Winner! Winner!
Economic Impact of Brownfields
Redevelopment in Wisconsin

Nancy Frank, PhD
University of Wisconsin - Milwaukee
An Economic Analysis of the Wisconsin Brownfields Remediation and Redevelopment Programs

Dr. Nancy Frank
UW - Milwaukee
Dr. Russell Kashian
UW - Whitewater
Thanks to

- Russell Kashian, research director and co-author of an earlier version of this presentation
- Brenda Gary and the Fiscal Economic Research Center for producing an earlier version of this presentation
- Brownfields Study Group and the Economic Impact Subcommittee
  - Especially co-chair John Stibal, City of West Allis
- Wisconsin Economic Development Institute
- DNR Bureau of Remediation and Redevelopment
Brownfields Redevelopment

- Economic Impact
- Focus on state grant programs

Image source: Menomonee Valley Partners, renewthevalley.org
Wisconsin: A Brownfields Leader

A 2011 report to the Connecticut Governor and state legislature summed it up as follows:

“We [in Connecticut] need to emulate the cooperative spirit between regulators and the regulated community that exists in Wisconsin.”

The Wisconsin Brownfields Program is nationally recognized; it has been cited in numerous national publications as a potential model for other states.
Background

- Wisconsin Land Recycling Act of 1994
  - Created new tools to promote brownfield clean-up and redevelopment

- 1997-98 Biennial Budget
  - Enacted grants and loans:
    - Assess and clean up brownfields
    - First grants awarded in 1998
  - Created Brownfields Study Group

- 2013-14 Brownfields Study Group work plan
  - Commission research to determine the impact of state brownfields funding
Brownfield Impacts

- Economic
- Health
- Fiscal
- Jobs
- Geographic
Organizing for the Study

- Subcommittee on Economic Impacts
- Wisconsin Economic Development Institute
  - Fiscal agent
- Raised funds
- Issued request for proposals
  - Six proposals received
- Committee reviewed and selected team
  - UW - Whitewater, Fiscal and Economic Research Center
    - Russ Kashian
  - Redevelopment Economics
    - Evans Paull
- Committee reviewed reports for accuracy and clarity
Wisconsin Brownfield Investments

- State programs fill a critical funding gap
  - $121.5 million in state funds brownfields-specific financial incentives over 17 years;
  - $187.6 million in local government commitments, including ER TIF, conventional TIF and other local funding;
  - Additional funding from federal brownfields grants and other state support for projects separate from brownfields
Wisconsin Brownfield Investments

PERCENTAGE OF THE NUMBER OF ASSISTED SITES BY PROGRAM

Site Assessment Grants
Brownfield Grants

ER TIF
Green Space
Idle Industrial Sites

Local TIF and other assistance
Federal brownfields grants
<table>
<thead>
<tr>
<th>Sites assisted by program</th>
<th>number grants/loans</th>
<th>% of all grants</th>
<th>$$ Amount</th>
<th>% of Total $$ Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Brownfields Programs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Site Assessment Grants (WEDC, previously DNR)</td>
<td>496</td>
<td>52.6%</td>
<td>$21,986,425</td>
<td>6.2%</td>
</tr>
<tr>
<td>Brownfields Grants (WEDC, previously Commerce Dept)</td>
<td>245</td>
<td>26.0%</td>
<td>$90,265,725</td>
<td>25.4%</td>
</tr>
<tr>
<td>DNR Green Space</td>
<td>17</td>
<td>1.8%</td>
<td>$1,636,814</td>
<td>0.5%</td>
</tr>
<tr>
<td>DNR Sustainable Urban Development Action Zones (SUDZ)</td>
<td>20</td>
<td>2.1%</td>
<td>$2,447,317</td>
<td>0.7%</td>
</tr>
<tr>
<td>WEDC Idle Industrial Sites</td>
<td>6</td>
<td>0.6%</td>
<td>$5,118,000</td>
<td>1.4%</td>
</tr>
<tr>
<td><strong>State brownfields funds sub-total</strong></td>
<td>784</td>
<td>83.2%</td>
<td>$121,454,281</td>
<td>34.2%</td>
</tr>
<tr>
<td><strong>Other state funds</strong></td>
<td>2</td>
<td>0.2%</td>
<td>$1,381,700</td>
<td>0.4%</td>
</tr>
<tr>
<td><strong>Total State Funds</strong></td>
<td>786</td>
<td>83.4%</td>
<td>$122,835,981</td>
<td>34.6%</td>
</tr>
<tr>
<td><strong>Local</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ER TIF</td>
<td>19</td>
<td>2.0%</td>
<td>$10,939,000</td>
<td>3.1%</td>
</tr>
<tr>
<td>Conventional TIF</td>
<td>19</td>
<td>2.0%</td>
<td>$137,596,777</td>
<td>38.8%</td>
</tr>
<tr>
<td><strong>Other local funds</strong></td>
<td>32</td>
<td>3.4%</td>
<td>$39,092,436</td>
<td>11.0%</td>
</tr>
<tr>
<td><strong>Total Local Funds</strong></td>
<td>70</td>
<td>7.4%</td>
<td>$187,628,213</td>
<td>52.9%</td>
</tr>
<tr>
<td><strong>Federal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPA Brownfields</td>
<td>84</td>
<td>8.9%</td>
<td>$29,271,368</td>
<td>8.3%</td>
</tr>
<tr>
<td><strong>Other federal</strong></td>
<td>3</td>
<td>0.3%</td>
<td>$15,027,000</td>
<td>4.2%</td>
</tr>
<tr>
<td><strong>Total federal funds</strong></td>
<td>87</td>
<td>9.2%</td>
<td>$44,298,368</td>
<td>12.5%</td>
</tr>
<tr>
<td><strong>Total, all funds</strong></td>
<td>943</td>
<td></td>
<td>$354,762,562</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Geography of Funding

- 65 of Wisconsin’s 72 counties received state-assisted funding
- 51 counties received more than one grant
Direct Economic Impact

- State brownfield grant sites

- One-time impacts
  - Construction jobs
    - 27,900
    - $3.3 billion

- Ongoing economic output
  - $4.4 billion direct impact

- Permanent jobs (new and retained)
  - 29,883

*The CenturyLink Project in La Crosse created 500 jobs*
### Annual Tax Impacts

<table>
<thead>
<tr>
<th></th>
<th>State</th>
<th>Local</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct</strong></td>
<td>$65.7</td>
<td>$29.3</td>
<td>$95.1</td>
</tr>
<tr>
<td><strong>Direct and Indirect</strong></td>
<td>$142.2</td>
<td>$97.3</td>
<td>$239.5</td>
</tr>
</tbody>
</table>

(millions of $)
Re-Use of Investments
(Land Use)

Sample N = 563 sites

Classified as complete or under construction is 28.2 million square feet of space

Total: 34.6 square feet when planned construction is included
Re-Use by Size of Investment

Brownfields Investments By Sector and Status (354 projects)

- Generated $3.31 billion
- Mean investment per project: $11.9 million
- Median investment per project: $3.1 million

- Completed/Underway
- Planned
Focus Projects: Waterfronts and Tourism

- Harley-Davidson Museum Project
- Hampton Inn
- The Green Bay Children's Museum
- The National Brewery Museum
- Blue Harbor Hotel
- Kenosha Public Museum & Civil War Museum
- Riverfront Revitalization
- Lake Michigan Path
- Riverside Park & Leach Amphitheater
- St. Brendon's Inn

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harley-Davidson Museum Project</td>
<td>Milwaukee</td>
</tr>
<tr>
<td>Hampton Inn</td>
<td>Burlington</td>
</tr>
<tr>
<td>The Green Bay Children's Museum</td>
<td>Green Bay</td>
</tr>
<tr>
<td>The National Brewery Museum</td>
<td>Potosi</td>
</tr>
<tr>
<td>Blue Harbor Hotel</td>
<td>Sheboygan</td>
</tr>
<tr>
<td>Kenosha Public Museum &amp; Civil War Museum</td>
<td>Kenosha</td>
</tr>
<tr>
<td>Riverfront Revitalization</td>
<td>Wausau</td>
</tr>
<tr>
<td>Lake Michigan Path</td>
<td>Racine</td>
</tr>
<tr>
<td>Riverside Park &amp; Leach Amphitheater</td>
<td>Oshkosh</td>
</tr>
<tr>
<td>St. Brendon's Inn</td>
<td>Green Bay</td>
</tr>
</tbody>
</table>

Green Bay Children’s Museum

Harley-Davidson Museum in Milwaukee

Leach Amphitheater in Oshkosh
Focus Projects

Small Communities (< 15,000 population)

• 237 sites
• 6,640 jobs were created in completed brownfields projects in small communities

Community-Serving Food Cooperative in Viroqua

Potosi’s National Brewery Museum

Ice Hockey Rink in Neillsville

West Allis/Summit Place
Focus: Distressed Areas

- 66% of assisted sites: lower median income than Wisconsin
- 12,400 permanent jobs generated in lower income census tracts
  - 50 percent of all jobs that could be geo-coded
- 54 percent of sites
  - Higher poverty rate than state
Community, Environmental, and Health Benefits

- Reduces vehicle miles and greenhouse gases by 16-28%
- Reduces stormwater runoff by 47-62%
- Property values of neighboring properties increase by 5-13%
- Reduction of vagrancy and crime
Bottom Lines

14-FOLD INVESTMENT RETURN

Businesses in new space on brownfield sites have resulted in state tax revenue recouping $1.77 billion over the last 17 years.

$88.5 MILLION

Local governments gain in annual tax revenue.

3.5 TIMES HIGHER

Post-redevelopment assessed value (compared to pre-redevelopment).
Resources

- Economic and Fiscal Impact of Wisconsin’s Brownfields Investments
  - [https://www.uww.edu/Documents/uww/bfield.pdf](https://www.uww.edu/Documents/uww/bfield.pdf)

- Contact:
  - Nancy Frank, frankn@uwm.edu
  - For details of research
    - Russ Kashian, kashianr@uww.edu