

## **CASE STUDY 3: MENOMONEE RIVER VALLEY, MILWAUKEE, WISCONSIN**

### **The problems**

The case study will involve a portion of the Menomonee River Valley that runs through a dense portion of Milwaukee. The site presents a collection of classic urban “legacy” conditions and issues that challenge the Great Lakes ecosystem and the human economy. The conditions include the existence of brownfields that adjoin the River, storm water run-off from the brownfields and built environment, and aging sewer infrastructure that contributes to waste water releases into the River and flood conditions in the community.

### **Growing water opportunities**

The immediate community, through the Sixteenth Street Community Health Center (SSCHC) and the broader Milwaukee public, have established a consensus that the legacy issues need to be addressed to improve the environment, the health of the human community and the vitality of the economy. Identification of funding resources and implementation of investment strategies that induce investment in environmental improvements are needed to move from a shared vision to actual, measurable improvements.

The thesis of the case study is that the Growing Water approach can knit together existing policies, programs and financial resources to stimulate substantive transactions to improve the ecosystem and benefit the human environment in a dense urban context. The case study will use the Resource Inventory Method to expand resources and create transactions.

A resource inventory is a comprehensive listing of all known resources that are available to achieve a project’s purpose. The resources can either add dollars or reduce costs. At a minimum, the inventory identifies the source and type of assistance available, what that resource can be used for and the authority for allocating the resource.

The resources can be both monetary and non-monetary, and are available from both public and private sources. Even the public resources have an implicit or explicit expectation of a return on investment (e.g., achievement of a public mission, leverage of additional investment, provision of a public service.)

Monetary resources are available as loans, grants, investments, tax expenditures, settlements and Supplemental Environmental Projects (SEPs.) Non-monetary resources usually fall into one of two types - an exercise of authority or in-kind technical services

The resource inventory method is used to optimize the deployment of resources when resources, authority and interests are complex and fragmented. The inventory is used to understand what is available, how it can be used and under what authority. It allows for a systematic examination of how resources can be combined and resource values can be exchanged throughout the inventory to achieve the project purpose. The inventory recognizes resources that are available to recover sunk costs or harvest created value such as liens and Tax Increment Financing Districts (TIFs).

This systematic examination can generate substantial resources and transactions for projects that achieve both economic and environmental objectives. For example, a significant source of funding for Brownfield redevelopment comes from this type of examination. Historically, HUD Section 108 Loan Guarantees had been available to address slum and blight conditions in communities, HUD did not, however, include environmental contamination as a condition that caused blight. By broadening its interpretation to include contamination, Section 108 loan guarantees could be combined with locally created TIF districts, back-stopped by future Community Development Block Grant (CDBG) proceeds, to issue bonds for environmental clean-up, land assembly and infrastructure improvement. In Chicago, this approach generated over \$70million in available dollars for Brownfield clean-up.

An inventory is compiled in an electronic format so that it can be analyzed and manipulated, and can be incorporated into both capital budgets and project pro formas. Ideally, it is also combined with GIS mapping and project management tools to organize the resource allocation.

The Growing Water proposal for the Menomonee Valley proposes the development of a detailed Resource Inventory to support both economic and ecological restoration of the Valley. A “resource inventory” in this case is a compilation of case-sensitive resources and/or transactions that have either been utilized in the Menomonee River Valley or are potentially applicable in the advancement of future environmental and economic development projects in the target area.

The inventory will include: funding sources, programs and methods relevant to advancing environmental and economic goals in the project area; regulatory structures and initiatives that can spur environmental and economic improvements; and, ecological features, conditions and potential enhancements that can generate environmental, economic and social value if repaired, enhanced or protected in the project area.

The resource inventory will be comprehensive and include all levels of government, multiple sources of potential private investment and both monetary (e.g., capital budgets, private sources of money) and non-monetary (e.g., regulatory schemes) support. The inventory will quantify the resources that are available, and the value or interest that the resource addresses (e.g., regulatory compliance, economic development).

### **Growing water benefits of the proposals**

The resource inventory will be evaluated to identify opportunities to increase incentives and combine resources that are available to promote both development and investments in restoration and improvement of water resources. This evaluation will quantify the specific value of ecological and economic improvements. Critical to this stage of the project will be evaluating methods for identifying, investing in and exchanging value across the resource inventory. The functional benefits of the green infrastructure elements of the sustainable development plan will be of particular focus in analyzing the inventory. The plan already recognizes the interrelationships between the planned green spaces, the capacity of the hard infrastructure and the value of the developable land. The case study will quantify the relationships so that resources can be combined and value creation is maximized. It will also analyze how value capture mechanisms, like TIF districts, when combined with other resources can expand transaction opportunities.

In Phase I, the inventory will be developed and specific funding strategies and transactions will be identified that can be readily implemented and both advance the sustainable development plan for the Valley and address the Growing Water objectives of the Fund. Phase II will focus on the implementation of the transactions. In the implementation phase, the inventory can be used to track resource allocations and create transparency for Growing Water transactions.

### **Partners**

The Sixteenth Street Community Health Center (SSCHC), Milwaukee, WI.