

# From remediation to Redevelopment

*Blighted area of former industry transformed into successful student housing complex*

*By Jennifer Schmidt*



More than 600 students call Carroll University's Pioneer, Frontier, and Prairie halls home during a typical academic year, with an estimated 860 more bunking in the suite-style residence halls in the summer for sports camps and other activities.

The first floors of the complexes contain an array of retail outlets, including a public YMCA in Frontier Hall, further accommodating the students as well as community members. This area of the Waukesha, Wisconsin, campus is bustling with activity year-round, though this wasn't always the case.

The land the university's newest dormitories now sit on once was

home to various industries, and since the latest factory closed, had become an empty, run-down eyesore.

"The longer buildings are empty and the less attention they're given, the more opportunity there is for bad things to happen there," said Ronald Lostetter, Carroll University's vice president of finance. "We're not an island, and when we're next to things like that it has an impact on us."

### Properties have history

Adjacent to the Canadian National railroad, this 5-acre corridor along North Grand and West College avenues in downtown Waukesha has a long history of industrial use dating back to the 1800s. It was first used for a water bottling plant and then served

as a dairy and rubber factory. Other businesses came and went through the years, including a gas station, car dealership, automotive repair facility, dry cleaner, strip mall, teen center, and printing company – all of which ultimately closed.

With the structures vacant, soil and groundwater contamination set in, and unwelcomed activities such as vandalism began to take place.

A local developer decided to do something about it.

"We felt like it would be a good site for some sort of multi-family, mixed-use development, and we started talking to the university about the possibility of student housing on that

site," said Alan Huelsman, general manager of Waukesha-based Berg Management Company. "Their enrollment had been growing over the last several years, and they hadn't constructed any new dorms for quite a while so they were pretty excited about the possibility of a new dorm and a suite-style dorm."

Lostetter said the idea intrigued the university.

"We were in a significant growth spurt for the campus, and there was another issue we were concerned about. We wanted to increase the number of students who lived on campus," Lostetter said, explaining how students living in university-managed housing have higher grade point averages, graduate at higher levels, and have stronger connections back to the campus.

### Idea embraced, process advances

But given the properties' deteriorated state, a significant amount of environmental investigation and remediation was needed before they were ready for redevelopment.

"It looked like a dilapidated downtown area – just small, disjunctive buildings. It was definitely run-down. It was unattractive," said Lynn Scherbert, an environmental engineer with Ayres Associates who managed the brownfield redevelopment work. She said the site was covered with scattered weed growth, mismatched buildings, broken sidewalks, and cracked asphalt.

Ayres Associates has been working on environmental projects for the housing redevelopment since 2008, assisting with grant applications and helping to seek government funding for the work, providing environmental site assessments, offering remediation oversight, and completing remedial action plans for the parcels.

More than 12,000 tons of contaminated soil was removed in the area Frontier Hall now occupies, and about 10,000 tons was removed before constructing Prairie Hall. (Ayres was not involved in the redevelopment work associated with the first building, Pioneer Hall.)

Both sites had polycyclic aromatic hydrocarbons, volatile organic compounds, and surface metals, all of which can potentially pose a health hazard, Scherbert said.

## Breaking Down the Brownfield Process

- 1 Initial conversation between client and environmental consultant to discuss project, historic use of property, likely contamination, and brownfield potential.
- 2 Conduct a Phase 1 environmental site assessment.
- 3 Complete a Phase 2 environmental site assessment.
- 4 Explore grant opportunities to assist with environmental investigation and clean-up.
- 5 Begin remediation, removing and properly disposing of contaminated soil.
- 6 Start construction.



### In-Demand Dorms

To determine which students will reside where, Carroll University students rank their first, second, and third housing choices. Campus officials then use an automated lottery system to make the ultimate selections. The new apartment-style residence halls are quite popular with students. Registration for Frontier Hall, for example, was full within 15 minutes of its opening.





Before



After



Before



After

## A Vision for Something More

How did the developer know these blighted, dilapidated properties had promise? As they say in the real estate industry, it was all about location, location, location. The properties were located at a major street corner in downtown Waukesha. The Carroll University campus was to the east, multi-family and residential housing was to the south, and railroad tracks cut diagonally just northwest of the area. The railroad tracks and two streets formed a triangle, which is where today's Carroll University Student Living and Business Center now sits. "It's really pretty impressive and a major visual upgrade over what was there before," said Alan Huelsman, Berg Management Company's general manager. "We kind of filled in a hole."

## Funding assistance available

Various state and federal government agencies offer financial assistance to entice developers to clean up and redevelop brownfield sites. Ayres Associates' many years of brownfield experience have given the company helpful insights into the funding process, which Scherbert put to work for Berg Management.

"From Day one we had a very good working relationship with Lynn," Huelsman said. "She's been the lead on the project and has helped us in applying for some grants to help with the remediation costs. You never quite know how a grant is going to work and if it's going to come through or not. She had a good track record, and from the first day, we had a very high confidence that something positive was going to come out of it."

Scherbert and her team helped secure more than \$750,000 in funding for the Carroll University student living project. Among the grants awarded were two state Blight Elimination and Brownfield Redevelopment Program grants – one for \$400,000 and another for \$291,000; a \$36,000 Site Assessment Grant from

the Wisconsin Department of Natural Resources; and a \$40,700 Site Assessment Grant from the Wisconsin Economic Development Corporation.

Huelsman's company had never worked on a brownfield redevelopment project, and he said he greatly appreciated Ayres' assistance in navigating the regulatory process.

"They were very timely with their reports and had an excellent working relationship with the state and granting agencies," Huelsman said. "They were on-site when we needed them to be, and everything went very smoothly."

In addition to the initial uncertainty of which, if any, grants would be

awarded, another challenge was the tight timeframe in which the team had to complete the work.

"We had to get all these grants in place, get all the financing and funding in place, get the building built, and it had a due date of August 15 because the students were going to show up and move in – and there is no slipping that date," he said.

While there was a hard delivery date on the construction schedule, preparing grant proposals and getting other affairs in order also takes time.

"The schedule can start to compress, but the end date doesn't change – so the stress level goes up," Huelsman said, noting that final details were still being completed as students were moving in, and the

management company obtained its occupancy permit with one day to spare.

## Results revealing

Besides the striking visual transformation, the redevelopment has also decreased crime, created 25 to 30 jobs, and boosted the tax value.

"The amount of taxes paid today on those three buildings is over 10 times what was paid prior to this construction, so the payoff to the city and to all the residents of the city is pretty significant," Lostetter said.

"It was a blighted area that now looks terrific," Huelsman added. ■



Before



After



Before



After