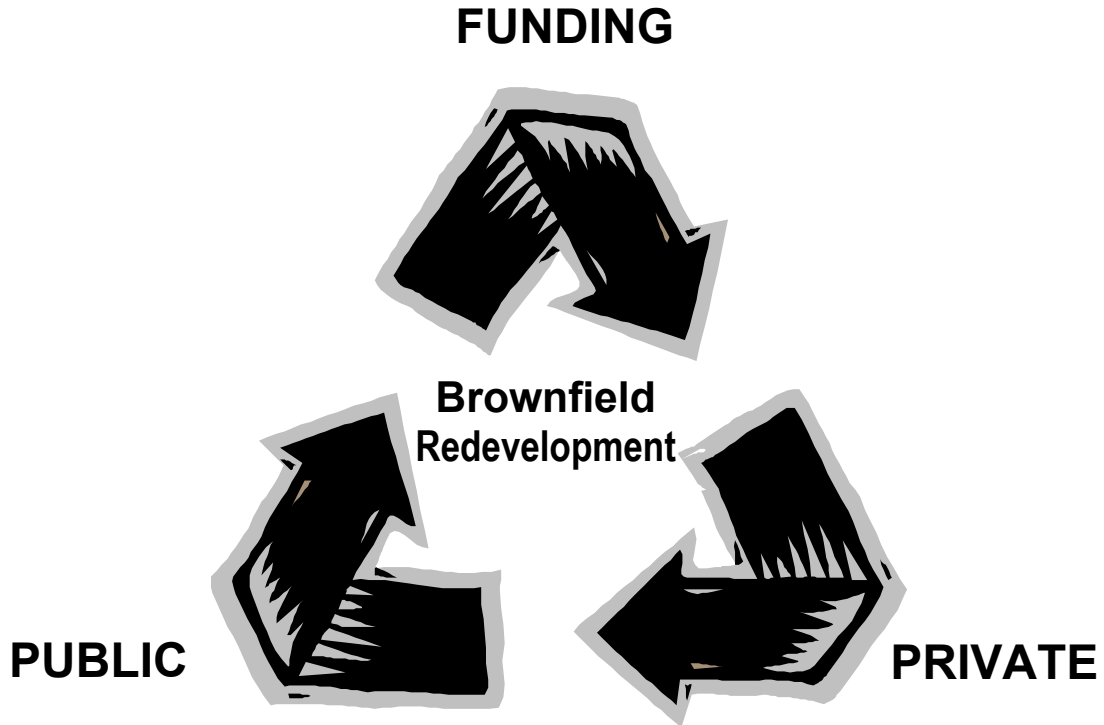


**Mansfield, Ohio
“PR Project – Path to Revitalization”
Brownfield Initiative – A National Model**



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- ***Background***

The 19th largest city in the State of Ohio, the City of Mansfield is the county seat of Richland County with a population of 50,793.

The City of Mansfield is a State recognized labor surplus area with a poverty rate of 17.8% and an unemployment rate of 9.0%. The median household income is \$22,591 with 48.2% of the population being low to moderate income.

The City of Mansfield is a typical “RustBelt City” that struggled to survive during the late 70s and 80s after an abrupt decline in manufacturing because heavy industry sought cheaper overseas labor markets.

A mass of vacant rundown buildings, broken windows, prostitution, crime and drugs overwhelmed the City.

- ***Revitalization Efforts***

Main Street

In 1989, community leaders, businesses and neighborhood groups committed themselves to the revitalization of downtown by adopting a *Main Street* program for downtown Mansfield. This program is based on the National Main Street U.S.A. program, which successfully operates in over 2,000 cities in all 50 states.

Main Street Mansfield focuses on the growth and development of downtown through business attraction and retention activities, special promotions , downtown design strategies, and economic restructuring programs.

One of the key economic incentives originated through *Main Street Mansfield* was the formation of a low-interest loan pool, which was created to attract and encourage development within the downtown area. Administered by *Main Street Mansfield* and funded by five local financial institutions, the loan pool has been very successful in fostering both expansion and new business start-ups.

In the six years that the loan pool has been available over \$1.1 million has been distributed to over 25 businesses. In most cases, these new businesses would have been unable to otherwise secure small business financing.

In 2001, the City of Mansfield was awarded “*The Great American Main Street Award* “. This is an annual award that recognizes exceptional accomplishments in revitalizing America’s historic and traditional downtowns and neighborhood commercial districts.

Brownfields

The City of Mansfield has developed a brownfield redevelopment master plan entitled “*PR Project -- Path to Revitalization*” (“*PR Project*”).

There are five main components to the “*PR Project*”:

- 1) identification of potential brownfield sites
- 2) assessment of brownfield sites
- 3) remediation of brownfield sites
- 4) redevelopment of brownfield sites
- 5) prevention of brownfield sites

The City’s “*PR Project*” is a mixed, linear redevelopment zone with new and original industrial and commercial properties. This area also contains large vacant and underutilized land parcels where economic activity is at a low or absent use. Within this corridor are numerous abandoned and obsolete buildings of all sizes and uses. This industrial corridor no longer meets the operating efficiencies demanded by modern manufacturing processes, and the numerous brownfield sites have depressed both property and community values in adjoining neighborhoods. Depressed real estate values in turn have triggered further disinvestment and abandonment.

Realizing that brownfields is a multifaceted undertaking, the City of Mansfield put together the three critical elements required to make brownfield redevelopment successful -- **PUBLIC PARTNERS, PRIVATE PARTNERS, and FUNDING.**

- Public Partners

City officials communicated with local and state regulatory agencies (**Public Partners**) at the onset of brownfield activity. This dialogue established the necessary foundation for the brownfield initiative to move forward.

- Private Partners

Understanding that the majority of brownfields are “*abandoned, idle or under-used industrial facilities*”, the City secured the services of a contractor (**Private Partner**) that had worked in the industrial arena for over 25 years.

This **Private Partner** offered “first hand knowledge” of the working applications used for the various industrial processes, which proved essential when deciding the most effective and cost efficient method of remediating the brownfield site.

Additionally, current or past owner(s) and/or operator(s) (**Private Partner**) are involved with most brownfield sites; the City realized that it was necessary to make this “apprehensive” **Private Partner** an ally if brownfield redevelopment was to occur. With

“face to face” meetings and presenting a detailed plan with budgets and objectives, the City was able to establish this essential union.

- Funding

The City has obtained various funding for the initial environmental assessments of brownfield sites. Subsequently, the City secured the required funds to commence with the remediation, which has further lead to the redevelopment of three brownfield sites

Some funding sources utilized were:

• USEPA Brownfield Assessment Demonstration Pilot Grants	\$ 200,000
• USEPA Brownfield Revolving Cleanup Revolving Loan Fund	\$1,000,000
• Ohio Department of Development Urban & Rural Initiative Grants	\$1,050,000
• Potentially Responsible Parties (PRPs)	<u>\$ 570,000</u>
	\$2,820,000

(For additional information on these three sites, please see the Brownfield profiles at the back of the packet.)

- ◆ **Challenges**

Complex is synonymous with brownfield redevelopment.

The multiple layers of State and Federal regulations that can pertain to a brownfield site make cleanup extremely complicated. Additionally, obtaining “mutual concurrence” by the various regulatory departments on cleanup strategies is often difficult and exceptionally time consuming.

While lending institutions would like to back brownfield developers, they fear the potential liability of owning a brownfield site should a developer be unable to pay the note. Unfortunately, without lending institutions, many developers do not have the means or access to the excess funds not only needed to acquire and redevelop a site, but also to cleanup a brownfield site.

The starting point of brownfield redevelopment is realizing if potential brownfields truly exist. Many smaller cities simply do not have the resources or the technical experience for such undertakings, and therefore many prospective brownfields continue to set idle.

Smaller cities need a mechanism to secure and to fund the services of an experienced contractor to aid them in the process of identifying potential brownfields in these communities.

From there, the economic and environmental impact of brownfields to these cities can be determined and a strategy formulated to obtain the needed funding for assessment and remediation.

◆ ***Concluding Statement***

The City of Mansfield is fortunate and have had success with our brownfields program, but not without fortitude.

In an effort to spur needed development, the City took ownership to brownfield sites; became the banker by securing loans and grants to assess and remediate the sites; and found end users to invest in the redevelopment of the brownfield site.

Our brownfields cost \$50,000 - \$100,000 an acre when greenfields are priced at \$10,000 - \$20,000 an acre.

The bottom line is “brownfields” are not economical. However, we cannot forget that a part of the definition of Brownfields involves “real or perceived environmental contamination”. Public safety and environmental protection should be the driving force for brownfield redevelopment.

As elected officials, we must remove the perception that Brownfields are an “economic death sentence”. We need to make the brownfield program pragmatic and accessible to communities of all sizes to ensure that all brownfields are being identified, assessed, remediated, and developed.

Furthermore, we need to continue with educating our citizens and businesses on the importance of preventing brownfields from recurring.

We must minimize the retroactive liabilities to innocent participants in an effort to encourage our lending institutions and developers to invest in our communities by investing in brownfields.

“Momentum” is crucial to the successful completion of brownfield projects. Without readily accessible assessment and remediation dollars and without the cooperation and concurrence of regulatory departments, Brownfield Redevelopment will inevitably stall.

BROWNFIELD PROFILE - FORMER OHIO BRASS

Brief History: Founded at the turn of the 19th Century, the Ohio Brass facility manufactured electrical and mechanical components for the railroad industry.

Situated in the heart of the City, the Ohio Brass site consisted of 25 buildings on approximately 10 acres (triangular in shape) and is surrounded by water on two sides and rail on all three sides.

In 1995, Richland County unsuccessfully put the Ohio Brass property up for Sheriff's auction to collect past due taxes. The local Judge ordered that the property be land banked to the City, and the City took title to the property July 11, 1997.

McCabe Engineering & Contracting was hired to complete Phase I and Phase II Environmental Assessments and to dismantle and remediate the site under the Ohio's VAP. Currently, the site is undergoing subsurface contamination delineation. The issuance of a "Covenant No to Sue" is anticipated in the summer of 2002.

Income Sources:

Ohio Department of Development Urban & Rural Initiative Grant (442)	\$ 750,000.00
City of Mansfield	
1) Community Development Block Grant	\$ 175,000.00
2) General Revenue Funds	\$ 35,150.00
3) Scrap Steel Sales from Dismantlement	\$ 154,850.00
PRPs	
1) Hubbell Incorporated	\$ 250,000.00
2) K.K. Lippett Foundation	\$ 100,000.00
3) Lucas Varsity Corporation	\$ 20,000.00

Redevelopment Activity:

Mid-Ohio Lumber acquired three acres and has re-utilized three buildings totalling ~ 50,000 square feet .

a) Capital Improvements to Date	\$ 215,000.00
b) Future New Construction	\$1,000,000.00

TOTAL PROJECT INVESTMENT **\$2,700,000.00**

BROWNFIELD PROFILE - FORMER JOHNSON CONTROLS

Brief History: Approximately 8.37 acres, this site is a former chrome plating, plastics and painting operations with two buildings totaling approximately 100,000 square feet.

Formerly Mansfield Plastics, Johnson Controls bought the property in the late 1980s with prospects to recover payables owed to them by the former owner who had gone bankrupt. In the mid 1990s, Johnson Control (although never a contributor to the contaminants) addressed the aboveground environmental concerns and a portion of the underground issues.

Under the ownership of Johnson Control, the property sat idle for over 10 years. After three years of constant urging, the City of Mansfield negotiated ownership of this property in 1999 including securing funding for remediation activities.

McCabe Engineering & Contracting was hired to complete Phase I and Phase II Environmental Assessments and remediate the site under the Ohio's VAP. Currently, the site is undergoing subsurface contamination delineation. The issuance of a "Covenant No to Sue" is anticipated in the summer of 2002.

Income Sources:

Ohio Department of Development Urban & Rural Initiative Grant (442)	\$ 300,000.00
USEPA Brownfield Assessment Grant	\$ 45,000.00
City of Mansfield 1) General Revenue Funds	\$ 75,000.00
PRPs 1) Johnson Controls (prior to release to City)	\$ 90,000.00

Redevelopment Activity:

Crane Plumbing is in a "lease to purchase" contract with the City and is currently improving both buildings for the expansion of Crane's adjacent, industrial operations.

a) Lease to Purchase	\$ 200,000.00
b) Capital Improvements to Date	\$ 513,000.00
c) Future New Construction	\$ 425,000.00

TOTAL PROJECT INVESTMENT **\$1,648,000.00**

BROWNFIELD PROFILE - FORMER TENNECO (PEABODY BARNES)

Brief History: This facility was a former pump manufacturer with multiple past owners since the early 1900s. A 5-acre site with two buildings totals approximately 100,000 square feet.

In the early 1990s, the site became vacant and sat idle for almost six years before a local end user, Moritz Trailer, leased the property from Tenneco. After a two-year lease, Moritz was asked to purchase the site or move.

Unable to immediately purchase the site and not wanting to move, Moritz requested the assistance of the City. The City negotiated the ownership of the property from Tenneco including remediation dollars, and entered into a “lease to purchase” arrangement with Moritz.

McCabe Engineering & Contracting was hired to complete Phase I and Phase II Environmental Assessments and remediate the site.

Income Sources:

USEPA Brownfield Assessment Grant	\$ 45,000.00
City of Mansfield	
1) General Revenue Funds	\$ 35,000.00
PRPs	
1) Tenneco Automotive	\$ 200,000.00

Redevelopment Activity:

Moritz is in a “lease to purchase” contract with the City and is currently improving both buildings and planning for new construction on the site for the expansion of present operations.

a) Lease to Purchase	\$ 210,000.00
b) Capital Improvements to Date	\$ 35,000.00
c) Future New Construction	\$ 155,000.00

TOTAL PROJECT INVESTMENT **\$ 680,000.00**