. Partnerships are important because they foster communications and build bridges between the relevant stakeholders. They can dispel

uncertainty, which can lead to project cost savings in the long run. They can assure a cooperative effort that can provide an effective mechanism for achieving other critical strategic redevelopment components.

Initiating such partnerships as early in the brownfield reuse process as possible is a valuable step to the successful completion of a project or strategic plan. They are critical to the successful development of trust among the various players, which can often break a project financing log jam. Public-private partnerships can help in the establishment of priorities, especially for committing financial resources made available through a stronger federal and state role. They can also identify ways to streamline the reuse process, and provide an opportunity for positive connections between private and public sector resources that can serve as incentives for redevelopment.

It is important to remember that public-private partnerships need not only have a financial relationship; effective partnerships can have economic impacts that go beyond the transfer of cash. Partnerships can be developed at different levels, between different stakeholders (as indicated earlier), and according to the specific redevelopment strategy (such as site specific, neighborhood-wide, or city-wide), by anticipated barriers, different agendas, marketability, financial requirements, environmental concerns, and so forth. Furthermore, such partnerships can change as the redevelopment strategy proceeds forward, and may include the following.

- *Partnerships that are site specific* (i.e., between government, developers, lenders and community groups) can be the framework to develop trust, as well as focus financial and technical resources and eliminate regulatory barriers and inconsistencies.
- *Partnerships that can lead to cooperative efforts*, ones that define local revitalization plans both city-wide and by neighborhood; in this regard, the involvement of the community is critically important, in terms of marketing to and linking with the appropriate private sector developers and investors.
- *Partnerships that provide stronger financial support with less stringent requirements*; in other words, partnerships that help link resources to brownfield sites in ways that do not penalize them because of the presence or perception of contamination.
- *Partnerships that are programmatic* (i.e., between government) should try to identify the need for regulatory and process change and facilitate the timely and acceptable resolution of broad regulatory policy issues that impede redevelopment.

For example, partnerships can effect a framework that treats brownfield sites not as superfund sites but as properties where the focus of reuse is more toward the integration of economic redevelopment with environmental protection. In particular, such relationships can establish new directions in that support brownfields in a consistent way at all levels of government.

Determining how partnerships benefit marginal value site reuse efforts.

Partnerships may be particularly useful for marginal market sites where cooperation and collaboration between government and developers or lenders can “level the playing field” by facilitating:

- The timely up-front determination of environmental issues, i.e., cleanup strategies and cost (this may require that municipalities have capability in-house or consultant support to conduct site assessment and/or cleanup for cost-clarified and/or shovel ready sites);
- A mix and match of various approaches and program resources that integrate both redevelopment and environmental requirements; and
- An early definition of regulatory requirements and process uncertainties.

Articulating a community role in partnerships and sustainable development.

The frequently stated community interest and concern in short- and long-term brownfield reuse issues highlights the importance of revitalization in changing the conditions within the local community (to generate new jobs, a stronger tax base, and an improved environment). It also accentuates the benefit of government agency partnerships with communities. Such partnerships provide opportunity to develop shared community vision, site specific community involvement, and an opportunity for addressing redevelopment in the context of quality of life and social well-being. In particular, such partnerships can lead to the development of an integrated and consistent development agenda, infrastructure planning, or use of financing capabilities and the identification of project specific joint ventures.

Recognizing the range of responses for instituting partnerships. It is important to recognize that there are different levels of partnerships and “appropriate times” to initiate partnerships based upon the particular community situation. However, the track record of a growing number of project successes indicates that early planning that includes outreach to various stakeholders can be an excellent step toward strategically defining the need for and timing of those partnerships needed for a sustainable redevelopment program.

WHAT HAVE THE SUCCESS STORIES TOLD US?

Overall, partnerships such as university with community, and/or local state, federal government municipal with financial/development community municipality with regulatory agencies, owners and potentially liable parties, state and/ or federal agencies with municipalities, owners, developers lenders and municipalities can address critical barriers to brownfields redevelopment. The strategy for carrying out public-private partnerships will be affected by several factors pegged to the "public" component of the effort: the size of the municipality, magnitude of the redevelopment program (including the available inventory of brownfields sites), and local leadership and commitment.

Large municipalities should consider a wide spectrum of options that cover both program and site specific issues. Moderately sized municipalities – depending on their inventory of sites and anticipated level of activity – could effectively use partnerships through standing committee or project specific groups. Small municipalities would probably benefit by a core group that would be expanded as needed. In all situations, though, leadership and commitment are critical. Larger municipalities will require a higher level of leadership to ensure consistency in outreach, full participation in decision-making, and accountability. Such leadership could be at the mayoral level or at high levels of the city administration, such as at the division director level. Designation of a brownfields coordinator, who has been given sufficient authority to act, can be an important action. Moderate-sized to small municipalities could rely on a suitably empowered brownfields coordinator to provide the leadership needed for partnerships.

Implementation of partnerships can be achieved through a strategy that may, based upon the specific community situation, include the following components.

Define program-based partnerships. Critical barriers related to regulatory process, redevelopment financing and liability may need redirection or change at the policy or procedural level. Therefore, the municipal redevelopment program should, based upon its experience, define the need and relationship between government and other players on the local brownfields scene that can address these barriers in a timely manner and ultimately avoid site-specific delay or impediments. These relationships, promoted through local, state and federal government partnerships, can deal with the broad regulatory issues and establish consistency between all levels of government. The initiative should be made at the local level.

Work within the existing municipal administrative infrastructure. Efforts to promote public-private partnerships must recognize and be responsive to the premise that they are cooperative, multi-disciplinary, and require a proactive effort. Therefore, the municipality should establish by policy and/or procedure the mechanisms for establishing and supporting partnerships on a timely basis. Such a policy could establish as a

municipal goal partnerships that achieve the broadest participating structure that meets the municipality's brownfields's agenda.

Identify the local elements that lead to successful public-private partnerships.

Communities need to decide what elements will contribute to successful partnerships, those that provide positive impact on the locality's brownfields program. In particular, this includes the development of other critical sustainability components; this will not only require early planning but also effective outreach. In this regard, the goal of such outreach should be:

- *educational* – ensuring that the various stakeholders who may ultimately be part of the partnership are adequately informed and involved in the overall municipal redevelopment program.

This includes participation in determining a community's vision, priorities, institutional framework, assistance available, issues, barriers, and so forth. It will require thoughtful planning that meets stakeholder needs that may be different, and local commitment of resources. The critical components relating to community involvement and federal and state program participation are particularly relevant.

- *building of trust* – the municipality, regardless of size should develop relationships with its various stakeholder groups to ensure interactive dialogue, responsiveness and accountability to lead to the building of trust.

This will facilitate the establishment and implementation of partnerships when needed, and should also help promote the advancement of the local sustainable program – either broadly based or project-specific.

Build and carry out sustainable partnerships. Interactive dialogue and the building of trust is a critical need for a successful brownfield program. Experience suggests that either a formal or informal structure can achieve this building of relationships between the appropriate stakeholders. The selection of the structure best suited for the municipal program can be site-specific or programmatic. The successful application of the other components will also contribute to the selection of the best structure. Therefore, the municipality should establish its mechanism as early as practical. There are several potentially viable methods that can help institute the right public-private partnerships.

- *informed collaborative relationships* – municipalities, no matter what their size, should strive to develop and maintain relationships with stakeholders who are or may eventually be involved in revitalization.

This involves strong program outreach and, as discussed in the community involvement section, a strategy that leads to frequent contact with political leadership and key municipal officials; it must also encourage stakeholder interaction. In the case of large municipalities, this may also require the designation of a key contact (such as a brownfields coordinator) who can be accessible, responsive, and proactive in advancing collaboration.

- *institutional stakeholder groups* – the municipality should, based upon the anticipated scope of its redevelopment program, establish a standing organization that can serve as an advisory board or steering committee.

The steps that should be considered in forming this type of stakeholder groups include: **(a)** defining its purpose (through guidance and advice on public policy), as well as an approach to program evaluation, needs definition, and creative solutions; **(b)** identifying group representation and potential leadership; **(c)** initiating formation of the group and providing appropriate resources to allow it to operate; and **(d)** institutionalizing the organization through appropriate local action.

- *task forces* – such groups representing the range of stakeholders can help identify issues and potential solutions and develop useful materials for the overall program.

In general, the size of the task force will be dependent on the issue and specific local situation, especially the number of stakeholders involved. This decision should be strategically made and should receive careful consideration, with roles, responsibilities and expectations/outputs clearly defined early in the process. These areas should be re-evaluated as the program matures, as it goes from dealing with projects on an ad hoc basis to one of a more ongoing nature. In this regard, the stakeholder membership might also vary with the nature of the program – recognizing that time and resources will be needed to educate new participants in the process.

- *advisory boards* – boards representing a council of professionals can be formed to provide advice and guidance to the municipality on those major aspects of the redevelopment program.

For example, in Trenton, New Jersey, the city formed the “Brownfields Environmental Solutions for Trenton” (BEST) advisory council to examine public policy issues and changes, review city products, and provide guidance on an action plan for future redevelopment in the city. BEST included representatives from New Jersey DEP, federal EPA, city and county officials, academia, environmental engineering firms, financial institutions, non-profit organizations, local residents, and business owners.

- *working groups* – can be used to conduct specific activities associated with individual sites and programmatic issues or requirements.

In some communities, working groups are involved in ranking sites for their potential investigation and planning (based upon redevelopment opportunities), providing guidance on specific parcel selection, and participating in the community involvement effort. In other places, they carry out basic community outreach or serve as liaisons between neighborhoods and developers.

In short, when successfully developed and used as a cooperative, multi-disciplinary and proactive effort, public-private partnerships can significantly contribute to successful local brownfield revitalization efforts. Moreover, these partnerships can have positive impacts that carry through the entire brownfield process. For example, they can:

- provide an effective forum for stakeholder, to help develop the vision that is critical to a sustainable program;
- contribute to the development of measures of success and accountability, both of which are important to community involvement;
- improve government cooperation and interrelationships that can optimize the availability of federal and state assistance through an integrated approach advanced by the partnership; and
- involve stakeholders to implement institutionalization requirements such as formal business plans, comprehensive master plans, etc.

In addition, partnerships are important to securing financial incentives. They can place the proper emphasis on the economic significance of brownfield redevelopment to the local community, and help to level the playing field especially for marginally viable sites by identifying and focusing available resources. Those partnerships that enhance federal and state program participation will provide additional benefits, such as strategies for liability relief, coordinated education and outreach, integrated assistance for problem resolution and technical assistance) and the promotion of successful approaches. partnerships can be used in the development of a detailed strategy needed to guide stakeholder involvement.