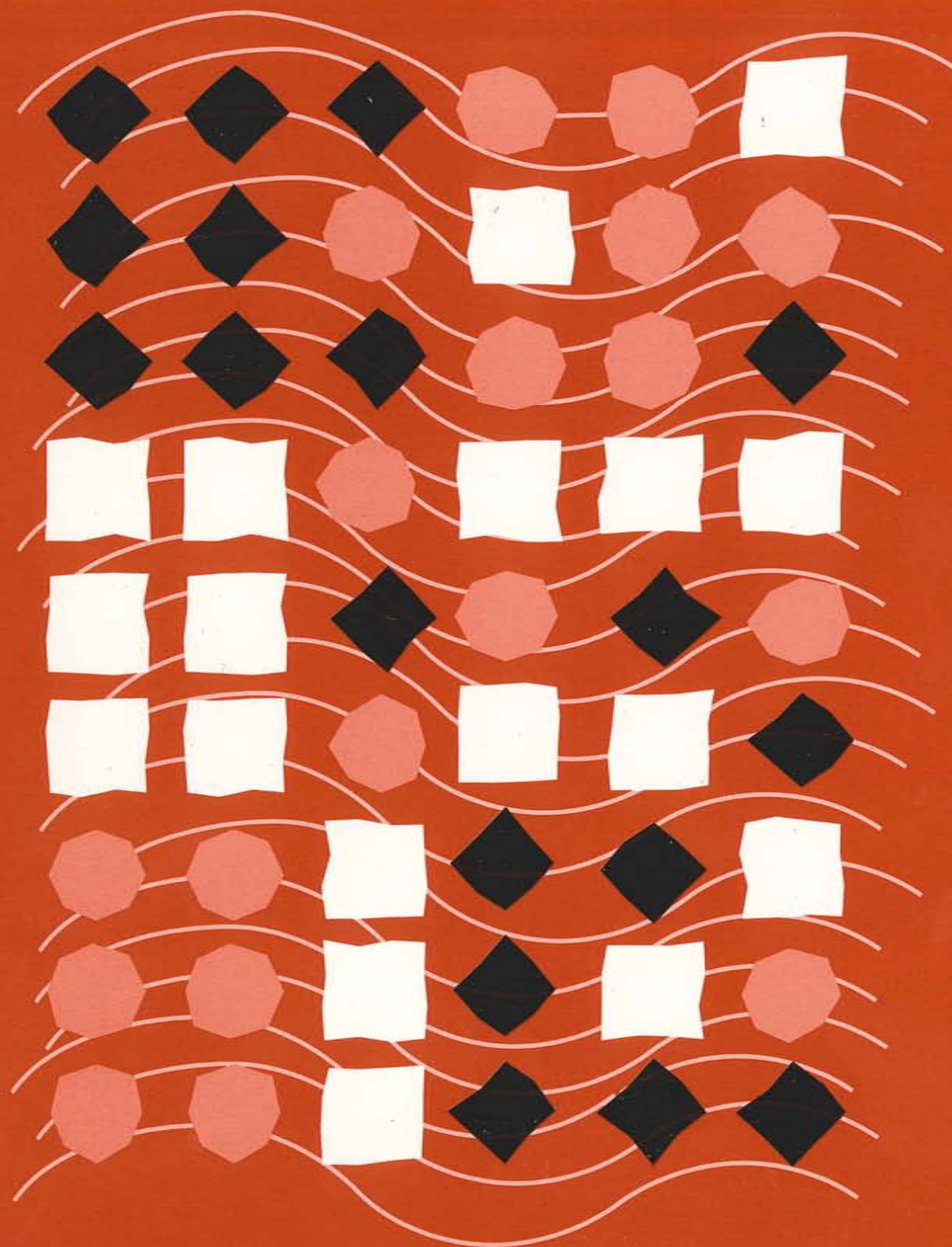


The Bruner Foundation

1995  
Rudy Bruner Award  
for Excellence in the Urban Environment

# BUILDING COALITIONS FOR URBAN EXCELLENCE

Jay Farbstein and Richard Wener



Library of Congress Catalog Card Number: 96-80272  
ISBN: 1-890286-00-1

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## PREFACE

The evolution of a city is a highly complex process, one that involves considered tradeoffs between diverse and often competing goals and perspectives. Developers pursue short term economic objectives, governments promote longer range planning and growth policies, and community groups try to preserve or improve aspects of neighborhood life. Architects and urban designers are responsible for supporting these needs in an esthetically pleasing and affordable box, whose construction is funded by bankers and regulated by government agencies. No one of these perspectives is, in itself, sufficient to create an excellent urban place. Rather, it is often the reconciliation of competing objectives that results in excellent places — where the economic, visual, and social perspectives enhance and complement one another. The Rudy Bruner Award seeks to find, reward, celebrate, and publicize those projects that exemplify the creative synthesis of these factors.

The ten years since the inception of the Rudy Bruner Award have not been easy ones for American cities. Shrinking public funds, drastic fluctuations in the economy, a growing population of the urban poor, and ever-increasing rates of crime and homelessness have made our cities — once proud centers of energy, creativity and the American spirit — into symbols of neglect. It is in finding examples to counter that negativism that the Bruner Award takes on its meaning.

The finalists for this round of the award are Campus Circle in Milwaukee, the Dudley Street Neighborhood Initiative in Boston, Greenpoint Manufacturing and Design Center in Brooklyn, Harlem Meer in New York City, and Lowertown in Saint Paul — and the winner is the Maya Angelou Community Initiative in Portland, Oregon. What do they have in common? They demonstrate how inspired leadership, community participation, and creative thinking can open fresh perspectives and create truly excellent urban places. As you will read in the following pages, these projects are chock full of creative ideas and were selected not only because each is an outstanding place, but because each one contributes in a significant way to the spirit and fabric of its city.

### Where We've Come From and Where We're Going

When we started the Bruner Award, we assumed that the tenth year would be its fifth and last cycle (the award is given every other year). We expected that we would have learned most of what we could about urban excellence. In fact, we have learned that excellence depends on one's point of view, and that the perspective is always changing to meet new and evolving circumstances. However, since the award was conceived as a catalyst for change and a forum for learning, it seemed appropriate at the tenth anniversary to formally take stock. To further our learning, and with help from a grant from the United States Department of Housing and Urban Development, Bruner Foundation staff revisited the finalists and winners from the four prior award cycles.

## INTRODUCTION

### The Rudy Bruner Award

As mentioned in the Preface, the Rudy Bruner Award is a search for urban excellence. It seeks to identify and reward excellent urban places, while serving as a forum for debating urban issues and the nature of urban excellence. Some features that distinguish the Bruner Award from other awards programs are its broadly representative selection committee (which meets twice and is composed of community representatives, elected officials, design professionals and developers), the application process (which requires statements from a range of affected parties, not just the owner or designer), and the in-depth site visits to each finalist to learn about the context, answer questions raised in the initial review, and verify claims.

The Rudy Bruner Award is granted every two years; it was given for the fourth time in 1993. Each cycle of the award has culminated in publication of a book. The first four books are:

- *Urban Excellence* by Philip Langdon with Robert Shibley and Polly Welch, published by Van Nostrand Reinhold in 1990. Describes the first round of the award.
- *Breakthroughs: Re-creating the American City* by Neil Pierce and Robert Guskind, published by the Center for Urban Policy Research, Rutgers University in 1993. Describes the second round of the award.
- *Connections: Creating Urban Excellence* by Jay Farbstein and Richard Wener, published by the Bruner Foundation in 1992. Describes the third round of the award.

- *Rebuilding Communities: Re-Creating Urban Excellence* by Jay Farbstein and Richard Wener, published by the Bruner Foundation in 1993. Describes the fourth round of the award.

A copy of any past Rudy Bruner Award submission is available from the Interlibrary Loan Department of the Lockwood Memorial Library at the State University of New York at Buffalo, Amherst, NY 14260.

### Studying Excellence Over Time

An exciting recent Bruner Foundation endeavor has been to revisit the winners and finalists from the first four cycles of the award to learn about how the projects have fared over time — which have continued to thrive and which have struggled — and why? Partially funded by a grant from the U.S. Department of Housing and Urban Development, 21 projects have been revisited by teams of Foundation staff and consultants, HUD regional staff, and past Selection Committee members. Case studies of each project and essays about the general themes that have emerged are in preparation and the results will be available by mid-1997 from the Foundation and HUD.

### Criteria For Submission

The Bruner Foundation creates a framework for the debate about urban excellence and the submissions furnish real life examples to be discussed. The Foundation intentionally does not pre-define

urban excellence; rather the debate is framed by the call for submissions, the nature of the projects, and the interactions of the Selection Committee members in the review process. Here are the broad limits which the Foundation provides to define eligible submissions:

- The project has to be a **real place**, not just a plan. Excellent planning is likely to contribute to creation of an excellent place — but a plan alone is not enough. The place must exist and be able to demonstrate its excellence in action (not just in theory or in anticipation).
- The planning and implementation **processes** may be innovative — involving new participants and constituencies — or they may be modifications of traditional processes. But the people affected by the project must be appropriately involved and must see benefit from it. Conflicts should be made explicit and resolved, perhaps in new ways.
- The places or projects must address important **social, physical, economic, and ecological** factors. The call for entries invites projects which show social responsibility, are economically viable, demonstrate aesthetic sensitivity, and are ecologically benign.
- The **values** exemplified by the project should be worthwhile and consonant with local community values; perhaps of equal importance, they should be made explicit.

#### The 1995 Selection Committee

The committee consisted of a group of distinguished — and intentionally diverse — actors in the urban development drama:

**Bart Harvey**, President of The Enterprise Foundation in Columbia, Maryland.

**Msgr. William Linder**, Executive Director of the New Community Corporation in Newark, New Jersey and co-winner of the 1993 Rudy Bruner Award.

**Norman Rice**, Mayor of Seattle, Washington.

**Susan Saegert**, Professor of Environmental Psychology at the Graduate School of the City University of New York.

**Sharon Sutton**, FAIA, Professor of Architecture at the University of Michigan, Ann Arbor.

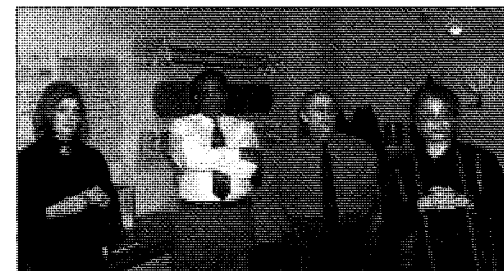
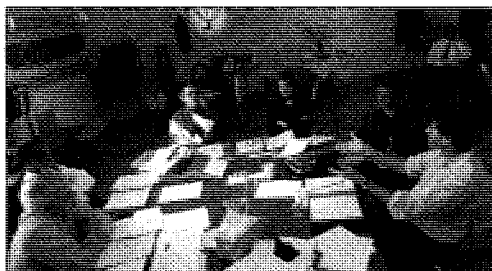
**Alexander Tzonis**, Professor of Architecture at the Technical University of Delft in the Netherlands.

#### The Selection Process

In the context of the broad mandate from the Bruner Foundation, the Selection Committee had two fascinating discussions about the submissions and about urban excellence. At the first meeting, they winnowed 93 submissions to five finalists (see list below). At the second, they examined the five finalists in light of the on-site investigations and reported findings in order to pick a winner.

#### Site Visits

To learn how the places really worked, the authors visited each finalist between the two Selection Committee meetings. These were not quick walk-throughs, but lasted about three days, generally including part of a weekend. We served as the Selection Committee's eyes and ears, touring all parts of the project, interviewing 15 to 25 participants, taking photographs, and observing



patterns of use. In addition to activities planned by the project organizers, we carried out our own agendas. Thus, we were able to answer the Selection Committee's questions and investigate their concerns.

### The Winner and Finalists

The site visit findings were presented at the second Selection Committee meeting. At the culmination of a vigorous debate, the Committee selected an outstanding project as winner (it received a \$50,000 award while the five finalists received \$1,000 each).

**Winner: Maya Angelou Neighborhood Initiative, Portland, Oregon.** An exceptionally democratic and inclusive process by Housing Our Families led to the successful conversion of one of Portland's most troubled properties into 42 units of low income housing for mostly single, female headed households. By reaching out to the community, the project became the impetus for turning the neighborhood around.

**Finalist: Campus Circle, Milwaukee, Wisconsin.** Like so many inner city universities, Marquette was surrounded by a decaying neighborhood. Marquette, however, led a bold initiative to transform its neighborhood into a safe and decent place for students, employees and community residents.

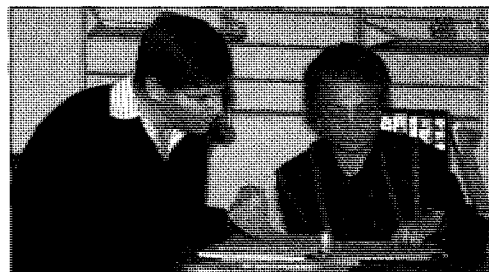
**Finalist: Dudley Street Neighborhood Initiative, Boston, Massachusetts.** One of the nation's most dynamic grassroots organizations, Dudley has succeeded in reversing decades of neglect and disinvestment. It stopped the arson fires, cleaned up the dumping grounds, created a land trust, and built decent housing for low income families to buy.

**Finalist: Greenpoint Manufacturing and Design Center, Brooklyn, New York.** In this rehabilitation of a troubled but attractive mill building, a collective of woodworkers and artists are finding incubator workshops and studios with easy access to the downtown markets — maintaining and creating jobs that otherwise would have fled to the suburbs.

**Finalist: Harlem Meer (Central Park), New York City.** Years of neglect had allowed this lake in Harlem's corner of Central Park to become polluted and dangerous. A creative partnership between the city and the Central Park Conservancy has brought back the park, cleaned up the lake, and returned a marvelous amenity to the citizens of Harlem and the entire city.

**Finalist: Lowertown, St. Paul, Minnesota.** Over a twenty year period, a unique approach to redevelopment has transformed a nearly defunct warehouse district perched on the edge of downtown St. Paul into a vibrant urban village with thriving art studios, entertainment, employment, parks, and walk-to-work housing.

In choosing the finalists at their first meeting, the Selection Committee made a deliberate effort to find projects that addressed what they saw as the range of variation in critical urban issues. In fact, the Committee's initial charge was to pick five finalists. But, in what would have been the last cut from six to five, they found themselves unwilling to eliminate any one of them. Not only did each appear to be excellent, but each represented an issue that they felt strongly should be documented in the site visits and in this book. In some cases, the project was kept in because of the participatory process it followed, in other cases because of the innovative methods it used, and in still others because it represented the solution to a problem common to many cities (such as how an urban





university can deal appropriately with its surroundings, how jobs can be created or kept in the city, or how the older edges of downtown can be restored to vital life).

One member of the Committee saw the six finalists as reflecting his three personal commitments (social equity, economic opportunity and ecological stewardship). Others felt that to make a city work, all these kinds of projects are needed. The projects were seen as exhibiting complementarity: together they form a mosaic of people of varied socio-economic status, scales and places within the city, strategies for action, and underlying values.

### The Award Presentation

The award presentation was held at a specially dedicated breakfast meeting of the Executive Committee of the National Conference of Mayors in Seattle, Washington in August 1995. The meeting, attended by about 40 mayors and the Secretary of HUD, Henry Cisneros, was lead by Norman Rice, then chair of the Conference. The format included a brief slide presentation on each project and gave a representative of the project the opportunity to address the mayors (five of the six projects were represented). Though the statements were brief, some very important messages were conveyed. They spoke to some key issues that cities face in achieving excellence:

- The importance for cities that individuals have both the vision and the values to create something excellent, as well as the follow-through to see that it does happen.
- The city plays key roles in fostering quality projects. Even a little support or small amount of financial resources from

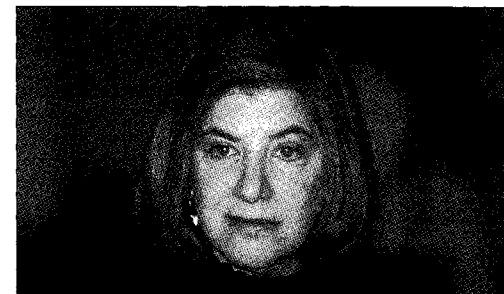
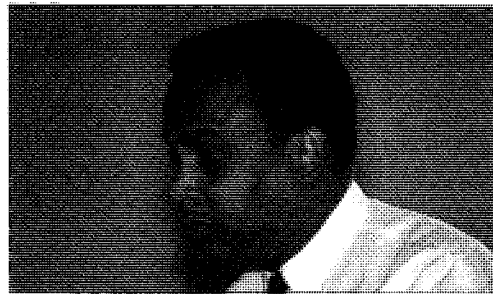
the city, provided at the right time, can make the difference in allowing these projects to go forward.

- The cities need to nurture these projects. Too often, the city is the impediment that must be overcome or the force that must be fought.
- Shrinking resources at the cities are going to make these excellent projects both harder to do and more necessary.
- Continuity of support across administrations can be crucial. Often it takes a long time to make a good project happen, and this can span administrations. The next mayor must try to see the merits of the project and not view it as the last mayor's pet.

By their comments, the mayors were deeply appreciative of the presentation. Apparently, it is relatively rare to see examples of urban success, and being presented with a diversity of outstanding projects, particularly ones with rather modest budgets like most of this round's finalists, was very impressive. They seemed to be inspired by what was possible and encouraged to go home and nurture projects in their cities.

### About This Book

This book is based on the report we developed for the Selection Committee's second meeting. We have edited the text and added a section about the Selection Committee's comments on each project as they considered whether it might get the award. The chapters on each finalist were organized for ease of use by the Selection Committee. Thus, they are rather "telegraphic," using an abbreviated outline format with many bullet points to get the main ideas





across quickly. Each project is described under the same headings and evaluated both in terms of its own goals and the issues the Selection Committee sent us out to investigate. We have added a section to these chapters summarizing the Selection Committee's response to it.

In a final chapter, we draw out the themes and variations raised at the Selection Committee's two meetings and the award presentation. While the Committee did not always reach complete consensus, they did identify very important themes and issues. The final chapter attempts to synthesize those **themes**, among which are the following:

- Non-Traditional Organizations — Building Coalitions for Urban Excellence
- Six Parts of A Whole City
- A New Role For Government
- Leadership and Decision Making Styles
- The Microwave versus the Crockpot — Differing Recipes for Community Development
- The Importance of Design
- Fighting Crime through Urban Design

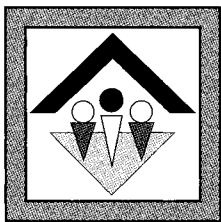


**About the Authors**

The authors of this book are professional advisors to the Rudy Bruner Award. In addition to assisting with its administration, they facilitate the two meetings of the Selection Committee and conduct the site visits to the finalists.

**Jay Farbstein**, PhD, AIA is an architect by training. He leads a consulting practice in San Luis Obispo, California which specializes in helping public sector clients develop and document their requirements for building projects as well as in evaluating the degree to which their completed buildings meet those requirements.

**Richard Wener**, PhD, an environmental psychologist, is a professor in the Social Sciences department at the Polytechnic Institute of New York, where he heads the Environmental Psychology program. He has done extensive research on the effects of built environments on individuals and communities.



## MAYA ANGELOU COMMUNITY INITIATIVE Portland, Oregon

### SUMMARY OF SELECTION COMMITTEE DISCUSSION

#### Initial Reasons For Including This Project as a Finalist

- This project brought a community together.
- They developed low cost residential units and assured long term sustainability of affordable housing.
- The area in which the development occurred was blighted and has been significantly improved by this effort.
- This was a small-scale, grassroots program — neighbor helping neighbor.
- The project involved housing and community organizing and improvements.

#### Selection Committee Concerns and Questions

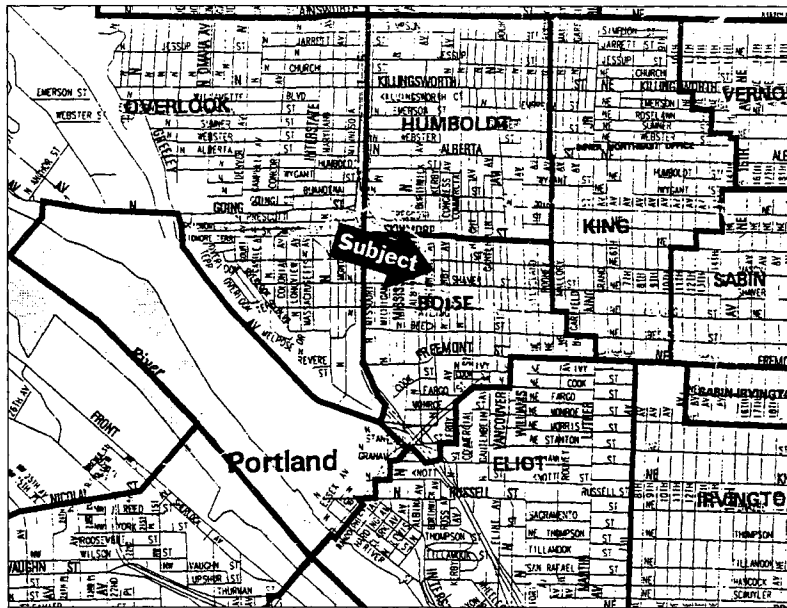
- Were any other projects (in Portland or elsewhere) useful as models? How did the participatory strategy develop?
- What was the relationship between the city and Housing Our Families (HOF)? Was there real “empowerment” (did HOF have real control)?
- What strategies have been used to develop/sustain community activism? What evidence is there on how well it has been sustained? Has internal leadership emerged?

- What is the history and makeup of HOF? Does HOF go beyond this project?
- What is the design quality of the project (building and landscaping) — including issues such as meeting residents’ needs, aesthetics, use of materials and finishes, ease of maintenance, and defensible space?
- What evidence is there of impact on the surrounding neighborhood (crime, pride, appearance, property values)?
- Was there an overall neighborhood plan prior to the development of this project? Is there now?
- \$30,000 per unit is very inexpensive. Is that a real figure (that is, are there expenses that aren’t included in that figure)? What were the tradeoffs made to reduce cost?

### THE PROJECT AT A GLANCE

#### What It Is

- Maya Angelou Community Action Initiative is “a comprehensive strategy for urban renewal that used renovation of a key apartment complex to leverage broad community revitalization in the surrounding neighborhood.” It consists of:



Location

- renovation of 42 units of low-income housing aimed at women and children — the Maya Angelou Apartments
- organizing the surrounding community to develop and implement a multifaceted action plan for broader revitalization.

#### Who Made the Submission?

- Housing Our Families. HOF is a women's community development corporation whose mission is to develop projects which address the impact of poverty on the lives of women and children.

#### Major Goals

- To create stable, affordable rental housing mainly for minority and low income families headed by females.
- To revitalize a community beset with drugs, crime, deteriorating business districts and diminished hope.

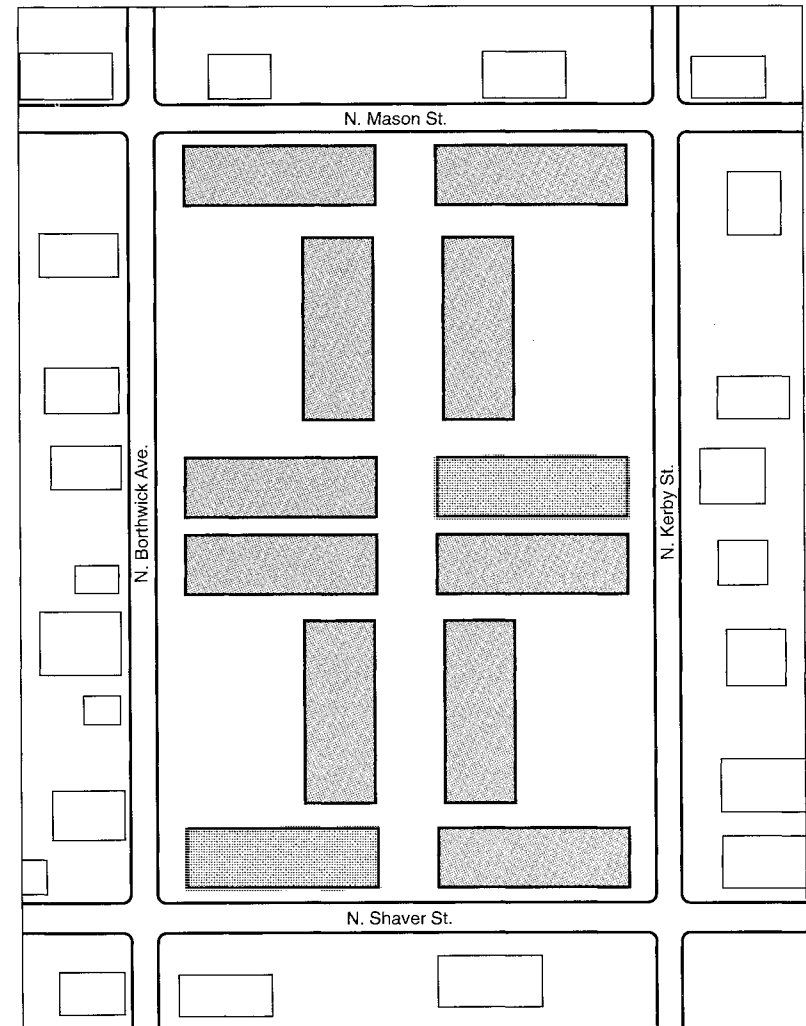
#### Accomplishments

- Following a string of failures by private landlords, HOF has successfully renovated this complex into 42 units of safe, comfortable and affordable rental housing.
- There was a strong element of community participation in the planning, and an especially successful program for using minority contractors and local labor in the construction.
- The construction was completed at a very modest cost and is fully occupied.
- Neighborhood organizations have been reinvigorated or created, and are strong and active.
- Ongoing programs are successfully providing physical improvements to local homes and streets, anti-crime efforts, and youth jobs and enrichment activities.
- Housing abandonment has subsided, housing values are up, and new families (including many who are white and professional) are moving into the neighborhood. There is little evidence of original residents being forced out.
- Crime is down (by perception and police statistics) and community spirit is improved.

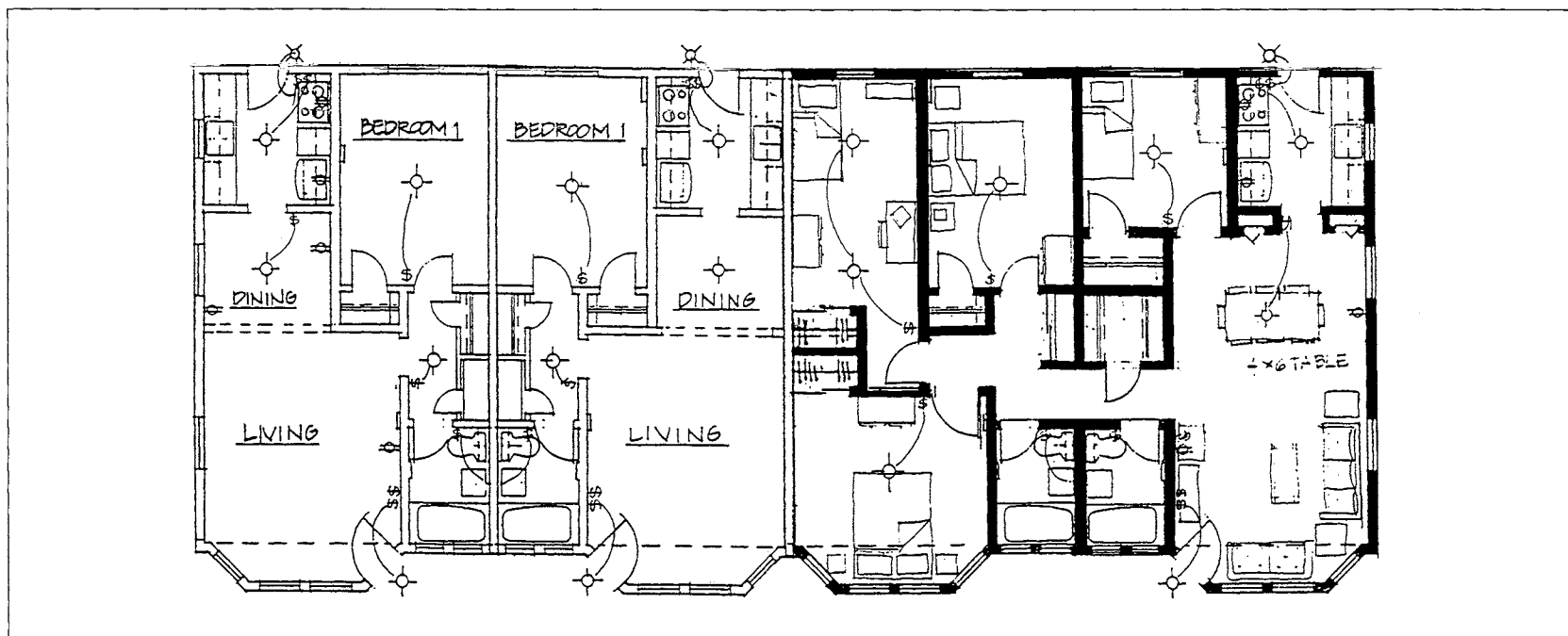
#### Issues That Could Affect Selection as a Winner

- This was one of most distressed neighborhoods in Portland, suffering serious deterioration and HOF has clearly had a major impact on it. Significant progress has been made in turning the community around: crime is down, structures are being improved, property values have improved and community spirit is growing.
- While neighbors are well organized, progress has been slower in organizing tenants. Only a handful of tenants are involved in management and there is not yet an effective and empowered tenants association.
- HOF created a strategy to deal with the threat of gentrification by providing stable low cost rental housing as well as assistance to low income and elderly residents to improve and maintain their property.

- A negative side effect of improvements and increased property values is that it is getting harder for HOF to find additional inexpensive houses to buy and renovate for low cost rental units. There is a potential for future gentrification.
- HOF is an unusual and strikingly democratic organization — a feminist consciousness raising group that evolved into a community developer. It is particularly atypical in its focus on poverty as a women's and children's issue, and in its adherence to a non-hierarchical, consensus-based decision making style.
- HOF is a very hands-on operation. Some worry that, as it grows in size and complexity of projects, the organizational style that serves it so well now might prove unwieldy.
- Maya Angelou Apartments is the restoration of a visually pleasant but architecturally modest building. Its design could have been improved slightly with more attention to some aspects of materials and detailing. The site plan does make good use of principles of crime prevention through environmental design (CPTED).
- The project got off the ground with a 100% loan of public funds, about half of which has now been replaced by private financing. The development could not have happened through initial reliance on private, market mechanisms.
- Rehabilitation was very cost-efficient. HOF set clear priorities on where money should be spent — providing solid, safe, decent housing — and maintained tight control of the budget. Expenses were kept down by retaining and reusing most of the structures and fixtures and by use of volunteer labor.
- HOF demonstrated an ability to move very quickly through the planning and construction process using (some would say in spite of) their consensus management style. The fully rehabilitated facility opened one year after purchase.



Site Plan



*One- and Four-bedroom Unit Plans*

## PROCESS

### Chronology

- **1990.** HOF founded.
- **1992.** HOF renovates fourplex for low income rental.
- **Spring 1993.** HOF and the Portland Development Corporation begin discussion of possible HOF purchase and renovation of Colonial Park.
- **Spring 1993.** Before purchase HOF begins outreach and discussions with community, through flyers and door-to-door interviews, on needs for the apartment complex and neighborhood. HOF holds community meeting to present possibility of buying and renovating Colonial Park. HOF asks for and gets community "go-ahead" for purchase.
- **August 1993.** Colonial Park is purchased by HOF at sheriff's sale. HOF uses 100% loan from Portland Development Commission.
- **September 1993.** HOF holds a "paint-a-thon" of neighborhood house to increase community awareness of change and sense of hope for the future.
- **October 1993.** HOF runs community forum to elicit concerns, suggestions about the design and management of the property.
- **November 1993.** Second community forum develops a list of four major community concerns: safety (drug dealers, dangers in Unthank Park); physical revitalization (need to rehabilitate neighboring homes); community programming (social events); and youth problems (need for activities and employment).

- **December 1993.** Construction begins on apartment renovation.
- **January 1994.** Third community forum — residents are presented with possible projects which address their list of needs. A fourteen-project action plan is created and approved.
- **February 1994.** Resident committees and HOF meet to develop timelines, budgets and implementation strategies for the start of each aspect of the action plan.
- **September 1994.** Maya Angelou Apartments is completed and opened with neighborhood party.
- **February 1995.** Community meeting is held to kick off second year, with review of previous action plan (all projects underway or completed) and development of new projects for coming year.
- **March 1995.** Poet Maya Angelou visits her namesake apartment complex.
- **April 1995.** Maya Angelou Apartments mortgage is refinanced through \$575,000 private (CRA) loan.

### Key Participants

(people we interviewed are indicated with an asterisk\*)

#### Housing Our Families (HOF)

- Gretchen Dursch\*, Executive Director, HOF
- Kris Smock\*, Maya Angelou Project Coordinating Committee (VISTA volunteer in charge of community outreach)
- Debra Knapper\*, Maya Angelou Tenant Outreach Coordinator (VISTA volunteer)
- Linda Grear, Housing Manager
- Carmen Schleiger, construction manager
- Board of Directors and staff (met and interviewed over pot luck dinner).



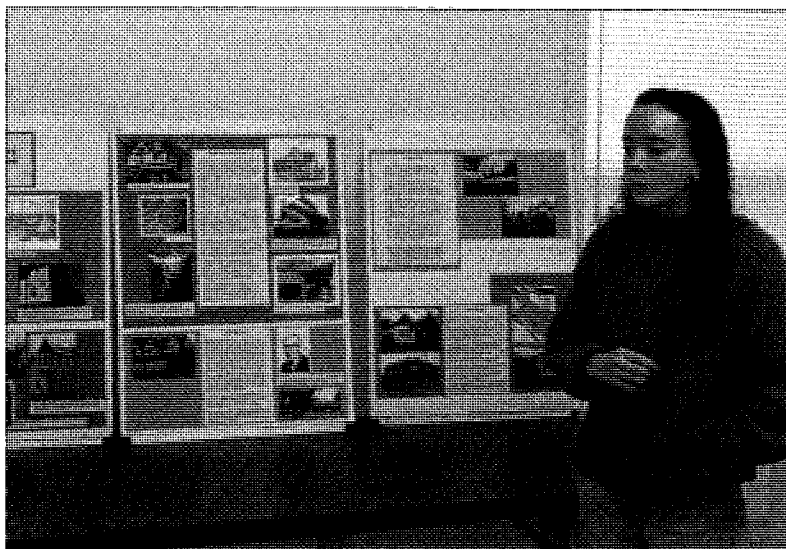
#### City of Portland

- Gretchen Kafoury\*, City Commissioner
- Eric Sten\*, Assistant to City Commissioner
- Neyle Hunter\*, Portland Development Commission (PDC)
- Nike Kutkendal\*, former Deputy District Attorney
- Steve Rudman\*, Bureau of Housing and Community Development
- Martha McLennan\*, Bureau of Housing and Community Development
- Lt. Findling\*, Portland Police.

#### Designers and Contractors

- Martha Andrews, architect
- Mike Purcell\*, general contractor
- Will White\*, construction manager and consultant from Housing Development Center
- Shirley Minor\*, plumbing sub-contractor
- Duane Johnson\*, demolition sub-contractor.



**Financial and Legal Services**

- Thomasina Gabriele\*, Gabriele Development (financial packager)
- Margaret Van Vliet\* (NOAH; private CRA lending consortium)
- Ward Greene, Greene and Markley (lawyer).

**Maya Angelou and Neighborhood Residents**

- Corlin Beum\*, tenant, MAA
- Sonya Tucker\*, Boise Neighborhood Improvement Association
- Stacy Cooper\*, neighborhood resident.
- Others interviewed include: a number of neighborhood residents met at a organizational meeting and a walking tour, Richard Brown of Black United Front, local police officers, other members of the community, and other people met on the street.

**PROJECT DESCRIPTION****Neighborhood History**

The Maya Angelou Apartment's neighborhood is part of what was Albina, an independent city founded in 1869 and merged with Portland in 1891. Albina, in what is now known as Inner North/Northeast Portland, was a diverse community that attracted some of Portland's wealthiest citizens around the turn of the century. In the 1920s, these wealthier citizens left for more distant, automobile-accessible suburbs and the area attracted more working class families, including the majority of Portland's small African-American community. During and after World War II, the African-American community grew rapidly in a nearby area called Vanport City, largely because of the shipbuilding industry. Most of this population moved to Albina when Vanport City was destroyed by a flood in 1948. The neighborhood declined economically and housing stock deteriorated through the 1950s.

In response to 1960s urban renewal pressures, the Albina Neighborhood Improvement Committee (ANIC) developed, through efforts of the Portland Development Commission. Houses were rehabilitated and constructed, and citizens successfully fought attempts of city officials to respond to deterioration by turning it into a largely industrial area.

A major physical alteration to the immediate neighborhood of this project came in 1967 with the building of Unthank Park through the Model Cities program. While the park was praised locally and elsewhere for its planning and design, its construction involved the demolition of two blocks of single family homes. Some residents attribute much of the decline of this neighborhood to this destruction of a significant part of its residential core. For most of its history the park has been seen as a site of gangs, drugs, and violence.

The decline of the area continued and accelerated through the 1970s and 1980s, as families and businesses left the neighborhood. Police say that gangs and drugs became a major problem in the mid to late 1980s, and, while gang activity declined at the close of the 1980s, drugs remain prevalent.

In the 1970s, Portland created and officialx designated (sometimes artificial) boundaries for neighborhoods throughout the city, and

provided each with its own neighborhood association. The area which includes the Maya Angelou Apartments is now part of the Boise Neighborhood, and is represented by the Boise Neighborhood Improvement Association.

### **Housing Our Families**

HOF began in 1989 when 100 people of Inner North/Northeast Portland came together to discuss housing experiences. It evolved out a search by a group of Portland women to find ways to deal with poverty, which they saw as a problem that had its biggest impacts on the lives of women and children. For example, HOF notes that female-headed families in Oregon "are five times more likely to be poor than other families." These families are often struggling simultaneously with work, child care, neighborhood crime and difficulty in finding and keeping decent, affordable housing. After a second conference, held in 1990 with 120 women, HOF emerged determined to move beyond advocacy by taking direct action and become a provider of low income housing for women and their families. Its guiding principles speak to affirming spiritual values, empowering women, creating partnerships, providing opportunities for economic self determination, and working at the neighborhood level, in a diverse community for the purpose of strengthening family life.

HOF began its housing efforts in January 1992 by renovating a fourplex into low income rental units. The property had been in foreclosure and was given to HOF by the county. The structure was renovated with a \$70,000 loan at 3% interest from the Portland Development Commission. The renovation was completed in a year and was at the time of our visit occupied by four single women with children earning less than 50% of median income. Their second project, a duplex, was renovated in 1993 and was also occupied by single women with children. These projects represented the bulk of HOF's experience in development and construction at the time they committed to rehabilitate the troubled Colonial Park property with over 40 units.

HOF's focus on poverty as a women's issue led directly to their emphasis on providing low cost rental housing, rather than home ownership programs. They felt that ownership, even with incentives, ignores many people who are lacking the resources to own a home. Maintaining a significant base of low income rental housing

units is seen as an effective strategy to reduce the problems of gentrification in improving neighborhoods.

HOF's operational approach is modeled to a significant degree after the National Congress of Neighborhood Women, whose rules form the basis for HOF's egalitarian, consensus-based approach to decision making ("all participants have equal time to speak...no cross-talk — listen without judgement or debate"). This emphasis on group process and non-hierarchical structure has remained central to HOF's organizational personality.

HOF's commitment to a consensus-based decision-making style means that decisions can be slow in coming, but they are thoroughly debated and, once reached, widely supported. There is no single person whose loss would be fatal to the organization since it largely operates as a group and disperses power. The lack of a single person to whom someone from the outside can turn for an answer can be frustrating for contractors and governmental agencies. It is also true, however, that there are many people who can be reached in order to bring an issue to the fore. Implicit in this model is the diminution of the role of "experts". HOF seeks and uses expertise where needed, but their decision style (where everyone gets equal time and hearing) assures that experts carry limited weight. When one of the "experts" on HOF's board argued that the Maya Angelou project was a mistake, she was listened to politely and, eventually, overruled. We had the opportunity to observe one (admittedly atypical) HOF board meeting. To be sure, there were members of the group who emerged as leaders but, on the whole, the group process model was in force and seemed to function well.

The HOF Board and membership are largely made up of women from inner North/Northeast Portland and are racially, ethnically, and economically diverse. The Board takes a hands-on approach to development, and typically volunteers for such activities such as painting, stripping, hammering. HOF has used the Maya Angelou project to develop greater in-house expertise. They now have an architect on their board and they are using a property management firm to train their own staff.

While HOF has its own unique style and approach, it did not develop in a vacuum, independent of other local CDCs. It worked with and received training from Ed McNamara (a 1993 Bruner Award selection committee member) of the Neighborhood



Partnership Fund of the Oregon Community Foundation and REACH (a 1991 Bruner Award finalist), a CDC in Southeast Portland. There are, in fact, important aspects of HOF's process that significantly resemble the REACH approach such as the targeting of efforts in a small, delimited area, developing a combination of stable, affordable rental housing along with community organizing around an action plan, and the use of quick impact activities like the paint-a-thon.

Since the Maya project, HOF obtained three apartment buildings with a total of 92 units, two more homes which have been renovated and a lot on which they hope to build nine apartments and 3,400 square feet of commercial space. At the time of writing, HOF operated a total of 144 units of low income rental housing.

### **The Building**

The property now known as Maya Angelou Apartments was originally the Kerby Square and Borthwick Court Apartments, built in 1948. For many years these high quality rental units remained an attractive, well maintained, and desirable address. They suffered, however, with the general decline of the neighborhood.

In the late 1980s, as gang and drug activity increased in the area, the property changed hands several times. Some owners showed little interest in screening tenants or maintaining the property. One resident said that he had obtained an apartment there in a matter of minutes, with no paper work and for only \$100 in cash. We were told that at one point ownership had changed so many times that the courts had difficulty identifying its legal owners. As part of Portland's community policing effort, the buildings were targeted as a high crime site and police met with landlords to brainstorm approaches to the crime problem. In 1986, with the support of local police, the building was closed by court order for a short time.

Renamed Colonial Park, the complex was bought for rehabilitation by a group of investors in 1988. They ran out of funds, however, and declared bankruptcy, leaving the property in a state of disrepair and in the hands of the county. A property manager was hired by the court on a fixed-fee basis, and had no incentive to fill empty units. By the time the site was put up for auction in August 1993 it was in "unlivable" condition, and half empty. The only bidders were HOF and the bank who held the mortgage — and in all likelihood did not want to "get stuck" with this property again. The bank bid once (\$540,000) and dropped out, leaving the property to HOF for \$541,000.

At the time the HOF effort began, the property was largely unoccupied, in "appalling" condition, and part of a neighborhood suffering from abandonment, disinvestment and crime. It was considered by city officials to be one of the "top five troubled properties in Portland." One HOF board member admits to being a little scared at the prospects.

### HOF and the Maya Angelou Apartments

There are distinctly different recollections about how HOF's purchase of Colonial Park was brokered. The Portland Development Commission (PDC) staff recall inviting HOF to consider the idea, while HOF remembers broaching the idea to PDC. The differences probably reflect the multiple parentage typical of successful efforts (to paraphrase the old saw, "success has many mothers; failure is an orphan"). There is consensus on the critical thrust — the sheriff's sale was recognized as a one-time opportunity to address the critical problems of this project and the entire neighborhood, but only if there could be quick action.

In a standard analysis of assets and experience, HOF and Colonial Park would seem to have been a bad risk. Certainly, no private bank would have backed the project at that point. HOF had a brief organizational history, a non-traditional management style, little formal design, development, or financial expertise on staff, and a small capital base. Colonial Park had failed under a series of presumably more sophisticated owners. Why then was the City of Portland willing to take a chance on them with over one million dollars in loans?

There are several answers. First, HOF had previously demonstrated the ability to move quickly from concept to completed housing. They had successfully completed a few low income rental projects, albeit of a much smaller scale. Thus, Colonial Park was seen as "a stretch" for HOF but not so far beyond their capacity as to be unlikely to succeed.

Second, their approach and philosophy of development was seen as an important strength. HOF told the PDC that a conversation with input from the community about needs, concerns, and visions for the apartment complex was critical before it could commit to the project. This step meant a delay for PDC in getting a firm "yes" to the proposal but, according to PDC and city officials, it proved HOF's deep commitment to local participation and control, increasing PDC's confidence that HOF could "pull it off." HOF responded to the opportunity by sending its VISTA volunteer, Kris Smock (who came to be known in the neighborhood as "that girl on the bicycle") into the community, knocking on doors, interviewing



residents, and distributing leaflets calling a community meeting to discuss HOF's proposed purchase.

Third, individuals members of HOF's Board were known and trusted in Portland government circles because of their experience in planning and development issues. Finally, this was a very distressed property in a troubled area and there was no other community developer available and willing to take the challenge. The city perceived that it was HOF or nothing.

While the financial (if not political) risk to the PDC was mitigated somewhat by a contract that returned the property to them if the project failed, the risk to HOF was very real. HOF committed considerable time, energy, resources, and credibility to the project. It was, as one observer noted, "a make-or-break project" for them.

Once HOF received its go-ahead from the community, it had to find financing in time for the August sale. The staff at the PDC recognized that its standard procedures for community development loans, which involved providing partial funding, matched by private loans, would not work in this case. There was no time to arrange for other funding, and it was unlikely that private banks would support this project anyway. To enable the project to



proceed, the PDC broke precedent and provided a \$1.2 million loan to cover almost the entire purchase and development cost.

HOF was not able to inspect the property before the auction. When they were able to thoroughly review needs, they concluded that several larger apartments were needed to serve big families, a decision strongly reinforced by their discussions with the community. They proposed creating four four-bedroom apartments, even though the change would increase costs and decrease revenues. HOF sought and obtained a \$94,000 grant from the State Housing Trust Fund to pay the added costs.

### Community Organizing

One of the centerpieces of HOF's plan was the concept of using the apartment complex as a lever to begin organizing the surrounding community. VISTA volunteer Kris Smock was designated community outreach coordinator and assigned full time to community organizing.

The outreach effort began in Spring 1993, as Kris circumnavigated the neighborhood on bicycle, handing out flyers which announced the possible purchase of Colonial Park by HOF and called for a

community meeting. In living rooms and on porches, she interviewed over 100 residents about their needs and concerns for the neighborhood — not only to collect data, but also to gain entree and establish rapport and trust.

After the purchase of Colonial Park, HOF organized a series of four community forums to develop and implement an action plan for the neighborhood. At the first forum, HOF presented its commitment to making resident concerns central to the planning process. Residents, by their own admission, were skeptical ("We saw nothing but white people...we didn't think they had a clue how bad it was."). They expressed concern that HOF appeared to be a group that was "bringing their ideals" from the outside. Residents say that by the third forum, the skepticism dissipated as they saw that HOF truly listened and ceded power and control of the planning to the community groups.

Through these community forums, the **Maya Angelou Community Initiative** was dedicated to increasing the safety and livability of the Central Albina Community. In the forums, the neighbors established four broad goals and a set of strategies and specific projects to achieve them — each with clearly identified partners, funding sources, and timelines. The goals were:

1. To rehabilitate neighborhood houses and streets and to improve the physical appearance of the area, including:
  - Christmas in April (where volunteers repaired homes of elderly and low income residents)
  - Spring Planting Day
  - Boise CREATE (Community Revitalization, Employment and Training Effort) — painting houses for free as a training tool which over the summer vacation taught a team of neighborhood youth how to prep and prime houses
  - cleaning up backyards and alleys of elderly neighbors.

2. To improve neighborhood safety and increase community residents' sense of security through:
  - addition of motion sensor security lights to homes
  - development and use of block watch training programs
  - foot patrols to reduce crime
  - identifying drug houses for block watches and foot patrols.
3. To provide structured, enriching activities for young people, including:
  - after school tutoring
  - summer youth employment projects
  - African dance classes.
4. To foster a sense of community and reclaim the neighborhood through social events and activities, including:
  - School's Out Family Activity Day
  - a neighborhood party
  - Christmas carol singing.

All of these projects were successfully established in 1994 and the community had met again, early in 1995, to review progress and redefine goals for that year. Residents who had been part of the organizing effort were obviously enthusiastic ("we reclaimed our streets", "it was inspirational to me to fix up my place"). Others we met who were more peripheral to the process were still generally aware and appreciative of the changes, even if they were not specifically cognizant of HOF, Maya Angelou, or the community process. There is a clear sense that the neighborhood has improved and is a significantly more livable place.

Efforts have been made at organizing the Maya Angelou tenants since the building opened, but these have been less successful. As of our visit there was not a large, effective or empowered tenants association. Only a handful of tenants were active and attending meetings.

## Design

The Maya Angelou Apartments (MAA) benefited from starting with buildings that were attractive, nicely scaled, and well constructed of sturdy, attractive materials. They are red brick and wood frame on the exterior, and the small amount of new construction and any needed renovation generally was sympathetic to the original (though some cheaper new siding was used in a few locations).

Design and construction entailed rehabilitating the buildings and site, creating four four-bedroom units, constructing a new building which contains an office, laundry, community room (for tenant and other group meetings), and child care facilities (for Head Start and other uses). There was little new construction. Key design goals for the complex centered on making it livable, useful, pleasant, homey, and safe.

Principles of crime prevention through environmental design (CPTED) were introduced by the architect and played a major role in the design. Landscaping and fencing were used to create real and symbolic barriers, and to identify areas as semi-private spaces. Picket fences mark the boundaries between MAA and the street, and are used to create private, "backyard" spaces for each unit. The fencing, besides creating territorial markings, provides a symbol of residential tranquility, though in a few places the fences proliferate creating a visually awkward array (see photo, page 19). Heavy foliage was removed to eliminate places where criminals could easily hide drugs (a common past practice) and to create more open views between the street and the site. New lighting was added on the street and within the grounds to further reduce hiding places. The laundry room was moved from the basement to a new, ground floor location, and placed so that it had a clear view of the playground. A cul-de-sac was created, closing off an alley which had passed completely through the site. This served to reduce through traffic and eliminated its possible use as a "get-away" route.

Cost control was a key factor in the rehabilitation. Materials were reused where possible. In most cases, for example, kitchen cabinets were stripped, painted and left in place, as were windows and doors. HOF notes that the architect was so bent on reducing costs

that she flirted with cleaning and reusing carpet but, ultimately, new carpets were installed. New kitchen appliances were also purchased, although the previous space and water heating systems were kept. The only major design change came in the remodeling to create four larger apartments.

### Finances

HOF began the project with skill, some experience, a lot of good will, and very little in the way of financial resources — their total cash investment in the project was only \$4,675. The Portland Development Commission (PDC) provided a loan of \$1,289,366 at 3% interest, with funds coming largely from HUD's HOME program. This loan covered the purchase price and most hard and soft costs of rehabilitation (see table). While the PDC usually finances only part of a project — and looks to private lenders for the rest — here they took the risk of providing sole funding, hoping that private refinancing would eventually return about half their investment (the private refinancing came through in April 1995). HOF also obtained a grant of \$94,700 from the Oregon Housing Trust Fund to cover the costs of creating four four-bedroom apartments. Remaining funds came from donations, volunteer labor and VISTA and ACTION volunteers, donations and other grants. The inclusion of \$36,000 under development costs for tenant and neighborhood organizing efforts demonstrates the special nature of this project and the up front commitment to having an impact on the neighborhood.

Unit rents are lower than the maximum levels allowed for projects using HUD HOME funds and are aimed at people with 50% or less of median income. Rents range from \$300 per month for one-bedroom units to \$465 per month for four-bedroom apartments. At full capacity (with about a 7% vacancy factor) the project generates enough net income to qualify for private financing. Their refinancing (\$575,000 at 6.5% from Network Oregon for Afford Housing (NOAH), a coalition of 18 local banks) was used to pay back to the PDC half of the value of the original loan, making it available to the PDC to invest in other non-profit housing ventures.

Construction costs were very low because the original structure was essentially sound and HOF took a very conservative approach to renovation. Total development costs were under \$36,000 per unit.

### Maya Angelou Apartments Costs and Sources of Funds

Costs	Project	Per unit (42)
Acquisition Costs		
Purchase	\$548,000	\$13,048
Liens/taxes	23,790	566
Closing	4,171	99
Subtotal	575,961	13,713
Construction Costs	603,857	14,378
Volunteer labor (at \$25/hr.)	50,000	1,190
Development costs		
Architecture/engineering	\$42,380	
Fees	108,033	
Tenant & neighborhood organizing	36,000	
Lease up/operating reserves	50,000	
Taxes & insurance during construction	19,816	
Other (consultants)	18,600	
Subtotal	\$274,829	\$6,544
Total Project Cost	\$1,504,647	\$35,825
Sources of Funds		
Loans	\$1,289,366	
Donations	\$17,806	
Volunteer labor	\$50,000	
Action/Vista and BHCD	\$36,000	
HCS Grant	\$94,700	
Other grants	\$12,100	
HOF cash	\$4,675	
Total	\$1,504,647	

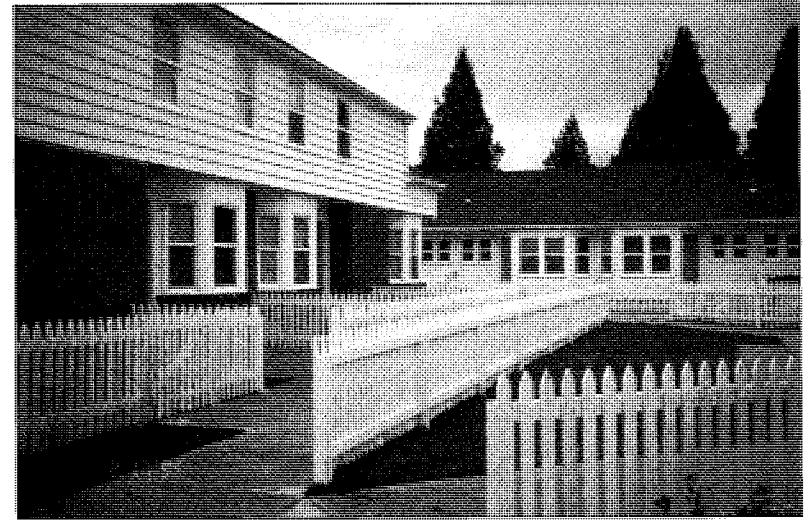


## Crime

When HOF arrived, crime was a major problem in this neighborhood, and thus it became an important target for both the design of MAA and the community organization effort. First, the area was targeted for a community policing effort. This effort brought an assistant district attorney into the neighborhood to coordinate with HOF and the police. Police set up special patrols of the neighborhood, focusing on the apartment complex in particular. By most accounts, these efforts began to have some impact even before HOF's entry to the area.

Safety formed a key part of the action initiative. To control crime HOF installed motion-activated lights on 60 homes, trained residents to organize block watches, worked with the police to target and eliminate drug houses, and worked with the block watches to organize foot patrols on high crime streets. Foot patrols, for instance, are operated through the auspices of the Black United Front, an African-American organization working in several Portland neighborhoods. At the time of our visit, four or more citizens walked the most crime-ridden streets in the neighborhood nightly from 6 to 11 pm. They are rarely confronted — prostitutes and drugs dealers move away quickly when the group, in their bright yellow rain coats, approaches. The local residents believe these foot patrols to be highly effective. On the night we accompanied a foot patrol, a passing car stopped, the driver leaned out the window, said simply "thank-you" to the group, and drove on. We are told this is a common occurrence. One couple new to the area said that they had once seen and rejected the area as unsafe. Two years later, however, after MAA was open and the community initiative process was underway, they perceived "drastic change in the neighborhood" and purchased a home there.

In addition to crime prevention design features, the MAA addressed crime by screening tenant applicants in an attempt to weed out likely drug dealers, although this screening plan became a point of some controversy between HOF and the local police. The police wanted HOF to use arrest records as a screening device, while HOF wanted to use only convictions — feeling that arrests were more likely to be subject to racial bias. HOF argues that the success of MAA shows the reasonableness of their screening approach. The police, on the other hand, are convinced that, over the



*Picket Fences*

years, HOF has, become more "realistic" and adopted more restrictive screening standards.

One incident demonstrates the role tenants have taken in addressing crime problems. Soon after MAA opened, one tenant was found to be using and selling drugs. In earlier times, residents hid in their apartments when incidents occurred. In this case, a group of tenants began to watch and harass the seller and buyers. The tenants are proud of what they call their "sad victory" — the eventual eviction of the tenant.

A policeman we interviewed who once worked this beat was very impressed by MAA's turnaround, for which he credited HOF more than police efforts ("we're great at arresting people, but not at property management"). The decrease in crime on the block, he said, was unique to the area and not part of a city-wide trend. At the time of the interview, he was trying to get owners of a building on his new beat to adopt HOF's approach.

Residents in the complex and in surrounding blocks were impressed and pleased at the change. While there was still crime and drug trafficking, all reported that there was marked improvement. An eight year old boy told us that a few years ago he wasn't



allowed to play outside, which now he can. Elderly people who had felt imprisoned in their homes noted the reduction of fear. Police were pleased that residents call them when they see trouble, whereas residents remark that police no longer ignored their calls.

### **Minority Contracting**

HOF was committed to using minority, women, and local contractors and workers so that project funds would “flow back to the community.” To make this involvement a fact, HOF pushed for it at every turn. It was one of the leading factors in choosing as the general contractor someone who was a board member of another Portland community development corporation. Minority and local subcontractors were hired, and were, in turn, pushed to hire workers from the neighborhood. In the end, 90% of the workers were drawn from, and 80% of the funds went to, minority and community firms.

This effort was not without risks and problems. Many subcontractors were relatively small and had limited experience for a job of this size. The general contractor expended considerable time and effort advising, helping and teaching them on the job. The problems had less to do with technical expertise than with the ability to

administer the job and supervise workers. Some subcontractors did not have the resources to maintain cash flow between payments. The general contractor responded to this problem by billing and paying twice a month. One subcontractor ran into significant problems and was not able to finish the work, forcing the general contractor to step in and complete the job himself. Remarkably, these two firms are still working together with the general contractor supplying work and training and, in the process, collecting payments still owed due to the subcontractor’s problems at MAA.

MAA has become known in Portland as a striking success story for minority involvement. HOF and the prime contractor have received many calls from others asking for help in locating qualified minority firms.

## **THEMES AND LESSONS**

### **Participatory Planning and Design**

While this project is not “grassroots” in the sense that its origin was not from those in the immediate neighborhood, it is hard to imagine a process that could be based more solidly on local control and participation. At every step in the process HOF insisted on community input and control. The value system inherent in HOF’s internal consensus-based operation transferred to its approach to project management. While this added time and complexity to the effort, the payback is obvious in the community’s high level of involvement and ownership in the revitalization effort.

### **Combining Physical Rehabilitation with Community Revitalization**

A most important aspect of this project was the direct connection HOF made between the rehabilitation of a single apartment complex and broader issues of community revitalization. Community organizing was not an afterthought, it was integral to the project and began even before the decision was made to purchase the building. The rehabilitation of the apartments and the revitalization of the community supported one another and provided strength that neither could have achieved alone.

### Leveraging a Visible and Stigmatized Project to Organize a Community

HOF made use of a physically and symbolically important trouble spot (the apartment complex) as the “foot-in-the-door” to create change in the community. The building was seen as a lever into the community. The city and HOF felt that improving the problematic focal point of a troubled neighborhood was the best way to get the attention of residents and raise their hopes for the future.

### A Feminist Approach to Fighting Urban Poverty

HOF is unusual as a community developer in having as its *raison d’être* combating the impact of poverty on women and children:

- HOF defines poverty as a woman’s problem, and seeks solutions that deal with the needs — especially housing — of poor women and their children.
- Its feminist base also plays a significant role in creating an organization rooted in community values, eschewing hierarchical models of organizational structure, and using consensus-based decision making models.

### Building on the Success of Other Community Developers

HOF was able to learn from and model some of the successful approaches of others in Portland — most notably REACH (a 1989 Bruner Award finalist). In particular, they made good use of the concepts of targeting (picking a small community for intense revitalization efforts), of community organizing to develop an accepted and achievable “action plan,” and the early use of quick, inexpensive interventions to galvanize the neighborhood and instill optimism (such as a paint-a-thon).

### Low Cost Renovation to Allow for Very Low Rents: Functionality over Style

HOF was very frugal in its approach to renovation, getting the most value out of their limited capital. Materials and fixtures were reused wherever possible. This helped keep the rents below levels permitted by the financing agencies. Fortunately, the complex was originally built of sound and attractive materials, so that the end product is still appealing today.



Head Start Center

### Using “Crime Prevention Through Environmental Design” to Increase Safety

MAA is a good demonstration of the principles of crime prevention through environmental design (CPTED). Along with management and operational efforts, design has helped reduce crime and improve real and perceived safety.

### Willingness to Take Appropriate Risks

The sale at auction presented a one time only opportunity to obtain this property inexpensively. The size of this project and the financial commitment was well beyond HOF’s resources and represented a significant risk to the organization’s viability. For this project to proceed, a government bureaucracy (the PDC) had not only to move quickly but also to override its co-funding requirement and approve a loan for the full project cost. Their flexibility and willingness to assume the entire financial risk was essential to allowing this project to happen.



### **Commitment to Rental versus Home Ownership**

Many government and non-profit programs focus on home ownership as a means to improving low income neighborhoods. HOF, however, makes a compelling case for the role of rental units, owned by non-profits to assure affordability and as a means to provide stability in a neighborhood in the face of possible gentrification.

### **Supporting Minority Contractors**

For many minority contractors, this was their first chance at a large development project, and some did not have the administrative experience or cash flow to handle it. Placing small, minority contractors in this situation can be risky (for them as well as for the developer) unless technical support is provided, as it was here, to help them develop needed administrative skills.

## **ASSESSING PROJECT SUCCESS...**

### **...BY ITS GOALS**

#### **Provide Affordable Rental Housing for Families**

HOF succeeded in quickly and inexpensively renovating an apartment complex into safe, pleasant and affordable housing that is occupied by low (less than 50% median) income families. This significant number of units (given the population density of the neighborhood) will remain as affordable rental housing for the foreseeable future. HOF's willingness to incur additional costs and forego some income in order to create four-bedroom units demonstrates their commitment to meeting the needs of this population.

#### **Revitalize a Community Damaged by Drugs and Violence**

Considerable progress has been made in addressing this broader, more diffuse and difficult goal. The community looks and feels better to longtime residents. Crime has been reduced and perceived safety has increased; there is a greater sense of community and more participation in community activities, the appearance of individual properties and public walkways has improved; and activities and training programs for youth are being provided.

### **...BY SELECTION COMMITTEE CONCERNS**

**What was the city's role in acquisition of the building? Was there a partnership? Was there real "empowerment"? Did HOF have real control?**

The city of Portland, through the PDC, played a crucial role in helping HOF obtain the building. This project, at the start, could not have been funded through private market sources. HOF, the PDC and other city agencies worked actively together to make this development to happen, although HOF always held the lead role in planning, organizing and developing. HOF has ownership of the building and control over all decisions concerning its operation and maintenance.

**Were any other projects (in Portland or elsewhere) useful as models? How did the participatory strategy develop?**

There were models which were useful in parts of HOF's approach and strategy. Certainly, the most relevant model was that used by REACH, which actively consulted with HOF. Its influence is most obvious in the targeting of a specific neighborhood, use of a community organizer to generate participation, and the development of a clear and achievable action plan with the community. HOF also modeled itself on the National Organization of Neighborhood Women, using its consensus-based decision making approach.

**What strategies have been used to develop/sustain community activism? What evidence is there on how well it has been sustained? Has internal leadership emerged?**

Community activism has been developed in several ways. Most important in the early stages was the considerable time spent by a community outreach coordinator walking and cycling the streets, meeting and talking with residents. In a series of community forums, residents controlled the agenda and developed a statement of needs and an action plan to address them. Also important was the strategy of providing quick successes in the form of weekend projects that made obvious improvements (paint-a-thons, house fix-ups). Participation at the community level is growing and internal leadership has developed.

Successful empowerment has been less obvious at the tenant level in the Maya Angelou Apartments. At the time of our visit, only a handful of tenants were actively involved in meetings and management activities. This is an area which has been targeted for more attention.

**What is the history and makeup of HOF? Does HOF go beyond this project?**

HOF had a brief history before this project which is its largest development. HOF has done other projects since, and has a number of plans for future development in this community. There was some concern expressed about their ability to continue to operate as they do (in their consensus-based and highly personal management style) if they grow very large.

**What is the design quality of the project (buildings and landscaping)?**

The main positive aesthetic features of the buildings are those which were present at its construction in 1948. This is a handsome apartment complex. No major construction or design improvements were made by HOF for aesthetic purposes. The primary new construction involved the addition of a building for day care and community meetings plus a small office. This building closely matches the original construction in style.

The major design changes were to the landscaping, and much of that was aimed at improving site security. This project made very good use of the principles of CPTED in removing hiding and lurking spaces, using picket fencing to identify semi-private areas, creating good visibility to the street and between the laundry room and playground, improving lighting, and creating a cul-de-sac, cutting off an alley which passed through the complex.

**What evidence is there of impact on surrounding neighborhood (crime, pride, appearance, property value, etc.)?**

Property values are up, tax defaults are down, crime rates are down, private investments are being made to improve properties, more people are moving into the community (including professionals and white families), and residents say they feel safer and more hopeful.

## SELECTION COMMITTEE COMMENTS

In selecting the Maya Angelou Community Initiative as the winner of the 1995 Rudy Bruner Award, the Selection Committee was greatly impressed by many aspects of this project. Community participation and control were at the very core of philosophy and practice. This project dealt with the most critical issues facing urban neighborhoods (such as affordable housing and crime). It had a dramatic impact on the Maya Angelou Apartment complex and on the surrounding community — lives and places have changed for the better. It is a project that fosters personal responsibility, and bridges gaps of race and class.

The Selection Committee saw Housing Our Families as unique in its status as a woman-based collective, its focus on poverty as a women's issue, and its attention and follow through in supporting local and minority contractors. HOF modeled itself on the National Organization of Neighborhood Women, and it may have used the model better than anyone else.

The Selection Committee was somewhat concerned about the replicability of the project because of its very low cost renovation, which was in part due to the quality of the building with which they started. The Committee also noted the tremendous commitment and energy required in this effort, and the danger of burnout for those engaged in the process.

The Selection Committee was especially encouraged at the positive role taken by the City of Portland. In an era of increasingly hands-off government, Portland was able to take risks, modify its own rules, and move quickly to provide 100% financing for the project. "This is a message to cities — something you think can't be done, can be done, but not without some risk-taking, support and vision on your part." In awarding Maya Angelou Community Initiative, the Selection Committee explicitly hoped to send a message to cities that there is no substitute for this type of city involvement and support. This was a model of "principled partnership" between the public, not-for-profit, and private sectors.

**For More Information...**

Housing Our Families  
5315 N. Vancouver Avenue  
Portland, Oregon 97217  
Tel: 503-335-0947



## **CAMPUS CIRCLE**

### **Milwaukee, Wisconsin**

#### **SUMMARY OF SELECTION COMMITTEE DISCUSSION**

##### **Initial Reasons For Including This Project as a Finalist**

- This project addresses the concern that urban universities are often located in poor neighborhoods but have usually been uninterested and aloof neighbors — or worse. Campus Circle may be an important model for urban universities who want to take a role in improving their surrounding community.
- The project seems to have accomplished a lot with a low expenditure of public resources, and without gentrification.
- There can be educational value for students in a university which is discovering and aiding its surrounding community.

##### **Selection Committee Concerns and Questions**

- What has been done compared to what was planned? Are the projects “real”?
- What was the process and how did it involve the university, city, and community?
- What do the properties look like? Are they attractive? Was there quality control for the design process?
- What is the character of the border between the city and the university? Has it changed?

- What impact has the project had on students?
- How is this project related to other university plans (e.g., for expansion of campus buildings)?
- Did the university expand into this area, causing displacement?
- How much university resources were expended on this project? How were they spent? Where did they come from?
- Does the project involve any innovative programs to encourage university access for area residents — such as no cost or low cost tuition?
- What hard evidence is available about impact of the project (from city sources, census, real estate sources, university research, etc.)?
- What safeguards exist to ensure open communication between the university and its neighbors in the future?

#### **THE PROJECT AT A GLANCE**

##### **What It Is**

- Campus Circle is a neighborhood revitalization program sponsored by Marquette University. Campus Circle has purchased a large stock of property in a decaying, ninety square-block area adjacent to the university where it is developing commercial property, building student housing,



and rehabilitating low cost housing for neighborhood residents.

### Who Made Submission

- Campus Circle — the designation given to an organization made up of three entities: Campus Neighborhood Associates, Inc. (CNAI), which acquires and develops properties, Hilltop Enterprises, Inc., which manages properties, and Neighborhood Circle, which does neighborhood outreach and organizing.

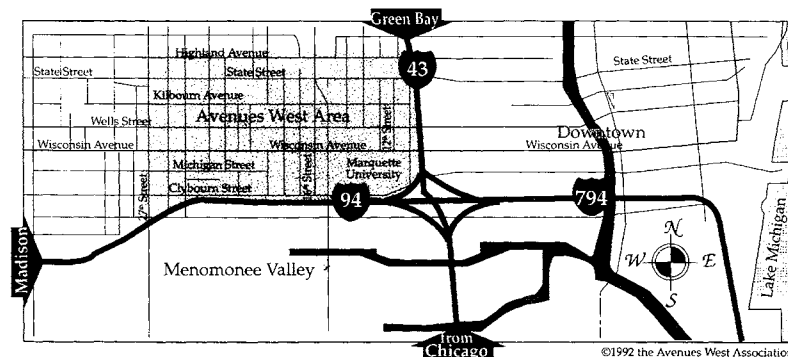
### Major Goals

- Ensure the growth and survival of the university.
- Provide quality off-campus student housing through new construction and rehabilitation.
- Create and maintain affordable family housing for neighborhood residents.
- Establish walk-to-work housing for area employees.
- Deal with crime and safety issues in the neighborhood.
- Develop commercial properties to revive retail activity, provide students and neighborhood residents with additional services, and generate profits to support rehabilitation.
- Provide a forum for community involvement.

### Accomplishments

- Campus Circle has purchased over 150 properties in the target area, and owns \$50 million worth of real estate.
- 153 units of new student housing have been built or renovated.
- 88,000 square-feet of new commercial space has been created.
- 188 units of affordable housing for neighborhood residents have been rehabilitated without increasing rents.

- A new community police station has been located within the area (in a building donated by Campus Circle), and crime is down significantly.
- Campus Circle has provided free, low cost, or bartered space to help support social service groups in the community, such as the Milwaukee Community Service Corps, Open Gate (a homeless shelter), and an after school program.
- Campus Circle has worked with the community to erase the stigma of the Jeffrey Dahmer murders by purchasing and demolishing his former apartment building and developing plans for a tot lot on the site.
- Campus Circle has convinced and helped businesses and institutions remain in the neighborhood.
- Minority contractor participation on the construction and rehabilitation projects exceed targets (over 30%).
- The university has created and expanded a “service learning” program to connect academic experience with the community.
- Tenant organizations have been created and are functioning in many apartment buildings.



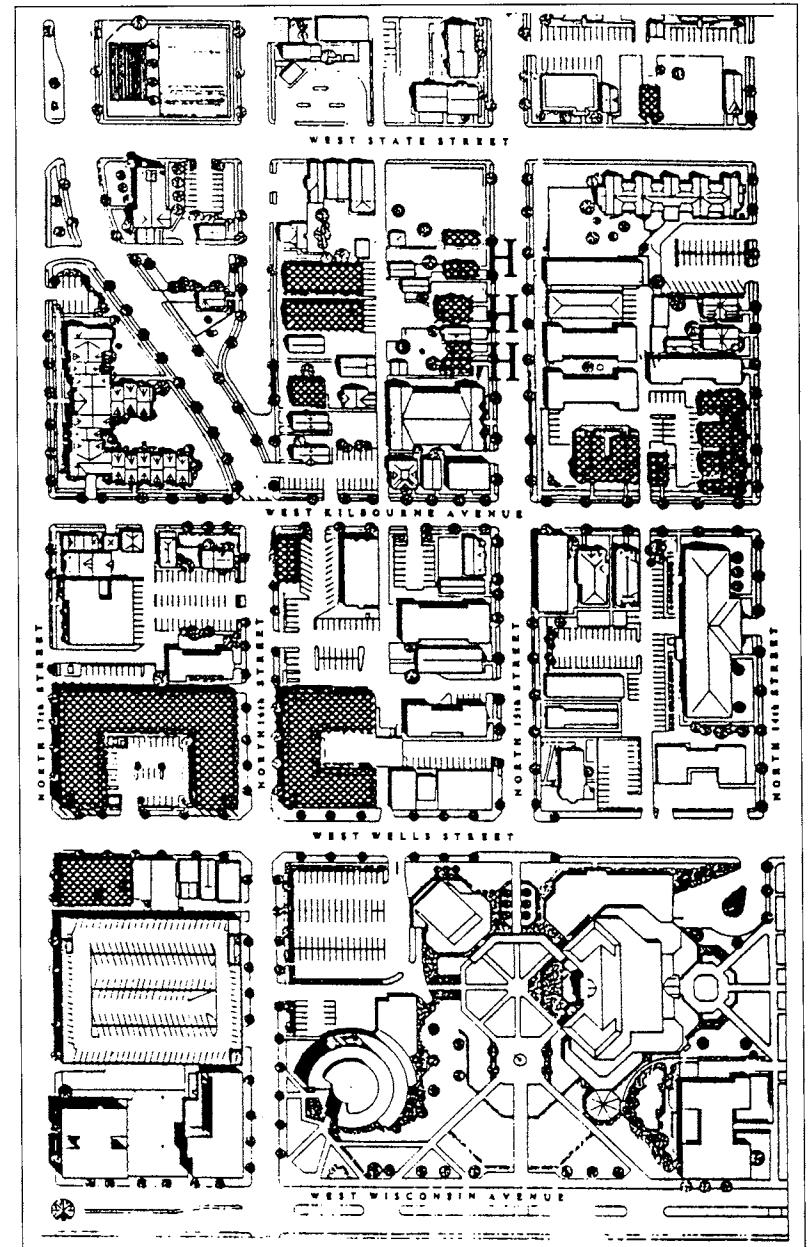
### Issues That Could Affect Selection as a Winner

- Campus Circle has gone very far, very fast, to have an impact on the look, feel, and livability of an entire neighborhood in a three-year span.
- The quality and availability of affordable housing has been increased and resources have been spent in supporting social service programs to address the needs of residents.
- New student housing and commercial space has been built.
- This is a top-down program based on the enlightened self-interest of Marquette University. While it has been done with real concern for neighborhood issues and needs, and attempts at local input, it is clear that Marquette owns and manages this project. Some in local community groups feel that resident participation in planning has been minimal.
- The university has begun significant efforts to connect student academic work with community needs. However, there does not seem to be much in the way of programs to provide special access to the university for community residents.
- Fairly or not, Campus Circle has been tarred with the same brush as Marquette University concerning an attempt to close or narrow Wisconsin Avenue, a main thoroughfare in the area, a change Marquette views as crucial to its future, but which many in the community see as arrogant and self-serving.

### PROCESS

#### Chronology

- **1991.** Father Albert DiUlio installed as President of Marquette University.
- **Summer 1991.** Assaults on students and Jeffrey Dahmer murders make news Father DiUlio asks Patrick LeSage to lead an effort to revitalize area near campus.



- **September 1991.** Campus Circle team gathers information on the status of properties throughout the neighborhood. Public relations company hired. Basic redevelopment strategy developed.
- **December 1991.** Plan presented to university trustees, approved, and news conference held to announce \$9,000,000 commitment by Marquette University.
- **Fall-Winter 1991-1992.** Series of community meetings held.
- **Winter 1992.** Property acquisition begins (almost 150 properties purchased in one year).
- **Spring 1992.** Father DiUlio meets with mayor and chief of police about safety.
- **Summer 1992.** City Council approves new community police station.
- **Fall 1992.** Design of Campus Town begins.
- **December 1992.** Campus Town ground breaking, Phase 1.
- **Winter 1992.** Campus Circle convinces the Blood Center of Southeastern Wisconsin to build in the neighborhood and swaps real estate with them.
- **Spring 1993.** Buildings on Wells Street rehabilitated.
- **Summer 1993.** 13 small housing rehabilitations completed, as well as work on historic buildings on 1400 block of Kilbourne.
- **Fall 1993.** Campus Town Phase 1 completed.
- **Summer 1994.** All four phases of Campus Town completed.
- **Winter 1995.** Exchange building for labor with Milwaukee Community Service Corps.
- **Spring 1995.** Tot lot fund raising completed (construction likely in June 1995).

## Key Participants

(people we interviewed are indicated with an asterisk \*)

### Marquette University

- Albert J. DiUlio\* S.J., President.
- James Sankovitz\*, Vice President of Governmental Affairs.
- Eva Soeka\*, Associate Professor and Director of Center for Dispute Resolution.
- John McGinnis\*, Director of Public Safety.

### Campus Circle

- Patrick LeSage\*, President; Debra Sproles\*, Director of Planning and Development; Tom Kintis\* Director of Finance; Julie LeSage\*, Director of Marketing.
- Phil Davis\*, Director of Security.
- Property manager: Donna Gardner, Art Murchison, Marc Schiller.

### City of Milwaukee

- Michael Morgan, Commissioner, Department of City Development.
- Martha Brown\*, Senior Staff Assistant to the Commissioner.
- Ann Oldenberg\*, Program Manager, Section 8 Housing, City of Milwaukee Housing Authority.
- Lt. Robert Surdyk\*, Community-Oriented Policing.

### Community Organizations and Residents

- Virginia Johnson\*, resident of neighborhood and liaison for Kilbourne Corners Advisory Council.
- Tony Perez\*, Executive Director, Milwaukee Community Service Corps.
- Dan Nauman\*, Owner, Marquette Laundry and President of Wells St. Merchant Association.

- Joyce Henry\*, Director, Open Gate (homeless shelter).
- Carla Butenhoff\*, V. P., External Relations, Ameritech.
- Robert Bird\*, educational consultant.
- **Others** interviewed include Sam Eppstein\*, architect, Eppstein Uhen; Bruce Block\*, attorney; a number of residents of Campus Circle buildings, policemen, people met on the street, and students.

## PROJECT DESCRIPTION

### Milwaukee's West Side

Milwaukee's West Side developed as an ethnic immigrant neighborhood in the mid-19th Century, dominated by German, Irish and English settlers. These groups settled in areas that were marked by tight ethnic boundaries, a pattern that survives in much of inner Milwaukee. While areas were "ethnically homogeneous" they were economically and socially mixed, with many commercial structures, large expensive homes, modest alley houses, and middle class cottages all jumbled together. More class segregation occurred in later development.

New working class housing developed on the West Side to accommodate a wave of immigration at the turn of the century. In the first half of this century the area became progressively more working-class as wealthy families moved to the lakeshore and points north. By the mid-1940s many of the former mansions had been converted to rooming houses and institutional uses.

The major growth of the African-American population in Milwaukee took place after World War II, and the movement of this community into the West Side was most pronounced in the 1960s and 1970s as a result of the city's broad urban renewal program. By the end of the 1970s, African-Americans were the dominant ethnic group in the West Side. The population of the West Side in 1995 was about 35% African-American, with smaller though significant populations of Hispanic and Asian residents.

Prior to the Campus Circle program, the West Side was considered an area in decline and badly in need of help. Institutions in the

neighborhood "gobbled-up" much of the surrounding residential area for their expansion and parking. The number of absentee landlords had increased, and the population had become poorer and older. Of the 900 dwellings counted by Campus Circle in its preparatory survey, only 4% were owner-occupied. Because there are several hospitals in the area, it had also become home to many ex-mental patients, who were often living on the margin of homelessness. Many of the apartments were created as efficiency and one-bedroom units, too small to accommodate the large number of families in the area.

As the income of residents declined over the past several decades, businesses in this area have, predictably, also had difficulty. Once-thriving commercial streets have become dotted with empty lots, with taverns and liquor stores replacing other kinds of retail functions.

In the 1970s and 1980s crime steadily increased in this neighborhood. Despite the high profile student assaults that played a role in the creation the Campus Circle, violent crime was never at a level in this neighborhood equal to other areas (such as that immediately to the north, occasionally referred to by police as "Little Beirut"). Property crime, prostitution, and drug sales, however, have been persistent problems.

In the 1980s the City of Milwaukee officially identified, designated and named community boundaries. The area of which Campus Circle and Marquette University are a part, immediately west of downtown, is known as Avenues West.

### Marquette University

Marquette opened its doors in 1881 and moved to its present location on the West Side at the turn of the century. This Jesuit college grew rapidly through mergers with law, dental, and medical schools. Its student base expanded in the years just before World War II, and even more so after the war, thanks to the GI Bill. Marquette offers a variety of undergraduate, graduate, and professional programs, and draws about one-third of its students from the greater Milwaukee area.

In 1965 Marquette, in partnership with the City of Milwaukee, applied for and received a 25-year jurisdiction for conducting



*Campus Town*

urban renewal on the West Side. During this period they used this status to create the campus as it stands today. Dilapidated houses were bought and demolished, hotels were converted into residence halls, new campus buildings were constructed, and streets that cut through campus were closed. The goal, largely achieved, was to create an expanded and cohesive campus setting, separate and distinct from the surrounding community. One university official notes that the Avenue Commons proposal, to close Wisconsin Avenue at the point it intersects the campus (discussed more below), is a logical extension of these efforts.

This period of expansion was not accompanied by attention to community service or neighborhood outreach. The university established a reputation (which Marquette officials admit is deserved) as a powerful neighbor with an appetite for community property. In the period since 1970, Marquette has grown in every way. In addition to expansion in geographic area and buildings, the endowment grew from approximately \$7,000,000 to \$127,000,000 by 1993.

Marquette University's student population also grew steadily from 1970, when it was 7,900 to 1988 when it peaked at over 12,100. Since that time, however, the enrollment has steadily, if slowly,

declined to under 10,800 in 1993, down 11%. Perhaps most telling, the conversion rate (percentage of accepted students who choose to attend) dropped from 50% to 32%. Marquette officials say that they have "turned the corner" and expect a leveling or slight increase of enrollment for the next academic year. They attribute this change to Campus Circle's activities in improving the neighborhood

Minorities have never been more than a small part of the Marquette student body. In 1970 only 2.9% of the students were minorities (many of whom were African-Americans recruited as athletes). That figure increased to 10% in 1984, and was 12.6% in 1993. Of the minority student population, 37% are Asian, 33% African-American, and 27% Hispanic. The Marquette faculty includes 9.2% minorities, 10.1% of the administrators are minorities, and 22.5% of support staff are minorities.

Marquette University is an influential force in Milwaukee. The Marquette student body is viewed as an important audience for downtown stores, sports events and churches. Its graduates populate many key business and political positions in Milwaukee. They are a source of financial support and a potent political constituency upon which the university regularly draws.

### **The Need for Campus Circle**

Father Albert DiUlio arrived as President of Marquette University in 1991, at the end of the period of significant campus expansion. He quickly recognized that the inward focus of the past was no longer appropriate. The decline in student enrollment coincided with increased crime and deterioration of the surrounding neighborhood and, in particular, with a series of highly publicized assaults on students occurring near the university. He perceived this decline as a serious threat to the future of Marquette, while students, alumni, and parents told him that the neighborhood was a significant contributing factor. Applications from students who lived within the reach of Milwaukee newspapers dropped severely, by half or more, while applicants from other areas held steady. Without intervention he envisioned a fate not unlike that of the University of Detroit, which has seen its student body shrink by half.

Faced with this bleak future of declining enrollment, Father DiUlio saw several options. He could lobby and wait for the City of

Milwaukee to provide protection and support for the neighborhood — but the city showed no indications of having the resources or political will to do this on its own. He could propose moving the campus to another site — impractical given the investment in facilities and the cost of replacing them. He could build a literal or figurative wall around the campus, isolating it from the neighborhood. Or, he could use university resources to improve conditions in the neighborhood for students and residents. He chose the later course as the one most likely to bring success. While the Jesuit tradition of social responsibility played a role in this decision, Father DiUlio and the Campus Circle staff describe this effort as one of “enlightened self-interest.” The overarching goal was the survival and growth of the university, while improving the lives and conditions of people living in the neighborhood was an important side benefit.

The perception that quick action was needed was spurred by several community traumas. Jeffrey Dahmer lived, and committed serial murders, in an apartment very near campus, a connection which local media never failed to make. The case stunned the community and attracted thousands of tourists to the building. Around the same time there was a well publicized assault and murder of a student in this off-campus area, following six student murders in the preceding seven years. Something had to be done, and quickly.

### **Inventing Campus Circle**

In September 1991, Father DiUlio asked alumnus and ex-classmate Patrick LeSage to found and lead Campus Circle. LeSage had extensive experience in real estate and development and knew the Milwaukee market well.

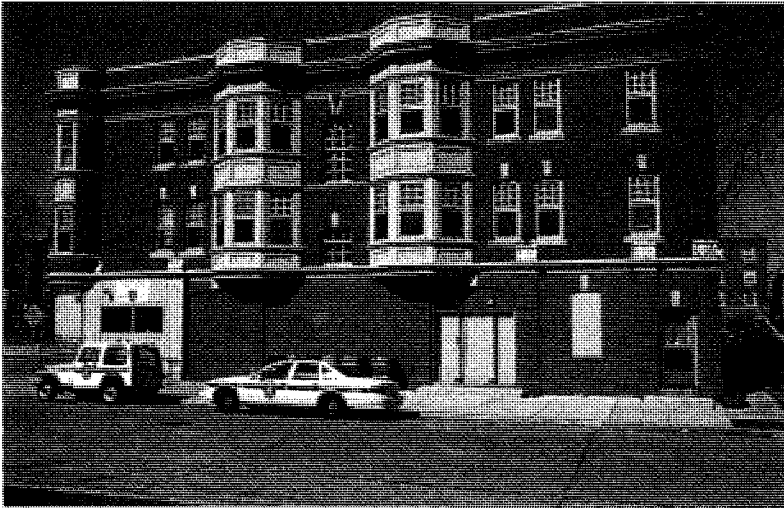
The Campus Circle team worked very quickly to develop a real estate plan for the surrounding neighborhood. First, they gathered data on the area. Extensive use was made of a recent report by Avenues West, the community association of the broader neighborhood, which had identified assets, problems and needs. A photo survey was done of every building in the area. A “quick and dirty” assessment was made of all properties in terms of value, rehabilitation costs, and potential. Every structure was rated for the degree to which it was “worth saving” or “not worth saving”. They took what they called a “goal driven approach” (as opposed to a land use strategy approach), in which they identified properties for



*Campus Town Apartment*

potential use as neighborhood housing, student housing, walk-to-work home ownership, or commercial revitalization. They also tried to identify properties that were crime-ridden (usually drug or prostitution houses), and opportunities for community involvement. The process “was arbitrary and too often inaccurate”, LeSage said, but provided them with a basis for action.

The speed at which this project developed is breathtaking, especially for those used to the pace at which cities and universities typically operate. In November 1991, LeSage and Father DiUlio presented their plan to the university Board of Trustees in broad strokes — the presentation took only fifteen minutes. Later that day the board approved the project and announced to the press the allocation of \$9,000,000 of unrestricted funds. This action committed a sizable portion of available cash reserves and several million dollars more than Father DiUlio had requested. The board hoped that the publicity surrounding announcement of such a sizable commitment of resources would help create an image in the public mind that a major change was about to occur. With this working capital Campus Circle rapidly began purchasing property — and acquired 150 of them in the first year.



*Community Police Station*

### The Campus Circle Organization

In order to accommodate the multiple needs of this plan, a three-part organizational structure was devised. The amorphous and informal organization which they came to call "Campus Circle" was actually composed of three distinct legal entities:

**Campus Neighborhood Associates, Inc. (CNAI)**, a non-profit (501(c)(3)) corporation which held all residential assets.

**Hilltop Enterprises, Inc.**, a (501(c)(25) corporation set up for profit-making commercial development.

**Neighborhood Circle**, an organization started and run by Campus Circle that was intended to provide a forum and vehicle for community input and participation. "Known advocates" from the community were recruited to join Neighborhood Circle, to have the opportunity to review plans and activities of the other two organizations. For example, LeSage points out that the current vision statement of Campus Circle was created by Neighborhood Circle, and later adopted by the entire organization.

Campus Circle started with just a handful of employees (LeSage himself was paid directly from the President's budget). Consultants

were used to supply staffing and expertise for most functions, such as property management and security. In retrospect, LeSage felt that this approach was a mistake — some consultants turned out to be unreliable and others did not understand the neighborhood and the unique kind of real estate management this project required. Eventually Campus Circle replaced consultants with an in-house staff which at the time of our visit consisted of about 50 people, including operations, maintenance and security.

The board's directive was to show immediate results. Besides the daunting size of the task, Campus Circle was saddled with the University's unflattering reputation of acting in its own, rather than in the community's interest, which led many in the neighborhood to mistrust its motives. Campus Circle began to hold community meetings to explain the project and give residents a chance to voice opinions. A staff skilled in public relations was brought on to organize and run those discussions. Meetings were held daily, anywhere an audience could be found, to ask for opinions, input and support. "We got beat up at those meetings," said LeSage, with accusations that Marquette was going to ignore community needs and force people out. They perceived the opposition of some community activists as knee-jerk reactions to change. On the other hand, Campus Circle admits to presenting an aggressive approach to the community: "we said, 'we're doing this; help us or get out of the way'," which could easily generate a skeptical reaction from the community.

LeSage describes an internal process of discussion and occasional conflict in developing specific plans concerning which buildings to buy and what to do with them. The real estate experts and developers (mostly older, white males) would identify strategies to quickly purchase sites and then close them for rehabilitation or demolition. They felt a serious urgency to acquire and develop, before landlords took note and property values began to rise. The public relations staff (mostly young, minority females) often resisted, out of concern for potential dislocation and gentrification, and would argue for greater patience and community input prior to action. Deborah Sproles recalls recoiling when proposals were raised which were identical to the fears she had just heard voiced (and had denied) at neighborhood meetings. After loud and occasionally contentious staff meetings, compromise solutions were usually achieved.



### The Redevelopment Strategy

While the breakneck pace of property acquisition proceeded, a three-part strategy was devised to address neighborhood problems:

1. Create new commercial development. A prime location on Wells Street was selected for Campus Town, so that profitable retail space and student housing could balance and support the money-draining activities in residential rehabilitation. The profit-making Hilltop Enterprises was created so that these activities would not invalidate the non-profit status of CNAI.
2. Provide additional off-campus student housing in the zone closest to the university. Some neighborhood housing was rehabilitated for students, providing a mix of students and residents in many blocks. Certain older buildings were converted into graduate student housing.
3. Improve conditions for neighborhood residents. This included providing low and moderate income housing for neighborhood residents; reducing crime through private security forces and the community police sub-station; supporting social services; and building community amenities (such as a new park on the site of the former Dahmer residence, in the hope that it will return that site to much desired anonymity).

Because of the speed of the acquisition, many newly purchased, badly deteriorated buildings were emptied and boarded up to await decisions or financing. Since a boarded up building can itself be an "incivility" — a symbol of deterioration — Campus Circle worked hard to un-board them, through rehabilitation or demolition, when rehabilitation costs were too high. They expected to have eliminated all boarded buildings by the end of summer 1995.

The process of boarding up, rehabilitating and/or demolishing buildings often required relocation of tenants. Campus Circle provided relocation services, including help finding replacement housing, moving expenses, social services counseling, and assistance with security deposits and rent payments. 114 people were relocated — 29% were Marquette students, while 71% were neighborhood residents. Seventy percent stayed in the neighborhood, 63% of whom were moved into other CNAI buildings.

In many respects, LeSage notes, this process was very different from normal real estate development. First, buildings were purchased without a thorough assessment of what they were worth or how they might be used. In creating rental units, allowable rent levels were identified first, and then the developers figured backwards to identify what amenities were possible and what subsidies were needed to go ahead with the project. Eighty-eight thousand square feet of retail space were created at Campus Town, he notes, without much of a case being made for its economic viability, on the general assumption that demand would improve as the neighborhood did. On the other hand, a report to the city from an auditing firm on the advisability of tax increment financing for Campus Town was optimistic about the viability of this project, suggesting that risks were not inordinate.

By the time we visited, after a frenetic three-year period in which most of its activities were focused on acquisition and rehabilitation, Campus Circle was entering a new stage, in which there will be few acquisitions and primary emphasis will be on developing and managing already held properties. Father DiUlio notes that the university now owns important assets in the neighborhood. These assets are still at some risk, but they can one day serve as a valuable part of Marquette's endowment, if the project succeeds in stabilizing the neighborhood.

Campus Circle staff make it very clear that they are in the real estate business and are not a social service agency. While they acknowledge the importance of social services in this neighborhood, they prefer to accomplish this work through partnerships with public and private agencies. As is demonstrated in many examples below, Campus Circle typically deals with its partners by using its most abundant asset — its properties — as a form of currency. With many properties on its hands that are empty or expensive to rehabilitate, Campus Circle has been able to support some of its partnerships by donating land or buildings.

### A Nontraditional Property Management Model

Early on, Campus Circle learned that these buildings required greater levels of services than provided by traditional real estate management because their residents often had very low incomes and a variety of social problems. This led it to develop a property



*Cedar Square – Before*

management system that provided greater support for tenants, including special payment plans for tenants who fall behind in their rent and a tenant relations department, with staff assigned to each building to help organize tenants and respond to problems (at a cost of approximately \$50,000 per year). Resident Building Managers are placed in buildings of more than seven units. They receive free rent and, in some larger buildings, a salary. Campus Circle also provides its own security, based largely on closed circuit television in many buildings (monitored by CNIA security staff), and occasional roving patrols.

#### **Campus Circle's Partners**

While Marquette is the driving force behind Campus Circle, it has sought support from a variety of organizations it sees as partners, collaborators or co-stakeholders in the area.

**Fundraising.** At the same time the strategy was being developed and community comment solicited, Campus Circle was seeking cooperation and financial support from "the stakeholders" in the neighborhood: the city, other institutions (hospitals), and corporations. They had particular success with Ameritech, which has an



*Cedar Square – After*

office and switching station in the neighborhood and employees who were concerned for their safety. Ameritech donated \$850,000 to the project. The biggest boost came when an anonymous donor with a long history of support for Marquette University matched the original \$9,000,000 stake.

**The City of Milwaukee.** The city of Milwaukee welcomed the proposed Campus Circle projects, as well it should have. Campus Circle filled an important gap in community development and at very little cost to the city. Campus Circle became an "instant partner" doing work the city could (or perhaps should) have done itself, but which it did not have the resources or political will to address. Marquette University was able to move much more quickly and comprehensively than the city could. City officials noted that Pat LeSage's presence and reputation as a developer in Milwaukee lent credibility to the Campus Circle plan.

Marquette had political resources it was willing to use in support of its requests to the city. For example, its request for increased police presence in the neighborhood led to a meeting in early 1992 with the mayor and chief of police, at which Father DiUlio told them that "security is killing us" and asked for more police

support. When the chief “waffled” Father DiUlio reminded them of the 20,000 Marquette graduates who lived within city voting boundaries he could marshal in protest. “We would have settled for less,” he noted, than the new community police station the chief promised to locate in the area.

Campus Circle also worked with the Department of City Development to arrange for tax increment financing (TIF) to support commercial development, although the TIF funds that were supposed to come as grants ended up being given as reduced rate loans.

City officials do not see gentrification as a serious issue for this neighborhood, saying “we’d like to see some gentrification”, to help stabilize the area with owner-occupied houses. They suggested that the low level of ownership and the high vacancy rate make it unlikely that anyone will be forced out of the neighborhood.

**Avenues West.** The Avenues West Community Organization was formed in 1983 to promote business activity and community cohesion. While they have been involved in some development projects, their efforts are largely organizational, such as helping create a Business Improvement District. Avenues West was responsible for the survey and analysis of the community that identified assets, problems, and needs, and which formed the database for much of Campus Circle’s early planning.

Avenues West clearly recognizes that theirs is a distressed community that has received far too little attention from the city, and so they are pleased to have Campus Circle take an active role in redevelopment. They perceive the net impact of Campus Circle to be very positive, and note that crime has abated and housing improved in the period of Campus Circle’s activities. While they had not formally joined Campus Circle in any projects, they expected that to change as Campus Circle evolves away from “bricks and mortar” to more management and programmatic efforts.

Avenues West and Campus Circle do not always see eye-to-eye, however. Even while they are happy to see Campus Circle carrying out its program, they admit that some members “get their nose out of joint” at Marquette’s unilateral development actions. They also suggested that Neighborhood Circle has little credibility with much



of the community. Some see it as more of a public relations effort than a true attempt at community participation, while others became frustrated when its meetings “bogged down in minutia.” The “suspicion of the little guy is not unwarranted,” they note, given the history of Marquette and the lack of community inclusion in Campus Circle planning.

**The Milwaukee Community Service Corps (MCSC).** Campus Circle works with the Milwaukee Community Service Corps in rehabilitating housing for neighborhood residents. This non-profit urban youth corps program provides employment, education and job skill training in community service for at risk youth. MCSC provides labor, often on a fee-for-service basis, for reconstruction and landscaping projects.

Campus Circle has agreed to sell MCSC a 20-unit multi-family apartment building on West Kilbourne Avenue in exchange for services, including the use of corps workers for rehabilitation of other housing units in the area. The MCSC, meanwhile, is seeking funding from a number of sources to support rehabilitation of the Kilbourne apartments into 12 family sized units. Corps members will build “sweat equity” with their labor that will provide their family an option to rent finished units at affordable rates.



*Trimborn – Before*

**Robert Bird.** Robert Bird is a Marquette University alumnus and ex-basketball star who played for its last national championship team. He is currently an educational consultant, using his own money to run an after school program for neighborhood children, aided by Marquette students. His goal is to start a private school that would provide quality education for neighborhood children, supported in part by Milwaukee's school voucher system. He is receiving support from Campus Circle in the form of a \$1 building lease, and he is working with them on a plan to develop a section of State Street with commercial projects that would include a larger space for his proposed school.

#### **Avenue Commons**

At the time of our visit, Marquette was embroiled in a major city-wide controversy over the proposed closing of Wisconsin Avenue. The proposal was part of a master plan, created by campus planning consultants (Sasaki & Associates of Watertown, Massachusetts). In many ways, the plan was the logical extension of the effort in the 1970s and 1980s to create a cohesive, connected campus which entailed the closing of many smaller streets that had run through it. Wisconsin Avenue is the last major artery that bisects the campus. A city official noted "Milwaukee and Marquette Uni-



*Trimborn – After*

versity worked together over the years to close streets. [Closing] Wisconsin Avenue made sense for them." However, many other residents, shop keepers, and commuters saw closing the avenue as a threat to their livelihood or to the convenience of getting to and from downtown.

Many saw the proposal as a revival of the bad old days where Marquette took land from the community for its own uses. "They underestimated the stigma of being a white, elite, private institution," said one community leader. Wisconsin Avenue is perceived by many as the main street of the area and "has proved to be as much an institution as Marquette University." Several people noted that Milwaukee is a very conservative city that "hates change" and this is seen as a proposal to alter a public landmark.

Others wondered how Marquette could have misjudged the public reaction so badly, but Father DiUlio suggested that they did not misjudge it at all. "Any change creates a problem," he said. There are many who "fight for the status quo...it is opposed by the same people" who have opposed Campus Circle for three years.

Faced with strong opposition, including some of its partners and stakeholders in the community, Marquette has modified the plan to

narrow the Avenue to two lanes, rather than close it. It is lobbying hard and expects the plan to pass this spring. It has also indicated that some of its "friends" who have opposed the plan may pay a price in the future in terms of lost political or financial support from Marquette.

This controversy highlights community concerns about Marquette's responsiveness (or lack thereof) to their interests. It also demonstrates the confusion in the public mind about the relationship between Marquette and Campus Circle. The Avenue Commons effort is not part of Campus Circle's plan, but wholly a Marquette University project. While Campus Circle staff found the public relation difficulties that redound to them from this project unfair, the connections between Campus Circle and Marquette in finances, lines of authority, and staff contacts are so intertwined as to make such associations inevitable.

### University-Community Relations

For many years Marquette was mostly uninvolved with its surrounding community. When they did get involved in the urban renewal of the last two decades, they were perceived by many (inside and outside the University) as having a negative influence on the community and speeding its disintegration. Even in this period, there were always some connections between Marquette University and the community. While many students live on (and rarely wander off) campus some juniors, seniors and graduate students have always opted for the freedom and lower cost of off-campus living, even as crime rates rose.

Some feel that the university has, over the years, taken far too little advantage of the educational value of cooperation with the community. Until recently, that involvement has been limited to student volunteer efforts (encouraged by the school's Jesuit tradition) and law clinics run by students and professors.

As Campus Circle developed, opportunities arose for faculty and students to work in and with the neighborhood. Faculty had little involvement with the first stages of Campus Circle — they were not asked to be involved and the pace outstripped the academic calendar. In 1994, however, the university began a serious effort to implement a "service learning" model. This model emphasized combining pedagogically sound academic experience with work in

the community to advance student training and at the same time provide help to community groups.

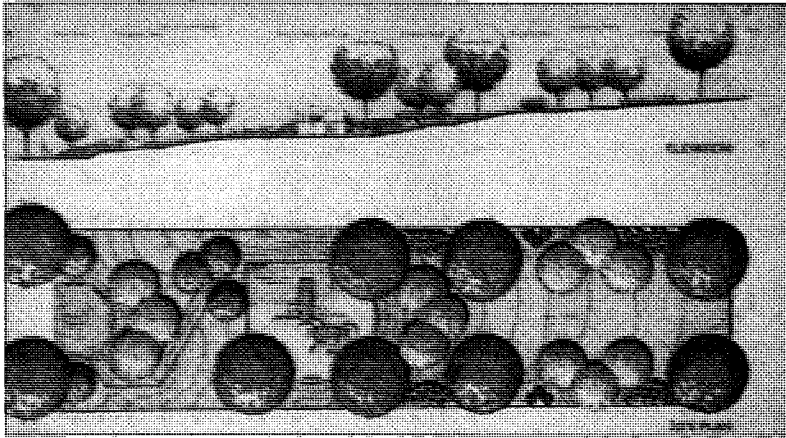
A survey of the university identified 60 faculty who were interested in developing courses with service learning components. Under the Institute for Urban Life, with the support of a grant from the U.S. Department of Education, a series of such courses have been implemented. The courses provide academic and practical preparation for students before they work in the community, support for them during the community experience, and opportunities for students to reflect and assess the impacts of their actions. Professor Eva Soeka, director of the program, points out that, while other universities view service learning as volunteerism, theirs is a "significantly different model" with a "focus on an academic nexus; that is, complete integration into the curriculum." Over one thousand students have been placed in projects since spring 1994 through dozens of courses as varied as "Urban Politics", "Philosophy of Peace," "Family Communication," and "Native Peoples of North America." Placements include schools, jails, political offices, community centers and hospitals.

Students leaders we interviewed indicated that students have sought involvement in Campus Circle activities since the program was launched. A student committee was formed which has worked with Campus Circle staff and Marquette officials, although this committee was largely concerned with student issues. They have addressed design questions in the creation of student housing — for example, they participated in focus groups on the design of Campus Town. They have also served as a conduit to answer student concerns and rumors over Campus Circle actions (such as, "are they going to close our bars?").

The reverse connection — from community to the University — has not been addressed as well. The University is not perceived by the community as a resource they may access and use, whether for cultural or academic purposes. There are no programs in place that provide special entry or scholarships for local students, although minority students in general are being actively recruited.

### Social Justice Issues

When Marquette's new administration set out to alter the neighborhood it recognized that it had both an enormous development



*Park Proposed for Dahmer Site*

challenge and “a lot of baggage” in terms of neighborhood perceptions. Development and public relations staff saw the potential conflicts between their agenda and the social justice aspects of dealing with an impoverished neighborhood — and moved to reconcile them.

There have been occasional charges that Campus Circle too easily and too frequently evicted low-income tenants. Campus Circle responds that it has tried hard to keep all tenants who pay their rent and who do not vandalize or create other disturbances. An independent three person panel reviewed its eviction procedures and did not find them unfair. The eviction process provides tenants several layers of opportunity to respond, appeal, find solutions to their problems, or, as a last resort, get assistance in relocation. When Campus Circle took over buildings they found many tenants seriously in arrears in rent and others engaged in illegal or destructive activities. Some prior owners had filled buildings with risky tenants in order to increase apparent rent rolls and property values in preparation for sale to Campus Circle. From January 1993 to the time of our visit just over two years later there had been 62 evictions. Ninety-two percent were for non payment of rent (34% with sheriff's intervention); 8% were “for cause” (most with sheriff's intervention). In thirty-two percent of the evictions for unpaid rent, the arrears were written off as bad debt (totaling over \$39,000).

A Campus Circle official asserted that “we are fundamentally not about displacing people.” While no one is forced out without cause, some tenants, he said, such as drug dealers and prostitutes, needed to be evicted. For example, in one “drug house,” he said, almost all the tenants were “displaced” directly into jail for outstanding warrants.

Another charge is that the development effort was essentially paternalistic in its orientation — a large, white, rich institution making decisions for a poor and largely minority neighborhood. While it is true that Campus Circle was created as a top down planning process, significant efforts were made to communicate with residents and involve them in planning. They did not, however, allow that involvement to slow the process. “We knew we had to make a big splash and before Christmas break” notes LeSage. Another observer, not opposed to the university's development efforts, said “Marquette is used to making pronouncements, just saying ‘this is what is going to happen’, and that is what they did here.”

In addition to the question of initial involvement of residents, some concern was expressed about Campus Circle's provision of social services and outreach to marginal or troubled residents. As noted above, Marquette officials made it clear that social service was not its mission (“we are a university, not a social service agency,” said Father DiUlio). Although it provides referrals and shows what it argues is great patience with neighborhood residents, it nonetheless expects what one employee called “tenants with proper moral character.” When asked about the powers of tenant councils (for example, with regard to eviction decisions) Campus Circle staff said “we're the owners. We'll run as best we can with their input, but we'll make the decisions. It would improper to have tenants involved in that kind of decision.”

### Crime

One of the city's contributions to the success of Campus Circle has been the placement of a community policing station in the heart of the Campus Circle area. This was Milwaukee's second pilot effort in community policing, and it was accomplished with very little expenditure of city resources. As part of its deal with the city, Campus Circle supplied a building, and the police department provided the officers by transferring staff from other stations. Local

business people donated the furniture and the station chief, Lt. Surdyk, has written grants which have paid for additional staff.

The station covers a 350 block area, largely but not completely in the Avenues West neighborhood. Three squads are specifically assigned to the area of concern to Campus Circle. Their focus, as community oriented police, is on "service delivery" by identifying and solving problems, rather than merely responding to calls. They have set up block watches, established a panhandling program, developed a bottle deposit plan to reduce the litter of broken liquor bottles (a common complaint here) and worked closely with social service agencies. For Lt. Surdyk, community policing is much more than having a cop on foot or bike patrol.

In the view of all concerned (the police, Campus Circle, and local residents) this effort has been a major success. Crime in all categories dropped 34% in the three years before our visit. Homicides fell from 17 to 2, arson from 9 to 4, burglary from 252 to 167, armed robbery from 170 to 102, and theft from 90 to 55. While the police say that this area never matched communities to the north for violent crime, it is still recognized as vastly improved.

Campus Circle also provides its own 12 person security force, although most of its staff are involved only in monitoring closed circuit televisions at Campus Town and several housing projects. Only two conduct street patrol duty.

The Campus Circle security force operates separately from Marquette's 50 person security operation. Campus security responds to intra-campus problems and escorts students between campus and residences (escort requests have fallen in recent years).

It is impossible to distinguish between the impact of policing and security activities compared to that of other Campus Circle efforts. The entire project, however — housing, commercial development, and policing — is the result of Campus Circle's original strategy, and overall this strategy has been very successful in reducing crime and increasing perceived safety among students, merchants and residents.

## Design

The neighborhood in the vicinity of Marquette has a mix of housing types and styles and is dotted with empty lots and boarded-up buildings. There are still a few mansions indicative of the wealth of this community in the 19th Century. Many simpler homes are of the Stick Style, composed of brick and shingle distinguished by porches with turned wooden trim. In other areas row houses with brick façades sport a variety of roof shapes including gables and turrets. Projecting bays and contrasting stone trim add interest to some façades.

The only significant new construction in Campus Circle is the Campus Town development. This mixed use project includes retail at and below grade with three stories of student apartments above. The intention was to visually relate the design to the neighborhood through massing, choice of materials, and details. The buildings are brick with bay window elements at some locations, gables, and metal roofs with dormers. The roofs are a very strong blue color (we were told that this color was chosen by a high university official who may be color blind).

The two phases of Campus Town cover parts of two blocks and, while similar in appearance, are quite different in how they relate to the main commercial street. One continues the street facade and places the parking in the rear while the other is "U" shaped, leaving a large parking court at the main street. Unfortunately, this interrupts the continuity of the street façade, but was felt by the developers to be necessary in terms of attracting customers who come by car. Other than at the driveway entry and two side gates, the courtyard is separated from the street by an iron fence, presumably intended to help prevent crime by limiting approaches and exits.

The other design-related issue in Campus Circle is the preservation of historic buildings. Preservation was not a primary goal of Campus Circle, but has become an important aspect of its extensive rehabilitation projects. Preservation also has helped pay political dividends with the mayor of Milwaukee, who is a strong preservation advocate. The largest preservation activity was on the 1400 block of Kilbourne. The buildings in this block were in need of serious restoration, and could not be torn down because of their





*Father DiUllio*

landmark status. Significant expense and effort went into the restoration of several buildings now called Cedar Square in order to preserve their handsome original facades.

### Financing

Campus Circle's unusual structure and mission make it difficult to establish a clear "bottom line" that truly reflects its goals and activities. Campus Circle's books, for example, reflect only the income and expenses of the corporations it encompasses. The true "profit" for which it was created — to retain and increase enrollment at Marquette — does not appear in these spreadsheets. These results show only in the university's audit statements, or in admissions records in the form of increased applications or conversion rates.

Campus Circle generally operates in a business-like fashion in making development decisions, but its mission sometimes makes that difficult. For example its income has been lower than projected and initial expenses higher because of the unusual way Campus Circle began — buying many sites before thorough analysis of the properties could be made. Many of these houses were in poor condition and had lower than anticipated rent rolls.

Because of these circumstances, Campus Circle shows a current annual operating deficit of over \$700,000. The immediate cause is the degree to which they are "over leveraged" — especially for CNAI — which has 30% equity in its properties, versus the 50% it expected, causing higher than anticipated interest payments (and it blames this in part on the city's decision to make its TIF a loan rather than a grant). Its overall rent roll is \$7,000,000, but about 250 units are empty because they are not yet rehabilitated and are unlivable, or are too small for the families in the area. To reduce the deficit (which is currently being financed out of operating capital) they have several options:

- rehabilitate and rent the vacant units (a part of the plan but inhibited by concerns about increasing debt)
- rent existing vacant commercial space (likely in the near future)
- sell properties (some have been sold, but assessed values are still very low)
- raise rents (a probable strategy in the future, when inflation makes this more palatable), and/or
- engage in fund raising (the current thrust; they are seeking \$1,000,000 from Marquette to retire debt or provide equity to support the rehabilitation of more units).

An additional long term financial goal of Campus Circle is to provide Marquette with real estate assets that will provide income in years to come. They expect that in 5 to 7 years these assets will start showing positive cash flow.

### Sources of Capital for Campus Circle

Marquette University	\$9,000,000
Anonymous Donor	9,000,000
Ameritech	850,000
Bonds	23,850,000
TIF Loans	4,170,000
Mortgages	9,190,000
Total	\$56,060,000



It may help to explain the Campus Circle operation by showing the costs, expenses, and income of several individual projects.

### Campus Town

Campus Town is a new mixed use, student residence and retail development. The housing is owned by CNAI, while retail operations are owned by Hilltop Enterprises. The project contains 153 units of student housing and 88,000 square feet of retail. Student housing consists of one and two bedroom apartments (typically occupied two to a room, with rental rates of approximately \$200 per bed per month). The retail space is mostly occupied with typical campus stores (video rental, laundromat). The merchants seem pleased with the facilities and see the location as safe, although they would like to increase the percentage of their business that comes from neighborhood shoppers.

As part of the project an attempt was made to save and enhance other retail stores on the street. For example, Campus Circle was able to keep Marquette from expanding a proposed parking deck that would have resulted in the demolition of several stores. Instead, the parking deck was made one-story taller and set back from the street.

<b>Funding Sources</b>	
Bonds	\$23,850,000
TIF loan (at 4% interest)	\$4,170,000
Equity	\$4,170,000
Triangle Fraternity (for their frat house)	\$1,000,000
<b>Total Costs/Funding</b>	<b>\$33,000,000</b>
<b>Annual Income (from commercial and residential rents)</b>	<b>\$2,800,000</b>
<b>Annual Expenses</b>	
Interest payments	\$1,560,000
Other expenses (security, cleaning, taxes, etc.)	\$1,020,000
<b>Total Expenses</b>	<b>\$2,580,000</b>
<b>Net Annual Cash Flow</b>	<b>\$200,000</b>

(The net is expected to increase to \$320,000 when the 15,000 square feet of vacant retail space is leased.)

Campus Circle uses the positive cash flow from Campus Town to help support other housing projects which are not profitable.

### 731 North 21st Street

A 39-unit rental property which needed only minor repairs.

<b>Capital Costs</b>	
Purchase price	\$550,000
Rehabilitation	\$80,000
<b>Total Costs</b>	<b>\$630,000</b>
<b>Funding Sources</b>	
Equity	\$150,000
Mortgage (20 years at 9%)	\$400,000
<b>Annual Income (rents)</b>	<b>\$110,000</b>
<b>Annual Expenses</b>	
Taxes, etc.	\$63,000
Mortgage	\$43,000
<b>Total annual expenses</b>	<b>\$106,000</b>
<b>Net Annual Cash Flow</b>	<b>\$4,000</b>

### 845 North 21st Street

This building was in some distress and is an atypical property. It has high rates of vandalism, excessive repair costs and 50% vacancy rate. Some tenants are very unhappy with CNAI as a landlord and claim it has used evictions unfairly and provided inadequate security services. CNAI staff say that the continual repairs (such as replacing carpeting several times in one year) and problems with tenants (drug and alcohol use, unsupervised children) have led to the high vacancy rate and high maintenance costs.

Purchase Price	\$880,000
Income (rent)	\$110,000
Expenses (taxes, repairs and ongoing maintenance)	\$141,000
<b>Net Annual Cash Flow</b>	<b>- \$31,000</b>

**1400 Block of Kilbourne Street**

This block has landmark status, so buildings could not be demolished. The whole block was purchased from a single owner. Campus Circle views the block as a portfolio, which has a small positive net cash flow which will improve when the mortgage is refinanced (planned for later in 1995) at 6% through the local utility company. Two buildings on this block are:

**Cedar Square** — an historic landmark building rehabilitated for graduate student housing.

**Costs**

Purchase price (allocated portion of block)	\$80,000
Rehabilitation	\$300,000
<b>Total Costs</b>	<b>\$380,000</b>

**Funding Sources**

Equity	\$320,000
Mortgage (15 years at 9%)	\$60,000
<b>Total Funding</b>	<b>\$380,000</b>

Annual Income (rents)	\$19,200
<b>Annual Expenses</b>	
Mortgage payments	\$7,000
Taxes, maintenance, etc.	\$6,600
<b>Total Annual Costs</b>	<b>\$13,600</b>

<b>Net Annual Cash Flow</b>	<b>\$5,600</b>
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**Trimborn** — was 2 fraternities; rehabilitated into 20 rental units.

**Costs**

Purchase price (allocated portion of block)	\$300,000
Rehabilitation	\$800,000
<b>Total Costs</b>	<b>\$1,100,000</b>

**Funding Sources**

Equity	\$300,000
Mortgage (15 years at 9%)	\$800,000
<b>Total Funding</b>	<b>\$1,100,000</b>

<b>Annual Income (rents)</b>	<b>\$110,000</b>
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(Table continues)

**Annual Expenses**

Mortgage payments	\$97,000
Taxes, maintenance, etc.	\$26,000
<b>Total Annual Costs</b>	<b>\$123,000</b>
<b>Net Annual Cash Flow</b>	<b>- \$13,000</b>

**THEMES AND LESSONS**
**Connecting the University and its Community**

In an urban setting, a university's growth and attractiveness is linked inextricably to the viability and health of the surrounding community. By perceiving that interests are mutual, the university can benefit from improving its neighborhood.

**Grabbing Public Attention to Change Perceptions and Overcome Inertia**

Marquette was able to quickly change perceptions and expectations by making a big splash with a public announcement of major funding for redevelopment. The large cash allocation to the project by the board of trustees caught the public's attention, and provided the wherewithal for quick action.

**Avoiding Institutional Bureaucratic Constraints**

By creating an organization which was free of institutional (city and university) constraints, Marquette was able to move quickly on multiple fronts to address the needs of a depressed community as well as of the student body.

**Focused Effort**

By focusing on a specific geographical area and limited range of purposes, Campus Circle was able to have a great impact and avoid diluting its efforts.

**Process Matters**

The use of a management style that was "top-down" was probably necessary for a project intent on moving so fast. This approach, however, exacted a real cost in community support. In spite of significant effort to gain input and support, the community

remains unconvinced that Marquette truly listens and shares power. Real participation takes commitment and time — the latter, at least, was in short supply.

### **Using Properties as Currency**

Campus Circle had, by the end of its first year, a large stock of “non-performing” properties. They used these assets as a form of currency to support partners in the redevelopment of the neighborhood. Buildings, lots and units were provided and no or low cost to support agencies with compatible goals.

### **Creating Management Systems to Fit the Need**

Campus Circle found that traditional real estate management systems wouldn’t work in this kind of economically depressed community. It was successful in developing management systems that were responsive to tenants’ economic and social service needs.

### **The Community as a University Laboratory**

The community has become a learning laboratory and resource that for years had been left untapped by the university. Marquette’s “service learning” program is an example of how a university can both serve and take advantage of its surrounding community while maintaining academic integrity.

## **ASSESSING PROJECT SUCCESS...**

### **...BY ITS GOALS**

#### **Create and maintain affordable family housing for neighborhood residents.**

Campus Circle has been very successful in creating affordable housing of better quality and with better services for many residents without increasing rents.

#### **Provide quality off-campus student housing through new construction and rehabilitation.**

Student housing options off-campus have been greatly improved through Campus Town and rehabilitated units.



*Pat LeSage*

#### **Establish walk-to-work housing for area employees.**

There has been modest success in this area. Six houses have been sold as walk-to-work homes and a number of apartments have been rented to Campus Circle staff. There has not been a large impact on Marquette faculty or staff.

#### **Deal with crime and safety issues.**

Crime is significantly reduced in this neighborhood, as reflected in both police statistics and resident perceptions.

#### **Provide a forum for community involvement.**

Neighborhood Circle was created to invite resident input, largely in the form of review. There are differences of opinion about its success. Campus Circle staff see it as very useful in providing feedback and input, while others in the community suggest that it lacks credibility because it has no real control over development or management decisions. One Marquette official noted that Campus Circle demonstrated that it “learned its lesson” about participation by showing patience while the community took four months to decide the fate of the Dahmer house (which will become a park).

### **...BY SELECTION COMMITTEE CONCERNS**

#### **What has been done compared to what is planned? Are the projects "real"?**

A great deal has been accomplished in a short time. While some buildings remain boarded up and some lots are empty, a great many buildings have been rehabilitated, many housing units have been provided to residents and students, business have been convinced to stay in the area, and there has been new commercial development.

#### **What was the process and how did it involve the university, city, and community?**

This was a top-down process, created and run by Marquette, to improve neighborhood conditions and safety for the primary purpose of increasing student recruitment and retention. There were significant efforts to involve and listen to tenants, as well as to support the social service needs of residents. The city played a supportive but peripheral role and received considerable benefit in improved neighborhood quality for a relatively small investment.

#### **What do the properties look like? Are they attractive? Was there quality control for the design process?**

Campus Circle has done a good job in creating pleasant and livable housing units. It was not uninterested in design, but neither was it a high priority. In its major new construction, Campus Town, it tried to relate the new buildings to the surroundings, with some success. Its renovations of historic buildings were done with some care, but the quality of restoration was compromised to meet budgets (for example, composition shingle roofs and siding were used rather than a more historically appropriate material).

#### **What is the character of the border between the city and the university? Has it changed?**

The border area has improved both visually and socially. Buildings have been restored and students and others can walk the area with much greater safety.

#### **What impact has the project had on the students?**

Students have had limited involvement in the development of these projects, except for design input to Campus Town. They are renting more in the off-campus area, although Campus Town accounts for much of the increase. Because of the creation of so much resident housing, there is no reason to believe that students have been displacing other residents.

#### **How is this project related to other University plans (e.g., for expansion of campus buildings)?**

Campus Circle is related only by proximity to the Avenue Commons plan. It has played no part in its conception or development. It has suffered some, by association with the university, because of the public's negative reaction to the plan.

#### **Did the university expand into this area, causing displacement?**

Marquette expansion and subsequent displacement occurred during an earlier period. Except for the Wisconsin Avenue plan, there is no further expansion planned or taking place at the time of our visit.

#### **How much university resources were expended on this project? How was it spent? Where did it come from?**

Marquette provided \$9,000,000 from its own cash reserves, to start the project — more than the annual income on its endowment. It was spent on the purchase of buildings in the neighborhood.

#### **Does the project involve any innovative programs to encourage university access for area residents — such as no cost or low cost tuition for community residents?**

There is no program to help local residents gain greater access to Marquette academic programs.

#### **What hard evidence is available about the impact of the project (from city sources, census, real estate sources, university research, etc.)?**

Crime rates are down significantly over the past three years. Housing values and costs have not risen significantly. Student enrollment has not yet begun to rise, although the decline of past years

may have been slowed or stopped. There is little solid research data defining broader impacts of the project. There is a great deal of visual and anecdotal evidence that significant change has occurred in the physical rehabilitation of the neighborhood, and in quality of life for students off-campus and for neighborhood residents.

### SELECTION COMMITTEE COMMENTS

The Selection Committee was particularly impressed with Marquette University's attempt, through Campus Circle, to improve its surrounding community. "They did an incredible thing here...because they took the risk of the university putting in \$9 million." The Selection Committee noted that, historically, many urban universities have been poor, sometimes detrimental, neighbors to their surrounding communities, and welcomed this project as an alternative model. "Thank god there is an example out there of a university with a very big problem that addressed it with a solution of dramatic size and scope....[This plan was] dramatic, bold and effective."

Campus Circle rejects the view that university-neighborhood relations must be "a zero sum game" and has sought instead to create a "win-win" scenario. Campus Circle has clearly had a positive impact in making a derelict neighborhood safer and cleaner, and can provide a valuable model for universities around the nation, many of which are located in marginal neighborhoods.

The Selection Committee had some concerns about the top-down nature of the Campus Circle development process. Although Campus Circle has made serious efforts to foster community participation and support (such as by the creation of Neighborhood Circle and creation of tenant organizations in apartment buildings), decisions are made by Campus Circle management. The Committee recognized that exigencies of time and money pushed the top down, rapid development approach, but were concerned that there did not appear to be a mechanism in place to assure long term community participation in decision making. "What [this model] doesn't do is build any form of civic society in the community that

it approaches." "If the university wants to win in the long term, then it has to build in those new devices through which any decision which will affect the neighbors will be negotiated" in ways that cede control to the affected people. The design of the neighborhood park on the Dahmer site was seen as a positive step in that direction.

The Selection Committee found this to be an important and laudable effort, especially commendable in the decision of Marquette not to seal its borders. The Selection Committee was impressed at the sensitivity of the intervention and its ability to leverage a relatively small amount of funding to have a major and immediate impact on a large community.

#### For More Information...

Campus Circle  
2051 West Wisconsin Avenue  
Milwaukee, WI 53233  
Tel: 414-288-7281





## DUDLEY STREET NEIGHBORHOOD INITIATIVE Boston, Massachusetts

### SUMMARY OF SELECTION COMMITTEE DISCUSSION

#### Initial Reasons For Including This Project as a Finalist

- The project deals with some of the most critical urban problems: how to turn around an area that is very poor and extremely blighted. If Dudley Street is successful, its accomplishment will be great.
- The plan represents a large, ambitious, creative, and comprehensive vision for the area.
- Community ownership of the land is innovative and very unusual.
- Reclaiming an area that had been a dumping ground for trash and other pollutants is an important environmental achievement.
- The housing and park developments appear to have been done well and to have had significant community input.

#### Selection Committee Concerns and Questions

- What is the make-up of the Dudley Street Neighborhood Initiative group?
- Was there real community participation? What were the roles? Was there real empowerment? Has community activism been sustained or expanded?
- What was the role of the city in this project? Was there a partnership?

- Did the demographics of the area change (has there been gentrification or are the original people still there; as people improve their situations, do they stay in the area or leave it)? What has happened to property values? Is there data to document changes in the community? Was there a survey of physical and social conditions before and after the project?
- What kind of leadership has emerged? What has been the impact on individuals' growth and development — what are their stories?
- What has been completed so far? Why did the project take ten years? Did it lead to other projects in the area?
- What is the quality of building design and site planning?

### THE PROJECT AT A GLANCE

#### What It Is

- The Dudley Street Neighborhood Initiative (DSNI) is a community-based organization consisting of residents and representatives of social service agencies, business, youth and other constituencies. It is active in a large section of Roxbury and Dorchester near downtown Boston. One project, Winthrop Estates, 36 units of owner-occupied housing, was submitted as an example of the group's work.

**Who Made Submission**

- The Dudley Street Neighborhood Initiative (DSNI).

**Major Goals**

- To provide a voice for community concerns leading to action addressing them.
- To stop the devastation of the neighborhood.
- To see that the neighborhood is rebuilt and provided with services and jobs (but, generally speaking, not to do this work itself).

**Accomplishments**

- DSNI has stopped the deterioration of the worst part of Roxbury and Dorchester and begun to turn around the neighborhood.
- The devastation of arson, neglect, disinvestment, and illegal dumping has been reversed. The area is much cleaner and safer than it was in even the recent past.
- A land trust has been organized, administered by Dudley Neighbors, Inc., which been granted eminent domain power over empty land in a 30 acre area. The use of these mechanisms to capture vacant and abandoned land for community benefit is innovative.
- 36 units of housing have been developed for sale by DSNI. At the time of the site visit, all units were completed and almost all had been sold and were occupied, with the last few expected to close escrow soon after the Selection Committee met in Spring 1995. Several other groups have built new housing (generally co-op apartments or houses offered for sale to owner occupiers) on land assembled by the land trust.
- The group is an extraordinary example of grassroots, bottom-up organizing and appears to have kept its close ties to residents and community/service organizations. It has grown greatly in capability and influence and is now viewed by the city as the legitimate voice of the community.

**Issues That Could Affect Selection As Winner**

- The organization has grown to have about 2,000 members, 15 staff (about half minority) and an annual budget of over \$1 million — yet it is firmly committed to limit itself to planning and organizing, leaving service provision and project development to others. While DSNI's accomplishments are extensive, its million dollar budget could be considered to be high for such functions.
- The project put forward as an example of its work, Winthrop Estates, is not its most impressive accomplishment. Such development is not part of its mission and the project itself was rather expensive, required large subsidies to home buyers, and is of average design quality.

**PROCESS****Chronology**

- **1984.** Dudley Street Neighborhood Initiative is started (see below for the interesting way in which this happened).
- **1986.** First clean-up campaign ("Don't Dump on Us"). DSNI gets the city to clean up some vacant land and annual neighborhood clean-ups begin. In 1987, DSNI successfully pressures the city to close three illegal trash transfer stations.
- **1987.** DSNI hires a consultant to facilitate resident involvement in developing the area master plan which is subsequently adopted by the city as the "official" plan.
- **1988.** "Take a Stand, Own the Land" campaign obtains eminent domain powers from the Boston Redevelopment Authority. A land trust, Dudley Neighbors, Inc. (DNI), is formed to exercise eminent domain powers and retain ownership of the parcels. In 1992, the Ford Foundation loaned DNI \$2 million for land acquisition.
- **1989.** Physical planning is undertaken for development of the Dudley Triangle (core area). In the next years, resources



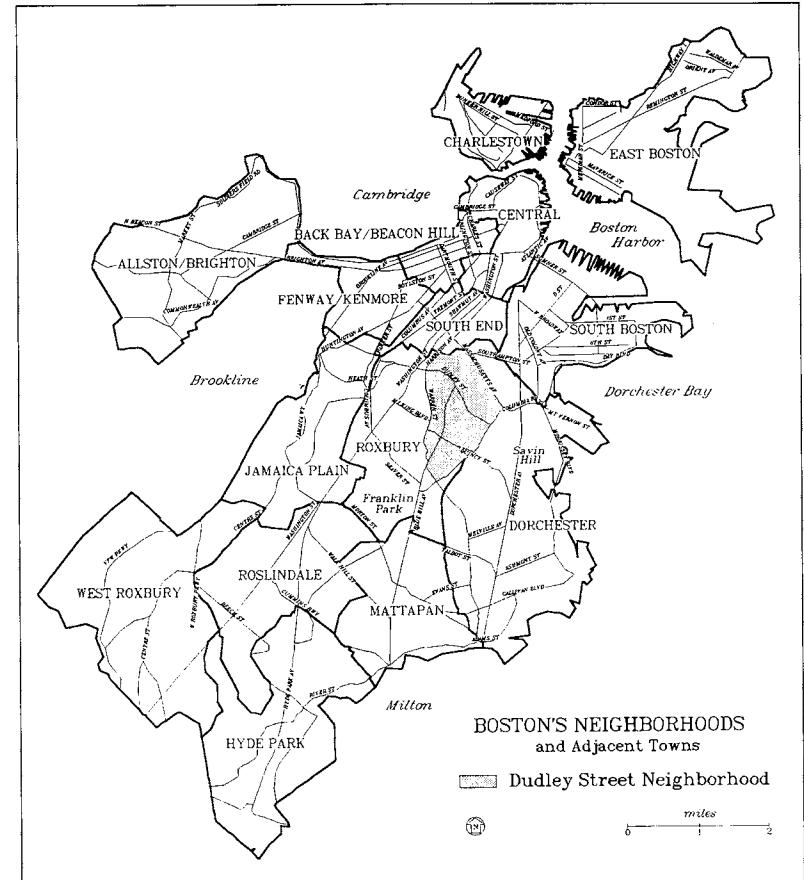
are assembled and legal and regulatory conflicts are resolved.

- **1990.** Major emphasis is given to human and economic development programs (ongoing).
- **1992.** Winthrop Estates construction is started.
- **1994.** Third phase of Winthrop Estates is completed. At the time of the site visit, sales were essentially complete, with three units still to close escrow. DSNi is selected as a participant and grantee in the Annie Casey Foundation's Rebuilding Communities program.

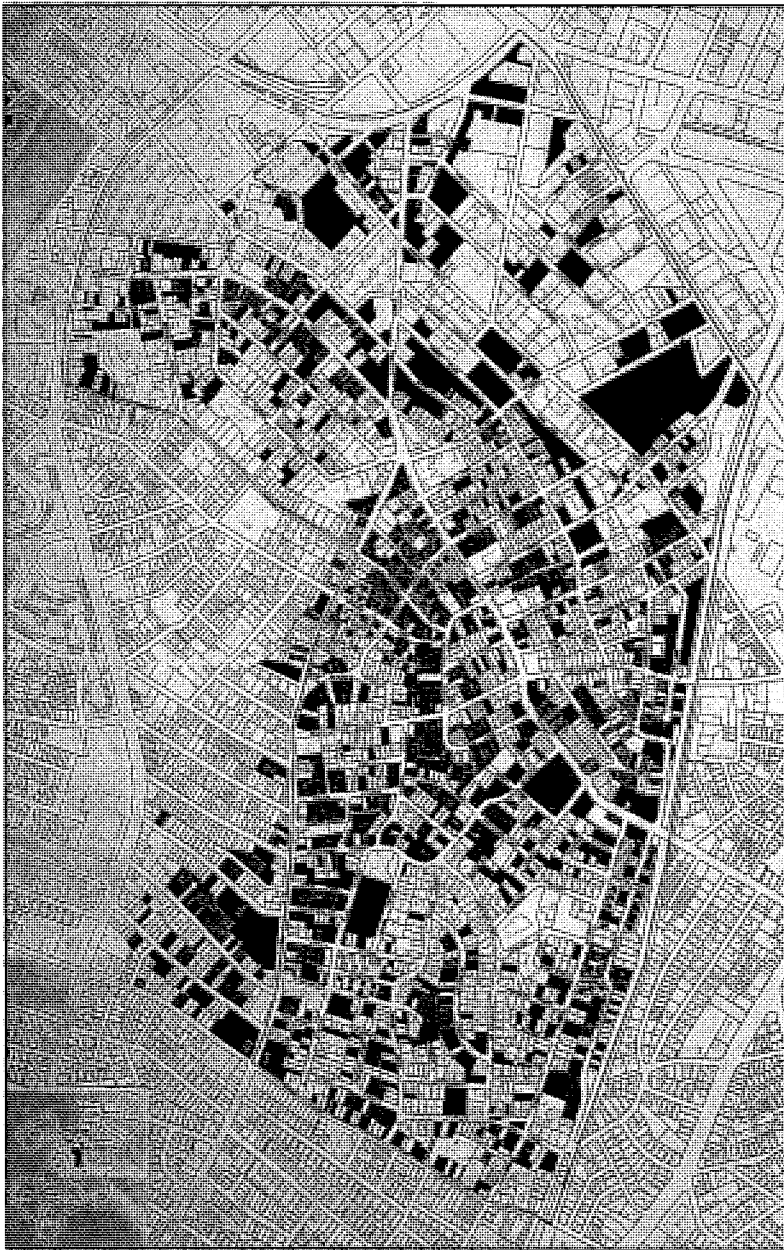
### Key Participants

(people we interviewed are indicated with an asterisk \*)

- Dudley Street Neighborhood Initiative (DSNI)
  - Staff: Al Lovata\*, interim Executive Director; Tom McCullough\*, Development Director; Ros Everdel\*, Director of Organizing; Sue Beaton\*, Deputy Director (for development; managed Winthrop Estates project and currently manages rehab of furniture factory); David Medina\* (youth organizer). Prior executive directors include: Peter Medoff; Gus Newport (formerly mayor of Berkeley, CA); and Rogelio "Ro" Whittington.
  - Board of Directors (several also head community agencies): Che Madyun\*, President; Clayton Turnbull, Vice President; Bob Hass\* (Deputy Director of Dorchester Bay Economic Development Corporation); Debra Wilson\* (resident in Winthrop Estates); Sister Margaret Leonard\* (Executive Director of Project Hope); Jason Webb and Tchintcia Barrios (co-chairs of Nubian Roots youth group); Mary Gunn\* (executive director of Bird Street Community Center) and residents Paul Bothwell\* and Jacquie Cairo-Williams\*. The Board has 27 members with slots allocated to ethnic groups, local service organizations, business, and youth.
- Dudley Neighbors, Inc. (administers land trust): Paul Yelder\*, Executive Director.
- Nubian Roots youth group: Sunni Muhammad\* (see Board list for co-chairs).



- Mabel Louise Riley Foundation (original and continuing supporters of DSNi): Robert Holmes\*, Trustee and Newell Flather\*, Administrator.
- City of Boston, Public Facilities Department: Deborah Goddard\*, Deputy Director.
- Architect for Winthrop Estates: The Primary Group (Kirk Sykes\* and Steven Paradis\*).
- Neustra Comunidad Development Corporation: Evelyn Friedman-Vargas.



- Marketing consultant for Winthrop Estates: Sandy Bagley\*.
- Henry Thayer\* of Rackemann, Sawyer and Brewster; and David Abromowitz\* of Goulston and Storrs, pro bono lawyers from downtown firms who assisted DSNI.
- Marian Shark\*, Annie E. Casey Foundation; Ricardo Millett\*, former executive director of Roxbury Multi-Service Center and program officer at Kellogg Foundation. Melinda Marble\*, Philanthropic Initiatives (formerly with the Boston Foundation).

## PROJECT DESCRIPTION

### The Birth of DSNI

The birth of DSNI is a remarkable story (told in detail in *Streets of Hope* and recounted to us in several interviews). In the early 1980s, devastation of the area was increasing even though a variety of city, social service, and community organizations were active there. Their efforts were not particularly effective and the neighborhood was not well organized.

Meanwhile, the Riley Foundation had been making grants to some these organizations as well as in other parts of the city. Riley's trustees began to realize that their grants, by being dispersed, were not having a substantial impact and decided to search for an area to target for concentrated intervention.

Riley staff identified the portions of Roxbury and Dorchester which are now DSNI as the area in greatest need of help. Riley began by contacting agencies active in the area, inviting them to meetings, and discussing possible strategies for interventions Riley might support. After some months, this collection of agencies called a community meeting to inform residents about a planned program of support. The meeting turned out to be explosive, with some community members questioning the legitimacy of the agency representatives who, perhaps without thinking of the symbolic message, had placed themselves above the audience on a stage. One resident, Che Madyun (who became a key figure in DSNI and is currently the president of its board), asked whether any on the stage actually lived in the area they were proposing to help.

The Riley people and others got the message clearly that for an organization to work effectively in the community it had to include grassroots community members. At this meeting, it was decided to regroup and form committees from the neighborhood to recommend a more representative structure. These committees worked for several months before proposing a structure (which was accepted and is still followed) that included a complex formula for representation of residents from various ethnic groups, local agencies and other interest groups.

### The Riley Foundation as Partner

The relationship between DSNi and the Riley Foundation is highly unusual. As described above, Riley has been there since the beginning, helped the group find an appropriately representational organization, and has contributed almost \$1 million to it over the past 10 years. Despite this close relationship, Riley has never accepted, or even wanted, a seat on the Board and has never tried to dissuade DSNi from pursuing the directions it believed to be right, even if Riley wasn't convinced. Thus, Riley has been the most effective of patrons, encouraging DSNi to grow, find its own way, and solve its own problems. Riley says that it has an ongoing commitment to support DSNi "for the foreseeable future."

### Neighborhood Decline

DSNi represents an area with a population of about 24,000 people. In that area live some of the poorest, most ethnically diverse and most disadvantaged Bostonians. For DSNi's purposes, its overall area is divided into two parts: an inner core of about 60 acres and an outer area of about 1.5 square miles.

Only two miles from downtown, the inner core has been described as the most devastated part of Boston subject to population loss, redlining, illegal trash dumping, abandonment, and arson-for-profit.

At the time of the plan, about 1,300 parcels (30% of the total) were vacant, many as a result of arson carried out to claim insurance money or for other shady economic reasons. For years, it was the site of illegal dumping, which grew as the amount vacant land increased. There were three illegally operating trash transfer sites which brought noise and pollution to the area, and probably

dumped at least some of their loads on streets and empty lots. The area seemed to be trapped in a spiral of decline.

At the same time in the mid-1980s there was the potential for great speculative development pressure on the neighborhood. The Boston Redevelopment Agency published a plan for Dudley Station that included highrise hotels and offices. This threat may have contributed to the impetus for DSNi to organize the neighborhood, as many residents expressed concern that the displacement that urban renewal had brought to the South End could happen to them.

### Neighborhood Profile

The Dudley Street neighborhood is characterized by the following statistics:

Population	23,361
Race	
White	12%
African-American	63%
American Indian, Eskimo, or Aleut	1%
Asian or Pacific Islander	2%
Other (many of which are Cape Verdean)	23%
Hispanic Origin	23%
Unemployment Rate	15%
Poverty Rate	32%

(Source: General Accounting Office, "Community Development: Comprehensive Approaches Address Multiple Needs But are Challenging to Implement," February 8, 1995; page 20. Many statistics quoted from the 1990 Census.)

The core neighborhood (representing about two-thirds of the area described in the table above) had been almost entirely white (and about 5% African-American) in 1950. By 1960, it was about 20% African-American; and by 1970, it was over half African-American (53%). In 1980, it was only 14% white, still over half African-American (54%), and 29% "other". This was the first census that recorded Hispanic origin and the area reported 28%. The population of the core had declined from over 38,000 in 1950 to about 15,000 in 1980 (where it remained in 1990).



*Before DSNI: Illegal Dumping*

DSNI reports population shifts too recent to be reflected in the 1990 Census, including the arrival of significant numbers of Haitian Blacks. DSNI is considering revamping its board structure to represent this shift. It does not appear that the projects undertaken by DSNI (or others) have had an adverse impact on neighborhood demographics in the sense of gentrification or displacement.

#### **DSNI's Mission: Community Organizing — Not Providing Services or Development**

DSNI began as a focus for organizing the community and has continued with a variety of campaigns. It is recognized by the city as the legitimate voice of the community and has, thus, become effective at representing the community in efforts to get action in response to its problems.

Because the DSNI board includes many local agencies and service providers (as well as residents), it has generally not chosen to fill the role of service provider or project developer. The two CDCs active in the area, Neustra Comunidad Development Corporation and the Dorchester Bay Economic Development Corporation, have seats on the board and are thought of as the appropriate medium for such work.

Rather, DSNI has defined its function as community organizing and planning (see the section on Winthrop Estates for discussion of a major exception to this rule). Action projects and plans prepared by DSNI always include extensive resident involvement. An example of this is the so-called DAC neighborhood plan, described below.

DSNI also holds regular meetings of local agencies to improve coordination and collaboration. The Agency Collaborative, convened by DSNI, has 26 active members and almost 50 more on its mailing list. DSNI may also help agencies and CDCs to gain community (resident) input into their plans and projects. It fulfilled this role for Dorchester Bay EDC and has helped the Bird Street Youth Center resolve conflicts that arose over evening softball games in a local park. As one agency head who serves on the DSNI board put it, DSNI “challenges” them to be responsive to resident needs.

#### **The DAC Plan**

Following successful organizing around cleanup campaigns, DSNI recognized the need for a comprehensive strategy and plan for the area. They also wished to ensure that the plan would be controlled and developed by the community, not by a city entity — and they managed to convince the city Public Facilities Department to participate in their process (rather than vice versa).

DSNI hired their own consultant, DAC International, who provided professional and technical expertise as well as organizing a process of significant input from the board and community. Several subcommittees (involving 200 residents) did much of the work and a number of large community meetings were held.

The resulting plan is comprehensive in dealing with physical, social and economic conditions. It includes thirteen development strategies covering physical revitalization, human services, employment and training, and economic development.

The plan, completely owned by the community, gained acceptance by the city and was adopted as the “official” joint city-DSNI plan for the area — a precedent-setting collaboration in Boston. The main directions of the plan remain as guiding goals and principles, though many specifics have been changed in the intervening eight years.

### **The Land Trust and Eminent Domain: The Power to Acquire Vacant Land**

The “crazy quilt” pattern of land ownership was recognized as a major obstacle to effective rehabilitation. There were 1,300 vacant parcels in the core, but the City of Boston owned only about one-third of them. While those lots could have been made available, it was thought to be essential to assemble scattered lots into larger parcels so that redevelopment could proceed at a reasonable pace and projects could have greater impact.

DSNI recognized eminent domain as the appropriate mechanism to accomplish this and asked its *pro bono* attorneys to research how it could be exercised. They reported that this power could either be held by the city or delegated by the city to an acceptable entity. DSNI determined that it should have that power and, based on its track record in organizing and planning, eventually succeeded in convincing the city to delegate to it eminent domain rights over vacant land within the most devastated 30 acres of the inner core. According to *Streets of Hope*, DSNI became “the first community in the nation to win the right of eminent domain.” (page 119)

Dudley Neighbors, Inc. (DNI) was established in 1988 as the vehicle to exercise eminent domain and to retain ownership of the parcels in a land trust — rather than passing ownership through to developers. This somewhat complex arrangement allows the community to exercise on-going control of land use, limiting speculative (or even inflationary) profits in order to keep housing affordable. DNI provides long term leases on the land underlying projects (such as the houses described below) with covenants that limit transfer and profit.

Many legal and political conflicts had to be resolved before eminent domain and the land trust could be implemented. One milestone that helped greatly was agreement by the Ford Foundation to loan \$2,000,000 to DNI at a very low interest rate (1%) to pay acquisition costs. This would be repaid from development fees as projects were completed to form a revolving pool. In fact, none of the Ford money was ever used for acquisition because each development so far has been able to draw on other sources. DNI has been able to arbitrage these funds and is asking Ford to “reprogram” the loan to allow it to be used for other purposes.

### **DSNI as the Reluctant Developer: Winthrop Estates**

While several other projects have been built in the area by various community developers, DSNI had the most involvement in Winthrop Estates and featured it in its submission for the Bruner Award.

Winthrop Estates provides 36 units of owner occupied housing built on parcels acquired from the city and by eminent domain. While DSNI “instigated” the project and represented community interests in it, DSNI did not intend to serve as its developer. Rather, DSNI helped to select the development team that was designated to build it. However, when the community insisted that the project be owner occupied, rather than a typical tax credit syndicated rental project, the designated developer backed out. This was occurring as the Boston real estate bubble burst in 1990. Faced with the choice of seeing the project abandoned, DSNI stepped in to serve as developer of last resort.

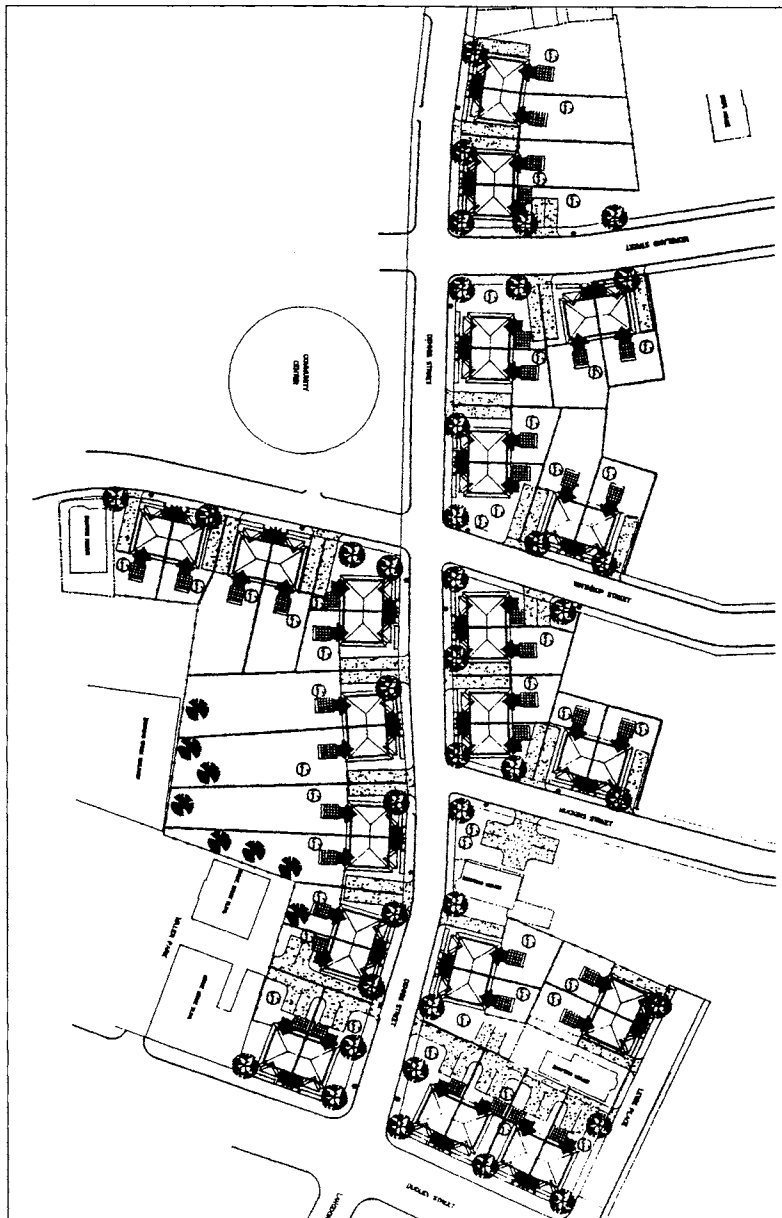
### **Why Owner Occupied Housing?**

It was extremely important to DSNI that the new housing be built for sale to owner occupiers. They felt that the neighborhood already had a great preponderance of rental housing and was in desperate need of the stability and commitment that owners would bring. This decision was controversial and seen by some as highly risky, since the sales market for new, low income housing was not established and could not be predicted. This commitment cost DSNI the involvement of the designated developer and, in effect, thrust them into that role.

### **Winthrop Estates Design**

The 36 units are made up of 18 duplexes (side by side units which share a common wall). Each unit contains 1,400 square feet with three bedrooms and one and one-half bathrooms on two stories over an unfinished full basement. Each has a yard and paved off-street parking. The units are dispersed along Dudley Street and a side street and border another community developer’s recently built project of mostly four-plexes.

The units are finished with wood siding and have a generally traditional appearance to help blend into the neighborhood. Many



Winthrop Estates Site Plan

features are included that contribute to quality and appearance (as well as cost) including a somewhat varied exterior (in terms of window sizes and "jogs" in the perimeter), basements with access and windows (so they can be finished for later occupancy), landscaping, and the provision of two handicapped accessible units (though there is no requirement that their buyers be selected from among those who need special accessibility features).

While these features add to overall quality and value, the units are only moderately attractive and do not "blend in" to the neighborhood as well as they might. This has to do with their spacing and massing. They are smaller and lower than the triplexes that make up most of the balance of the local housing stock and are spaced too far apart, leaving large gaps in the streetscape.

#### Costs

Acquisition	\$340,000
Construction (36 units)	3,436,000
Contingency	281,000
Soft Costs*	1,336,000
<b>Total</b>	<b>\$5,393,000</b>
<b>Cost per unit</b>	<b>\$149,800</b>

\* Soft costs include architecture, inspection, permits, project management and inspection, taxes, insurance, interest, legal, marketing, commissions, and developer's overhead and fee.

#### Financing

Note that this table is based on a different estimate than the costs listed above, so that financing appears to be higher than costs, which was not the case.

Item	Total	Per Unit
Mortgages	\$2,137,500	59,380
Federal Home Loan Bank Board	250,000	6,940
Down payments	142,500	3,960
Nehemiah	570,000	15,830
City Permanent Subsidy (Public Facilities)*	1,430,000	39,720
DSNI Equity	50,000	1,390
GAP	907,000	25,190
<b>Total</b>	<b>\$5,487,000</b>	<b>\$152,420</b>

\* Actually higher (\$1,698,000), including an interest subsidy not shown above

Given the very low land cost, the total development cost of about \$150,000 per unit seems rather high for such single family units, though the City did not feel that this was out of line for a public sector project. There were comparable costs at Harbor Point (which, however, included some high rise buildings and had many extraordinary circumstances) and similar costs are reported for other housing projects in Boston. Certainly, if the project had been built for profit, it would have to have been brought in much more economically or it would have been infeasible.

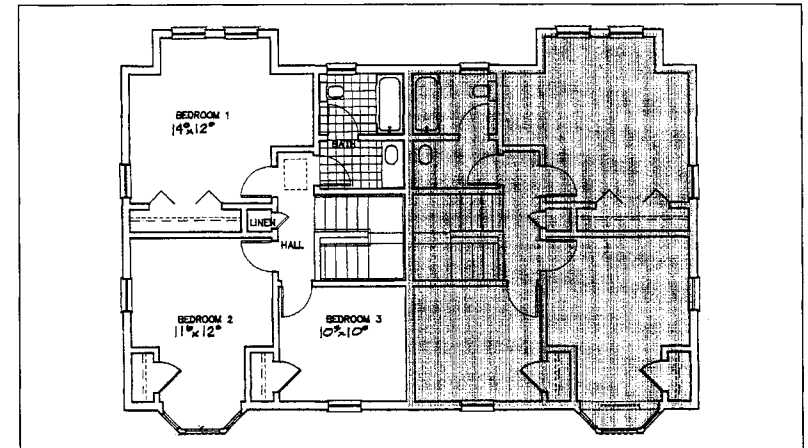
### Sales Price and Subsidies

There was a considerable debate between DSNI and the City about the sales price. The City felt that the price should be kept as low as possible in order to fit into the market and be affordable at the lowest possible income levels — and it was prepared to provide the further subsidies that would be required to cover the difference. The City felt that a selling price of \$80,000 to \$85,000 would be appropriate, while DSNI believed it should be \$90,000, arguing that lower appraisals were based on a bottomless foreclosure market. DSNI defended the need keep the sales prices up in order to protect the value of surrounding properties and project the perception that the houses were of greater value. Adding to the complexity of the discussion, the higher selling price was of economic benefit to the City (which was arguing against it), lowering the amount of subsidy needed. In the end, DSNI prevailed and proved to be correct about the market being able to absorb the units at the higher price.

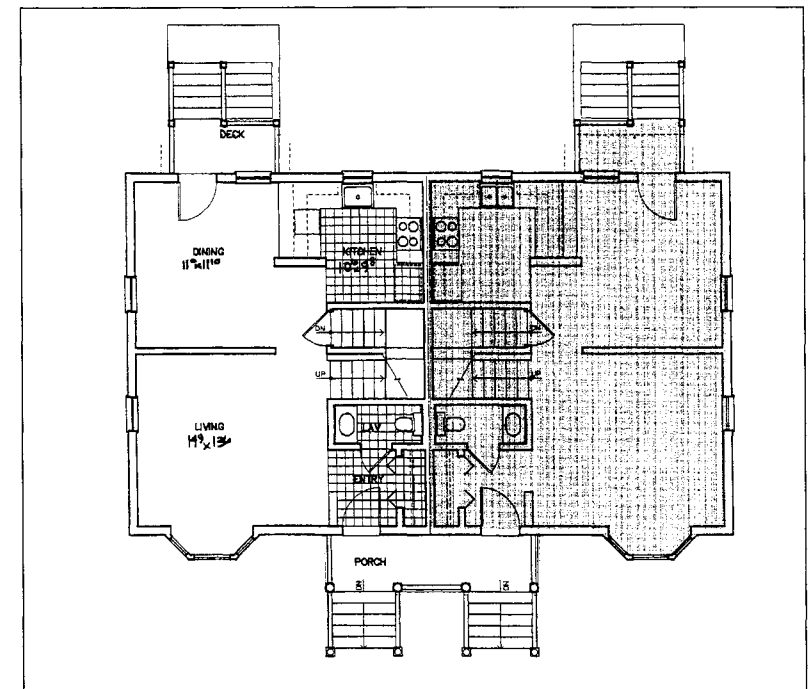
Selling the units for \$90,000 entails a public subsidy to each purchaser of an average of about \$60,000. While the unit's appreciation is limited by covenants to help keep them affordable at resale, the initial subsidy mostly flows to the buyer, rather than being captured in perpetuity as would be the case for rental housing.

### Limits on Resale Profits

Controlled by covenants, the resale price is allowed to escalate no more than a sliding scale that starts at one-half percent the first year and gradually goes up to five percent per year at the tenth year. This could create a total increase of \$45,000 in ten years — a relatively modest amount of money, but a handsome return of 100% per year on the \$4,500 down payment.



*Second Floor*



*First Floor*



*Elevation*

### **Role of the Public Facilities Department**

In order to allow the project move ahead, the Boston Public Facilities Department, which typically would have provided limited technical and financial assistance, proved willing to become, in effect, the construction lender. This tied up more money than they would otherwise have provided and required services they were not used to performing. Because of this role, they also imposed a variety of requirements, such as construction in three phases (to limit their exposure and “recycle” sales proceeds into construction of later phases).

While Public Facilities saw the project as very risky (inexperienced developer, unproven market, unusual land lease restrictions, devastated neighborhood), it was willing to bear that risk. As Deborah Goddard said, the City felt that it had to do something and that the risk of doing nothing while watching the neighborhood continue to decline was worse than the risk that this project might fail. In the end, it didn’t fail: it was completed on time, the product was high quality, and it sold out in a reasonable period of time.

*Winthrop Estates*

### **Marketing**

Given the concerns described above, a strong marketing effort was seen as essential and a professional marketer was hired. Because of the intent to market to all segments of this diverse community, the sales brochure was printed in four languages (English, Spanish, Portuguese, and Cape Verdean).

The marketing program had to find qualified buyers, help potential buyers assess their eligibility, and educate them about the many unique aspects of the project including financing and assistance. Incomes could be as low as \$18,000 per year and payments could range from about \$500 to \$800 per month including principal, interest, taxes, insurance and land lease.

### **Concerns about Winthrop Estates**

DSNI featured Winthrop Estates in their application for the Bruner Award as an example of their work in the neighborhood. However, it is not really representative of their primary targeted activities or the ones that they see themselves pursuing in the future. They took on the project because of the great need for affordable housing in the area and because there was no other party willing and able to provide it at that time. DSNI was essentially forced to become the



*Winthrop Estates*

developer or see the project evaporate after their partners experienced major organizational change and then decided they would not assume the risk of building units for sale to owner occupiers. To allow the project to go ahead, DSNI became the developer and the city took the unusual risk of being construction lender, a role they do not play for other projects.

Because of these circumstances, this project was developed in a manner that few groups could emulate. DSNI was entirely inexperienced in the developer role, lacking experience in design, construction, negotiating with builders, building codes, financing, and marketing. They did, however, hire a person with some of this experience and also made use of consultants. While they were able to complete the project, there were some compromises in cost and design quality. It was an opportunity for growth and learning for them, but they have since decided not to do more development — they will shun implementation and stick to planning and organizing.

#### **DSNI Today and Tomorrow**

DSNI is a thriving organization. It has over 2,000 members, 15 staff and an annual budget of about \$1 million, most of which comes from grants and contracts.

*Winthrop Estates*

One of its major projects entails participation in the Annie E. Casey Foundation's "Rebuilding Communities" program which provides funding for planning (both organizational and community) and capacity building (it will bring DSNI about \$3 million over six years). Three agendas have been developed under this program: physical, economic, and human resources. The human services agenda was based on a "treasure hunt" to identify community resources as well as needs, including skills available from residents and businesses. DSNI also has a grant from the Kellogg Foundation for developing resident-driven human services. In addition, it is working on a "Leadership Training Institute" for local residents.

It is clear that DSNI maintains its essential commitment to the community, putting residents first, and basing all decisions on the broadest possible input. But DSNI also faces a number of growth-related issues and tensions. It fired its last executive director (who came from the community and rose up with the organization) and at the time of our visit had an interim executive director who sees his main function as defining the role of the board and the relationship between board and staff. DSNI has had an extremely active and hands-on board but, as the organization grows and hires more professional staff, it will be difficult to sustain that level of engagement. Can the board comfortably assume more of a policy-setting



*Site for Youth Build Cabinet Shop*

role? Can the staff be directed effectively? These issues remain to be resolved. The board had commissioned an organizational assessment that it chose not to share with us, perhaps because the membership had not yet seen it.

In the meantime, DSNI is pursuing many exciting projects. One is called "Youth Build" and entails creation of a cabinet and furniture manufacturing shop that will train and employ neighborhood youth. This will be installed in an abandoned building on Dudley Street across from DSNI's offices. It appears likely that it will be set up or assisted by Asian Neighborhood Design from San Francisco (a Bruner Award finalist in 1993).

## **THEMES AND LESSONS**

### **Bringing An Area Back from Devastation**

The experience at Dudley Street shows that even the most devastated area can be restored to health. With strong community organizing and participation, dumping, arson, decay and disinvestment can be reversed.

### **Early Foundation Commitment Was Crucial**

While some programs had been tried with little effect, the commitment from the Riley Foundation (once it was understood that they would not try to take over) generated hope and interest within the community. Riley support made early, and continuing, action possible, allowing DSNI to show tangible results and gain momentum.

### **The Foundation Focused Its Resources but Stayed in the Background**

The Foundation had realized that dispersing a number of small grants to many organizations around the city was not having much long term effect. It decided to focus its efforts in one area and selected Dudley Street as the one in greatest need. While it wanted to encourage improvement, it never tried to lead residents or neighborhood organizations. Its presence may have catalyzed action at the start, but it soon stepped back and let the process evolve in the direction locals took it.

### **Insistence on Grassroots Representation and Participation**

DSNI is a paragon of grassroots, participatory organization and action. From the first meeting, local residents insisted on real involvement and got it, creating an organization and process that allows and encourages all legitimate interests to be aired in a consensus decision process. If consensus has not been reached, DSNI will hold off on action and continue debate until all have agreed. This can be very time consuming, but it has proven to develop great strength behind a decision once it is taken.

### **Early Success at Cleanup**

It is important to demonstrate an early success in order to gain visibility, credibility, and support. DSNI was able to get dumping sites closed and empty lots cleaned up, showing that it was possible to make positive changes in the area.

### **The Treasure Hunt: Finding Community Assets**

Many needs assessments focus on the problems and deficits an area faces. While painfully aware of the problems, DSNI also conducted a "treasure hunt", looking for the assets and resources offered by people, agencies, and businesses in the neighborhood.

### The Land Trust

DSNI was perhaps the first neighborhood organization to gain eminent domain power and bank land on behalf of their community, capturing the value of the parcels in perpetuity. This unique arrangement may be replicable in other devastated areas, if an organization exists or is built which can gain enough trust and strength to act as a steward.

### Coordination of Community Resources

One important function of DSNI is to provide linkages among, and a forum for, the many governmental and private agencies that work within its boundaries. Too often, agencies are ineffective or inefficient because they do not know what services others are providing — or even what services are really needed. DSNI provides the understanding of needs and coordination of services.

### Organizing Versus Providing Services

DSNI has chosen to focus on organizing and planning rather than actually providing services. They feel that, by limiting their role to being the voice of the community, they remain in touch with their constituents, able to help articulate their needs. If DSNI were to provide services, they might put themselves in the position of not being able to satisfy needs, alienating the people they try to represent. So, they limit themselves to defining needs and getting (with pressure if necessary) other agencies to meet them.

### Persistence Pays Off

Turning around a devastated area requires a long term commitment. DSNI has demonstrated the persistence and staying power that have allowed it to make significant progress toward this goal over its ten year history.

### Evolution of a Community Organization

Over the years, in a series of campaigns and projects, DSNI has evolved, grown, and changed. While maintaining its core commitment to community participation, it has passed through stages of clean up, gaining recognition, inventing a way to own the land, and completing projects. With growth in local membership and recognition, as well as big increases in funding and staff, it faces the problems classically associated with rapid change. Will it be able to



*Che Madyun*

keep its grass roots character and commitment as it grows? DSNI is well aware of these dilemmas and is attempting to rise to their challenges.

## ASSESSING PROJECT SUCCESS...

### ...BY ITS GOALS

#### To stop the devastation of the neighborhood

DSNI has made tremendous strides in turning around the most devastated area in Boston. Dumping and arson have been stopped and the neighborhood has been cleaned up.

#### To see that the neighborhood is rebuilt and provided with services and jobs

Rebuilding is a slow process, but a considerable number of projects have been completed (housing, parks, community facilities), some are in process, and many more are planned. Generally DSNI has worked to define needs and catalyze action, not to do the projects itself.



*Community Mural*

### **To provide a voice for community concerns and action**

This is the main role that DSNI has defined for itself and it appears to play it very well. The organization is broadly representative and takes great care to ensure that needs are articulated, options explored, and actions selected which reflect and have the support of the neighborhood. Because of its history, DSNI is now recognized by the City as the proper voice of this community.

### **...BY SELECTION COMMITTEE CONCERNS**

#### **Are the original people still there or has there been gentrification?**

While there have continued to be demographic changes in the area (e.g., more Cape Verdeans and now Haitians), there is no evidence that original residents have had to move if they wanted to stay; and there are no signs of gentrification.

#### **Was there real community participation and empowerment?**

Yes, this enterprise is an outstanding example of the commitment to grass roots democracy, where every legitimate voice is encouraged and heard.

#### **What kind of leadership has emerged?**

DSNI has nurtured a number of leaders and helped them to develop skills, including marketable ones. Participation in this organization and some of its projects has provided several residents with opportunities that are probably beyond what they otherwise might have found. Che Madyun, long time president of the board, is a prominent example of how increased organizational skills and abilities can lead to expanded career opportunities.

#### **What has been completed so far? Why did the project take ten years?**

DSNI has completed many initiatives, not all of which are concrete projects. Neighborhood cleanups, stimulation of city action, planning, coordinating services, developing the mechanism for eminent domain and land banking, and building a housing project are substantial accomplishments, even spread over ten years. The Winthrop Estates project did not occupy this entire period, but was delayed by financial and organizational problems, extended time to acquire the land (partly by foreclosure), long negotiation and review processes, and other factors. Given the circumstances, it is not difficult to understand the length of time required for the project.

#### **What is the design quality of the project?**

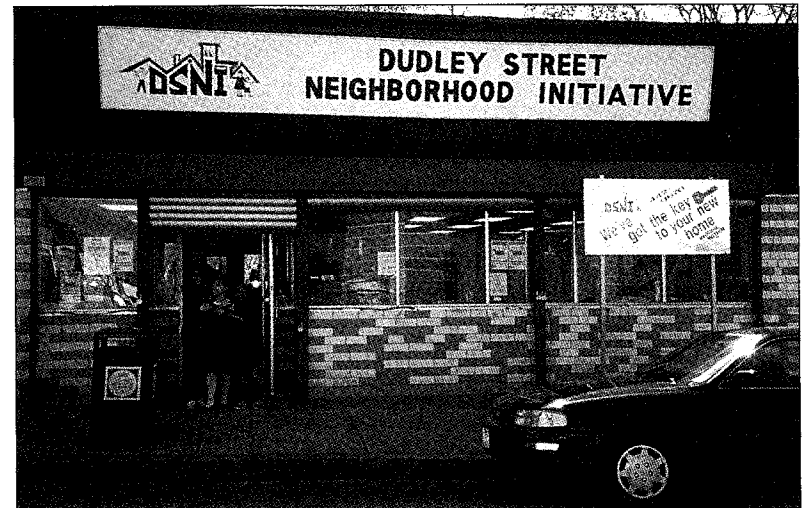
While including many thoughtful features, the project is not exceptional in design quality and misses some important urban design opportunities.

## SELECTION COMMITTEE COMMENTS

The Selection Committee was tremendously impressed with several aspects of DSNI. They felt that, as a grassroots organizing effort, DSNI exhibits an "extraordinary level of participation". DSNI's accomplishments in stopping the decline of one of the most abused and neglected urban areas in the country were felt to be highly praiseworthy. Thanks to DSNI, this poor and blighted area was reclaimed by and for the residents who created an ambitious, comprehensive plan for their community. They were actually able to gain community ownership of some of the land through the innovative mechanism of a land trust — something very few neighborhoods have been able to do — though it affects only a small percentage of the land.

While very impressed with the success of DSNI's organizing work, the Selection Committee was concerned about its sustainability now that it attracts \$1 million each year in support. The committee wondered what would happen if the "outside" money evaporated — would the initiative be able to return to its earlier, smaller scale ways of working? The committee was also somewhat concerned about organizational changes and DSNI's commitment to limit activities to organizing rather than providing services or constructing projects. Finally, the Selection Committee found the submitted project, Winthrop Estates, to be pleasant looking and a valuable contribution to the housing stock, but only of an average quality of design.

The committee was hopeful that newly planned activities, such as the Youth Build woodworking venture, would be effective in addressing issues of training and employment and that the innovative land bank model would be widely emulated.



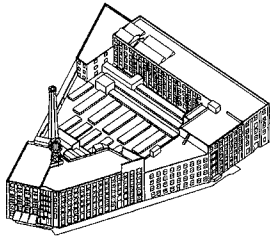
### For More Information...

Dudley Street Neighborhood Initiative, Inc.  
513 Dudley Street  
Roxbury, Massachusetts 02119  
Tel: 617-442-9670

### Reference

Peter Medoff and Holly Sklar: *Streets of Hope*, Boston, South End Press, 1994. First co-author was original executive director of DSNI.





## **GREENPOINT MANUFACTURING AND DESIGN CENTER**

### **Brooklyn, New York**

#### **SUMMARY OF SELECTION COMMITTEE DISCUSSION**

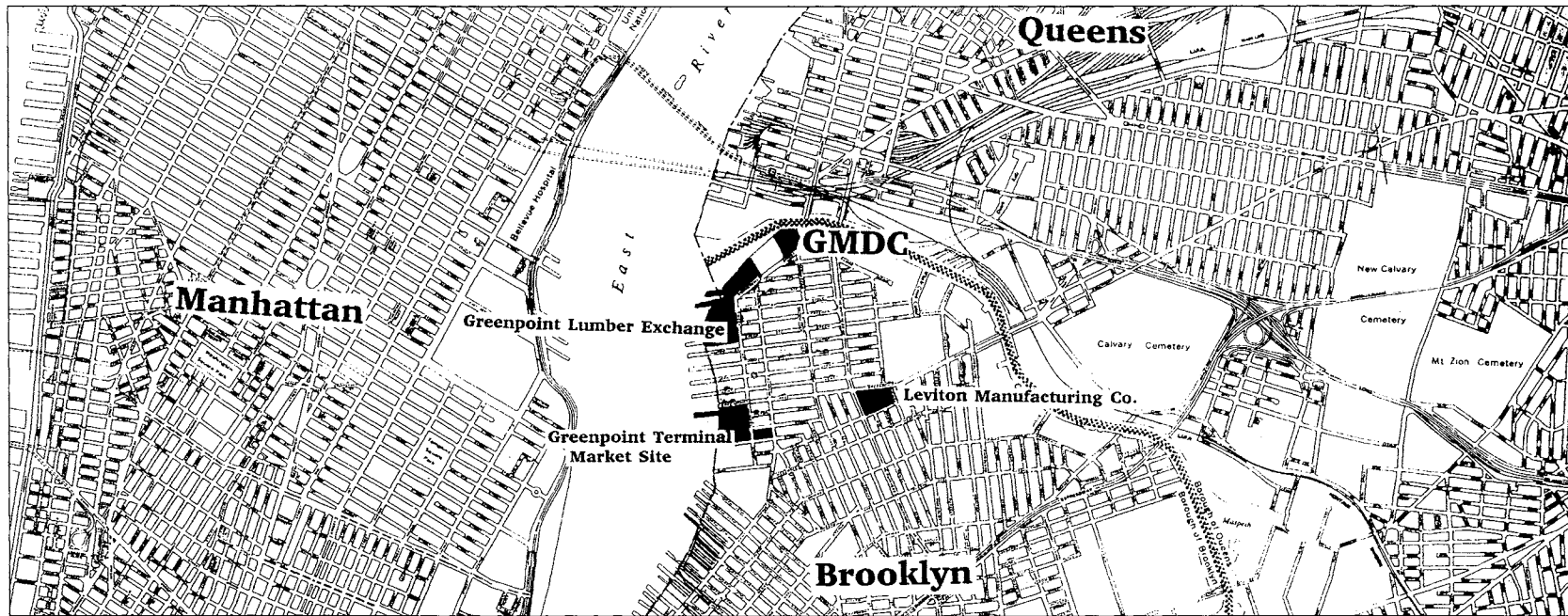
##### **Initial Reasons For Including This Project as a Finalist**

- This may be a model for communities that need economic development.
- GMDC represents a way to counter the loss of small businesses and manufacturing jobs from urban areas.
- Crime can drive small manufacturers out of inner cities. The GMDC cooperative model is also an approach to dealing with security concerns.

##### **Selection Committee Concerns and Questions**

- Who owns the properties/shops?
- Are workers co-owners?
- How are workers trained? Is training part of the program?
- Who lives in Greenpoint now? Who lived there before this project?
- What is the range of occupations and what distribution of incomes are found there?

- What are plans for the future, the next steps? What is the outlook?
- Is there real demand for this type of space? In New York? Elsewhere? How fast are vacancies absorbed? Is there a waiting list for vacancies or new space?
- What is the cost of renting space there?
- Would this type of project work or be viable for other small industries (other than artisans and crafts people)?
- What impact has the project had on the surrounding area (economic, social, development, improvement)? What hard evidence is available about impact (from city sources, census, real estate sources, university research, etc.)?
- What is the quality of products made there? Who is the intended market?
- Do the enterprises share services or marketing efforts — or cooperate in other ways?
- Have others in New York or elsewhere modeled themselves after this project?



## THE PROJECT AT A GLANCE

### What It Is

- “An arts and industry complex located in Greenpoint, Brooklyn.” It is a non-equity cooperative owned by a non-profit local development corporation and governed by a board made up of tenants plus outside experts. Woodworking manufacturers, crafts people and artists jointly market, share expertise and equipment, and purchase supplies and materials cooperatively. It also functions as a small business incubator.

### Who Made Submission

- Greenpoint Manufacturing and Design Center.

### Major Goals

- To support 21 businesses that were threatened with eviction.
- To create jobs.
- To preserve an important neighborhood industrial building.
- To provide services for businesses.
- To create an incubator for new businesses.

### Accomplishments

- Almost all of the original businesses are still there. Tenant turnover has been exceptionally low.
- The organization is financially stable.
- GMDC is a lively, viable commercial center.



- GMDC presents an unusual model for small scale, urban industrial cooperatives.
- It provides space, services and opportunities for artists and artisans as well as cabinet makers and small manufacturers.
- It has had a positive (if small) impact on the immediate neighborhood.
- It has provided cooperative opportunities that make small businesses more competitive (e.g., access to sophisticated tools, workers, skills, and development of a marketable product line).
- It has provided “value added” service to tenants in the form of additional training in business skills (computer accounting, CAD/CAM), ESL training for workers, apprenticeship programs, and more.

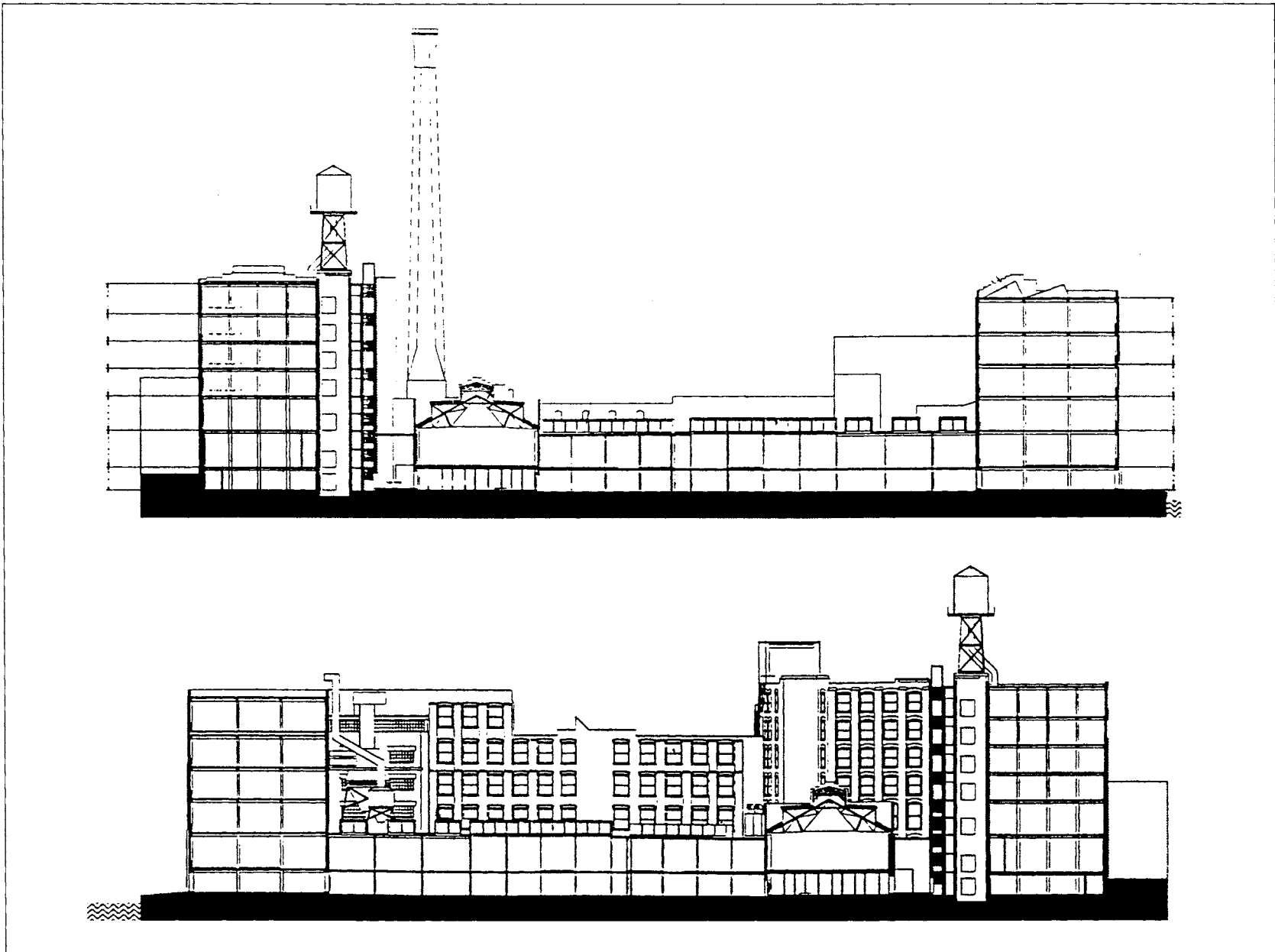
#### Issues That Could Affect Selection As Winner

- GMDC deals with a nationally critical urban issue that is not widely addressed elsewhere — preservation of industrial jobs in the city.
- This is a “bottom up” project, “organically” generated by woodworker tenants for their own survival.
- GMDC represents a net financial gain for the city (in addition to any social benefits) because it reduces city outlays, increases revenues from taxes, and provides a multiplier effect by producing jobs.
- Due to the idiosyncratic nature of the building’s history and organization, some aspects of the model may not be replicable.
- GMDC is not likely to be able to complete all needed repairs and renovations in the near future using projected revenue and loans. Exterior renovation may never be feasible.
- GMDC is financially stable but not robust.

## PROCESS

### Chronology

- ±1868. Building constructed as Chelsea Fibre Mills.
- 1960s. Bought by Grossen Dye Works.
- 1972. City begins foreclosure proceedings.
- 1974. City takes title, but gives master lease back to Grossen who begins to sublet to woodworkers.
- 1988. City discontinues lease with Grossen. Woodworkers Center Equity Corporation (WCEC), a for-profit company, is formed to sign lease with the city.
- 1989. New York State Urban Development Corporation funds a feasibility study of non-profit ownership.
- 1991. Proposal submitted to city for ownership by GMDC, to be formed as a non-profit Local Development Corporation.
- 1992. GMDC incorporated.
- 1991-1993. Negotiations between GMDC and the City Division of Real Property on possibility and terms of purchase.
- 1993. City sells building to GMDC. GMDC finally assumes assets and liabilities of WCEC in 1994.
- 1993 to present. GMDC renovates and opens additional space for leasing, operates educational and training programs, develops proprietary product line, purchases shared woodworking equipment.
- 1994. GMDC Board (made up largely of tenants) responds to operating deficit by voting rent increase.



**Key Participants**

(people we interviewed are indicated with an asterisk \*)

**GMDC Staff**

- David Sweeney\*, Executive Director
- Dennis Niswander\*, Building Manager
- Patrick Tallon.

**GMDC Board (outside members)**

- Leslie Winter\*
- David Gallagher
- Konrad Wos\*
- Harry Schwartz\*

**GMDC Tenants**

- Lisa Bahouth\*
- James Oliver\*
- Janette Shelly\*
- Ricky Eisenberg\*
- Eric Batchelor\*
- Ayala Napthale\*
- Paul Seide\*
- Baruto Fukuda\*

**Public Officials**

- Joseph Lentol, New York State Assemblyman
- Ken Fisher\*, New York City Councilman
- John Dereszewski\*, Community Board #1
- Carolyn Maloney, U.S. Congress
- Marcus Weiss, President, Economic Development Assistance Corporation

- Peter Serafino, NYS Urban Development Corporation
- Angela Brown\*, Lisa Gomez\*, Judy Fensterman\*, NYC Economic Development Corporation.

**Foundations**

- Anita Nager\*, New York Community Trust
- Madeline Lee\*, New York Foundation.

**Others** include: Jed Marcus\*, Esq. (lawyer, negotiator); Pearl Anish\*; Richard Mazur, North Brooklyn Development Corp.; John Okun\*, Long Island City Development Corp.; Steve Schwartz, consultant and non-profit developer; Stuart Leffler and Bill Costello\*, Consolidated Edison; Brian Mooney\*, Brooklyn Union Gas; Mark Willis, CDC President, Chase Manhattan Bank; Peter Anders, Kiss Cathcart Anders Architects; David Hirsch, Hirsch/Danois Architects; store owners and neighborhood residents met on the street.

**PROJECT DESCRIPTION****Greenpoint**

Development of the Greenpoint area began in the 1830s when the construction of the Bushwick Bridge ended its isolation from other local population centers. It was part of the town of Bushwick until it was absorbed by Brooklyn in 1855. Greenpoint was a major shipping and industrial center through the mid 19th Century; the Civil War ironclad ship Monitor was built there in 1862. The shipping industry blossomed at the end of the 19th Century. By the 1890s, Greenpoint was experiencing urban development, as Manhattan Avenue became its major thoroughfare. German and Irish immigrants arrived in large numbers at this time, supplanting what had been a largely Dutch and English community. The opening of the Williamsburg Bridge and massive immigration from eastern and southern Europe greatly influenced this area in the first decade of the 20th century, creating its heavy Polish influence.

At the time of our visit, there were about 37,000 people living in Greenpoint. It remains a lower middle class, blue-collar community, but with below average unemployment. It is still heavily



Polish (supported by heavy post-Soviet immigration) although there has been a significant recent influx of people from the West Indies and Latin America. There is not a great deal of turnover — people tend to remain in Greenpoint for long periods of time, even generations. This, and the fact that Greenpoint has a high level of owner occupancy, suggests to local politicians that gentrification is not likely in the near future.

City Councilman Ken Fisher notes that “Greenpoint has been traumatized environmentally...it is one of the most heavily impacted areas of the city.” It is the site of several trash transfer points and has one of the largest sewage treatment plants in the Northeast. Fifty percent of New York City’s waste water drains through Greenpoint and the plant is in violation of clean water standards. Greenpoint has suffered a larger oil spill than Prince William Sound in Alaska. It is also the home of a storage facility for low level nuclear waste. This toxic environmental history made the community especially sensitive to the concerns about environmental cleanup that surfaced during GMDC’s negotiations with the city.

### Building History

GMDC’s facilities at 1155-1205 Manhattan Avenue were constructed around 1868 for the Chelsea Fibre Mills. The facilities consists of eight buildings defined by fire wall separations and fire codes, although they share common walls, were built as floor-throughs, and function as one structure. The interior court is filled with many large clerestory monitors, designed to provide illumination for industrial operations before electric lighting. The windows have since been painted over to accommodate sprinkler systems. The massive brick walls of the building enclose 400,000 square feet, of which 361,000 square feet were available for manufacturing.

The building sits on the waterfront, which was valuable for water transportation until the use of barges ceased in the 1950s. At the time of our visit, this was the only usable dock in the north end of Brooklyn.

The building went through several changes of ownership in the late 19th and early 20th Centuries. In the 1920s it became the home of a dye works, and was a center for making flame-retardant textiles. This business thrived during and after World War II, but faded in the 1960s. By the 1970s the owner, then Grossen Dye Works, had financial difficulties. The city began foreclosure proceedings for failure to pay property taxes in 1972, and actually took ownership in 1974. Mrs. Grossen was able to immediately obtain a master lease for the building from the city, and began to sublet space. It was during this period that the first woodworkers and cabinet makers moved in. For all intents and purposes, maintenance of the building ceased when Grossen’s financial difficulties began in 1972 and did not begin again until tenants stepped in as managers, 14 years later.

From 1974 through 1988 more woodworkers and cabinet makers took space in the building as word spread of the availability of inexpensive space. In the mid-1980s, Grossen stopped paying rent to the city, although rent from tenants was still collected. In 1988 the city finally removed her as building manager. By 1988 a “community” of 21 woodworking firms had made it their home. Also, by this time, the building had a negative net worth — liabilities and debts exceeded assets. The cost of rehabilitation or demolition exceeded the value of the building or the land.

*Tenant Woodworkers*

In the 1980s the city considered a variety of options, including demolition and conversion to waterfront housing. None of these options proved economically feasible. Among the problems that discouraged prospective developers was the discovery of a stack of barrels in the basement containing what were feared to be toxic waste materials. There were concerns that, once cleanup began, it might become a significant expense.

### **Organizational History**

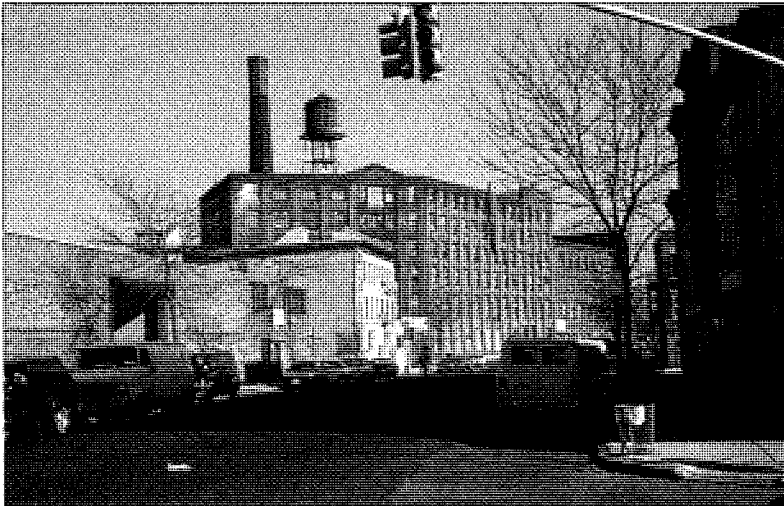
**The Woodworkers Center Equity Corporation.** Woodworkers originally came to this building to escape the high rents of Manhattan. Rents in Greenpoint were one-half to one-third lower. In addition, Greenpoint is only a few subway stops from Manhattan and has good access to truck routes. Although the spaces they rented were “raw,” and there was little potential for landlord aid in outfitting them, these tenants had the carpentry and other skills required to fix up their space. Even with short term leases and no hope of equity, they invested considerable time and money creating workable space; rents were low enough to mitigate the risk. Ten thousand dollars invested in construction might be recouped by the rent differential after only one or two years. “Twelve years ago I paid \$2,000 a month,” recalled one tenant; “today I pay \$1,200.”

*Tenant Artists*

The risk of being evicted on short notice increased when the city took over the building in 1988. In response, the woodworker tenants began to organize to protect their interests. They formed a for-profit corporation called the Woodworkers Center Equity Corporation (WCEC) in order to have a legal entity that could sign a lease with the city. The city, which apparently had no desire to manage the building, entered an agreement with WCEC in which they paid a fixed rent, independent of earnings or maintenance costs. WCEC set rents at a level that allowed them to pay their rent and have funds for maintenance and repairs.

They conceived of WCEC as a European craft cooperative, somewhat like a trade association. It intended to provide a way for tenant-manufacturers to control their own destiny by working and managing the building cooperatively, and repairing the building from the rental income. Through WCEC the woodworkers began to look into the possibility of buying the building from the city.

However, accountants who looked at the building’s revenue and expenses told the tenants that their intended purchase didn’t make economic sense. It was unclear to some outsiders why the tenants would put up with poor conditions and uncertainty for so long. While some of the benefits were financial, the non-economic factors



were at least as important. "They liked the funky old building," one tenant commented. "They wanted the sense of community and the built-in labor-force." They liked having a building that was open, safe, and available twenty-four hours a day — and they wanted to ensure their continued tenure.

**The Greenpoint Manufacturing and Design Center.** After some exploration, it became clear that the WCEC would not be able to consummate a purchase. Its for-profit status made it more difficult for the city to agree to certain concessions. More importantly, it lacked the financial, managerial and political expertise required to inspire confidence that it could succeed. Its frustration with the city grew when Mayor Koch's administration began exploring options for residential conversion.

At that point WCEC began discussions with the North Brooklyn Development Corporation (NBDC) to see if it could become the buyer and developer. It persuaded NBDC to look into purchasing the building with a restriction that it could not evict current tenants for a number of years. However, this option was still uncomfortable for the woodworkers because it left someone else in control of their fate. The alternative that became increasingly attractive was to

create and control a "local development corporation" (LDC) to buy and manage the building. They had come to know and trust a NBDC employee named David Sweeney, through his work in employment assistance programs. Sweeney was brought on to develop the LDC, supported by a three-year grant from the New York Foundation. He quickly obtained a \$75,000 grant from the New York State Urban Development Corporation to conduct a feasibility study of the concept.

The proposal that emerged was for the city to grant the LDC, which became known as the Greenpoint Manufacturing and Design Center (GMDC), a 99 year lease on the building, with an option to buy after 5 years. Rent to the city would be fixed at a percentage of gross income, starting at one percent and rising an additional one percent per year for ten years.

Sweeney thought this proposal would be attractive because it allowed the city to retain ownership and get some increasing return on its asset. The Economic Development Corporation, however, didn't want to hold title over this uncertain property. In addition, the city would not have been able to offer a rent so far below previous rates. The negotiations veered toward finding a way GMDC could afford to own, repair, and manage the building itself.

Central to the GMDC proposal was the composition of its nine member board of directors. Tenants were assured of a measure of control with four seats, elected by tenant votes alone. Four other seats went to outside financial, real estate and political "experts", selected by the tenant and invited non-tenant members. The last seat belonged to the director.

The presence of experts on the board made a critical difference in negotiations with the city. These were people with obvious credentials and, in some cases, friends in high places. Whereas woodworkers' calls to commissioners might never be returned, members of the board knew how to find the right person and quickly get a needed answer. Through its board, GMDC had expertise, political connections, and non-profit status while WCEC had commitment and long tenure in the building. The compromise for them to work together did not happen immediately, but eventually was the only course that made sense.

WCEC continued to manage the building during negotiations for sale to GMDC. GMDC formally incorporated in 1992, while the proposal to take over the building worked its way through the city's bureaucratic maze. The maze was made considerably more difficult by the Division of Real Property's (DRP) resistance to the GMDC takeover (discussed in more detail below).

In some ways, the move toward LDC ownership actually increased the tenants' risk. While previously they had to live with thirty day leases, they had the benefit of relative anonymity and invisibility. In the vastness of New York City, this small group of manufacturers was generally left alone. The City of New York chose not to address a variety of potential problems, from code and safety violations to toxic waste in the basement. Once political forces were brought into play to push DRP toward a negotiated settlement, however, they lost the protection of this benign neglect. The stakes had been raised — if the negotiations to purchase failed, the tenants now faced a very real threat of eviction by an awakened DRP.

After acrimonious negotiations stretching over several years, GMDC became the legal owner in February 1993. It purchased the building from the city for \$1, received a million dollars from the city for repairs, and the city agreed to do all environmental cleanup. In return, GMDC had to pay full property taxes (with an abatement on the value of improvements) and complete all repairs necessary for "tenantability" within five years.

At the time of purchase GMDC took over all management functions and assumed all liabilities and assets of WCEC. Though not legal owners, the tenants had several significant benefits from the deal. They had the security of long term (five years) leases, an important voice in management decisions, and the benefit of the expertise of four outside board members. On top of that, there was a cash infusion of \$1 million to effect repairs.

#### **GMDC As Landlord**

GMDC operates a number of programs aimed at increasing the productivity and competitiveness of its tenants. It organizes joint marketing of products (it bills itself as a "one-stop-shop" to designers looking for a variety of wood products), skills training (computer aided design and accounting), English as a Second Language classes (Dennis Niswander observed that the ESL training of his



maintenance staff "doubled their productivity. They had skills I had never known about."), and apprenticeship programs (cooperatively with the Pratt Institute). It also runs the Wood Center, a small retail outlet that sells scrap wood and molding to the public on Saturdays.

A small in-house maintenance staff, supervised by building manager Dennis Niswander, is responsible for all maintenance and most repairs and upgrades. There is a great deal of in-house technical competence, and the maintenance personnel cross-train to improve skills. Most of what has been accomplished in refurbishing the building was done by this group.

GMDC experienced a net operating loss of \$53,000 in 1994. Given its need to generate capital to meet the stipulation that it improve the building within five years, this loss was of considerable concern. The board of directors met to consider the budget and voted, including the tenants members, a rent increase of about 10%. The actual amount of the increase varied because it was accompanied by a complete reassessment and recalculation of net space for each tenant, upon which rests the calculation of rent.



GMDC has experienced a strong demand for its unique spatial and social arrangement. All available space is leased, and there is a waiting list of potential renters. It is currently focusing most of its maintenance efforts on the rehabilitation of 50,000 additional square feet of leasable space, which it plans to complete by spring 1996. It expects that space to be fully leased soon after it becomes available.

In April 1995, GMDC opened its shared production equipment facility. Using money from a U.S. Department of Health and Human Services grant it purchased \$120,000 worth of advanced wood working equipment. Tenants can rent equipment time and expertise on how to use it. The equipment makes it possible for a small shop to use machinery formerly available only to large manufacturers — and become far more productive. One manufacturer noted that with this equipment he could make all the cuts for a job in one day that previously would have taken a full week.

GMDC also serves a role by providing “incubator” space for new businesses — some of which are not related to woodworking or the arts. For instance, it has a tenant who has begun a successful printer and copier refill business, supported by GMDC’s low rents.

Ideally, these incubator businesses will grow and move from their starter spaces into larger spaces within the building or elsewhere, leaving room for other fledgling businesses to take their place.

### **Non-equity Ownership**

Technically no individual owns GMDC — it belongs to a non-profit corporation. Their sweat equity and psychological equity, however, have made the tenants feel like owners. The tenants created this entity with their time, grit and effort, and they have a major voice in its management decisions. One early woodworker tenant proudly noted that “this is our idea...our creation.”

There have been very practical benefits to this arrangement. As mentioned above, tenants voted unanimously to raise their own rent — an event almost unheard of in other situations. It was clear to all that the long term good and welfare of the building superseded short term personal needs. In fact, no tenant went out of business or was forced to leave because of the increase, which has allowed GMDC to develop the working capital it must have to effect required repairs.



### Artists and Woodworkers — Together Again For The First Time

There is more than a passing similarity between artists and woodworker-craftspeople who are GMDC tenants. Both are selling the creative products of their imaginations and their hands. The woodworkers have been described as “artists, once or twice removed.” Like woodworkers, artists are often urban pioneers looking for cheap, sometimes unconventional work space.

Artists began leasing space in this building in the early 1980s. Most, however, came in a second wave that began in 1991. They took raw space (“we leased them air”) and were given rent credits for upgrading the studios themselves.

As more artists came into the building, some conflicts between the groups developed. Artists tended to use studios for working and living space while woodworkers didn’t want the building to become residential. The large machines woodworkers used to cut and plane wood created dust, noise and vibrations, which inhibited the delicate work of some fine artists. As GMDC was being formed, there were some long and difficult conversations toward working out solutions of these conflicts. Both groups agree now that they have far more in common and at stake in the building, and that they are working well together.

More than just coexisting peacefully, the propinquity between artists and woodworkers has made for some interesting synergies and collaborations — and one marriage. Artists contract with woodworkers to build frames, molds, bases or crates for their work. Similarly, woodworkers sometimes subcontract to artists for design and other services.

Financially, the artists played an important role in GMDC’s survival; “the woodworkers hate to admit it, but the artists saved the project”, says Sweeney. Artists paid rent and at the same time improved the space. Artists were able to fill the building by taking small spaces that would have been impractical for manufacturers. In fact, the demand for these small, studio-size spaces is very high, whereas the demand for manufacturing space is more moderate.

### Battling the Bureaucracy

The story of GMDC’s battle with the New York City bureaucracy is disheartening, even for one hardened to city agency battle stories. It took five years of difficult negotiations spanning three mayoral administrations. The prehistory to the negotiation involved WCEC’s attempt to get permission to takeover the building. It quickly discovered that its lack of financial and real estate expertise and political contacts made negotiations impossible to start.

GMDC came into the battle with a bit more political savvy, and with the support of a Board of Directors which had good credentials and contacts. That was enough to get the process moving, but not to reach a successful resolution.

The essential problem had to do with the different missions of two city agencies. The Division of Real Properties (DRP), part of the Department of General Services, “owns” and manages city properties. It is essentially a property management agency, and is not development- or entrepreneurially-oriented. Those functions fall to the Economic Development Commission (EDC), which is charged with encouraging projects that can contribute to job growth.

Sweeney initially expected that EDC would be happy to take on his building, because of its business and job potential. EDC, however, was willing to deliver but not hold the property. It could play a role in the sale, but would not manage the building itself. DRP, on the other hand, who had control of the building, was not willing to give it up, and at times became actively hostile to the GMDC proposal.

New York City councilperson Ken Fisher suggests that “DRP was afraid of possible Superfund liability” once someone tried to clean up the barrels that had been sitting in the basement of the building for more than a dozen years. Fisher visited the building and became an advocate for GMDC in City Hall (“I was captivated...something wonderful had taken hold”). He tried to get the city to move the building into the hands of the EDC (to be given to GMDC) but DRP objected. It made a series of excuses for why the building could not be sold: it was unsafe, it would cost too much to clean up. Fisher notes wryly that not one of these conditions had been a concern during the 14 years DRP had controlled the building and accepted rent from its tenants.



*Elevators are required to have operators*

After more difficult negotiations, with no movement by DRP, Fisher was able to convince the city council to take the very unusual step of investigating the action of a city agency. By 1992, when the city council, borough president and others were all involved and pushing for the sale, DRP fought back. One week before Thanksgiving it sent city inspectors to Greenpoint. They inspected the building, found a series of violations, levied fines and ordered the building closed because of unsafe elevators.

Fisher responded by scheduling a public hearing, while Sweeney and the woodworkers organized a protest at City Hall, during which they smashed chairs on the City Hall steps. While the chairs were being broken, a General Services staffer approached Fisher with a request to "work this thing out." Inspectors returned to Greenpoint, this time to help find solutions; for example, they agreed that providing elevator attendants would mitigate their safety problems.

Even then the negotiations were slow. After the final agreement was reached, DRP tried to add one last provision, saying that if GMDC could not make all the repairs within budget, it would have to evict all tenants. The final agreement was only signed after a new administration came into office.

### Marketing and Other Support

A key function of GMDC has been the ability to jointly market services and products more effectively and cheaply than any tenant could do alone. The marketing plan includes:

- production and dissemination of brochures, public relations materials and a video to promote GMDC members
- promotion of GMDC as a "one-stop-shop" where architects, designers and others can come and view a complete range of quality products
- presentation of products as high quality at a "factory-direct" price; and
- creation and marketing of a proprietary line of children's toy and furniture products, designed and manufactured in the building.

Several aspects of the plan (including brochures and videos) have been implemented and paid benefits. The "one-stop-shop" concept depends in part on creating a showroom on site and, at the time of our visit, there were tentative plans for it. The children's toy and furniture product line had been designed and prototypes built, thanks to a Department of Economic Development grant (listed below). Sweeney expected these products to be marketed soon.

GMDC staff provides other support. They can help work through the thicket of forms and procedures for bids on government contracts. They provide skills training to increase productivity — in CAD/CAM and computer record keeping, for example. With the Pratt Institute, they created a program for apprenticeship training, with foundation support. The program drew at-risk youth for training in woodworking skills and promised employment in firms housed in at GMDC. Eight students went through the program and several are still employed at the Center (the program ended because of disagreements between the woodworkers and Pratt staff about the quality of the in-school training).

Another advantage comes from the critical mass and interrelationships among tenants. There is a great deal of activity within the building contracting and sub-contracting services, making joint bids, sharing equipment and expertise. Almost 20% of all invoices are within the complex.

### Persistence and Leadership

All groups involved in the GMDC project agree on one thing — it would not have happened without David Sweeney. Sweeney was called a “luminous personality” by one board member, and a “visionary” by a staffer (a splendidly ironic term for a person with limited vision). Sweeney joined with the woodworkers out of excitement at the concept they were trying to pursue. He has stayed on to develop the proposal, see negotiations through to their final conclusions, create the board structure and management team at GMDC, and guide it through its initial financial difficulties. Observers suggest that his genius is for organization and, above all, persistence. GMDC could never fail, a participant told us, “David would never let it.”

Sweeney’s contributions were crucial in getting GMDC through its birthing process. His development of a politically and financially savvy board may be the stroke that made the difference. Tenants, however, may be underestimating their own capabilities for managing the operation, should Sweeney need to leave at some point. They have a board and a structure in place, and many people who have taken an active role in the management of GMDC affairs.

### Design

There is very little “design” to be found in this project. Most of the rehabilitation and construction involves basic outfitting of a raw space to meet client needs. The most interesting architectural aspect of this project is the preservation of a historically important and handsome industrial complex. These are six-story, red brick industrial buildings (one corner trapezoidal building was taller, but lost several stories to a fire in the 1950s) with strong vertical piers and segmentally-arched window openings. Because of the costs of rehabilitation and the tight supply of capital, no work has yet been done to restore and preserve the facade, though there is a great deal that needs to be done, including the replacement of hundreds of windows. Limited finances and the need to “triage” the repair schedule make exterior restoration unlikely for many years.

### Finances

The agreement that transferred title from the City of New York to GMDC provided:



*Rehabilitating more space*

- GMDC purchases the property for \$1.
- NYC pays \$1,000,000 to GMDC for safety and code improvements.
- NYC completes environmental clean-up at a cost of \$500,000 to \$700,000 (estimated).
- GMDC is required to effect basic repairs to eliminate code and safety problems within five years of purchase.

GMDC pay property taxes to the city of \$130,000 annually, though taxes on improvements are abated for more than twelve years through the Industrial and Commercial Incentive Program.

Tenants pay rent at a rate which varies by size of space (between \$3.50 and \$4.25 per square foot). The standard lease makes it clear that GMDC is not trying to hide or soft peddle the facilities problems. It states that the building is old and neglected and that GMDC is not responsible for maintenance-related problems or interruption of service. GMDC provides heat up to 40 degrees Fahrenheit and the tenant is required to provide any additional heating. Rents rise with the Consumer Price Index. Tenants are also required to carry a half million dollars of insurance on their spaces.



*Shared Equipment Shop*

Currently, 170,000 square feet of space is being leased to 57 tenants. The 1995 rental income is expected to be \$700,000. The largest tenant leases 16,400 square feet, the smallest takes 170 square feet.

In 1994, GMDC experienced an operating deficit. Rental and other income totaled \$700,000, while total expenses equaled \$753,000. Sweeney notes that there were several reasons for the deficit: heavy maintenance expenses, and writing off bad debt assumed from the WCEC. In addition, he points out that repairs, construction and upgrades — all capital improvements, probably totaling more than \$400,000 — appear in the maintenance expense line of the budget, since almost all work is carried out by in-house staff (rather than as a capital investment).

For 1995 GMDC projected a positive cash flow of \$100,000, which it expects will grow to \$150,000 in 1996 and \$300,000 in 1997. There are several changes which account for this improved forecast:

- Rents were increased at the end of 1994.
- Improved safety systems (sprinklers, etc.) will generate insurance cost reductions.

- 50,000 square feet of additional space will be available for leasing in the 1995 and 1996.
- Demand for space is strong, with a waiting list of potential tenants, especially for the smaller, artist studios.
- Installing sub-meters should significantly reduce energy costs.
- When GMDC has invested \$20,000 in repairs (expected in 1994) it will trigger programs which stabilize property taxes and reduce energy costs.

**Grants.** Since its inception GMDC has depended on public and foundation grants to develop and implement its plan. Sweeney spends much of his time writing and presenting proposals for funding, and has received support from a variety of sources. Some of the largest grants are listed below:

**1988:** New York City Foundation grant to NBDC, \$30,000 per year for three years to support planning and proposal for GMDC.

**1989:** New York Urban Development Corporation grant of \$75,000 for feasibility study.

**1992 and 1993:** J.P. Morgan grants of \$7,500 each for general operating funds.

**1992:** Brooklyn Union Gas grant for energy projects.

**1992:** UDC \$30,000 grant for marketing campaign.

**1993:** New York State Department of Economic Development \$400,000 grant to develop proprietary product line.

**1993:** New York Community Trust grant of \$15,000 for wood recycling program.

**1993:** Booth Ferris Foundation \$40,000 grant for an apprenticeship training program.

**1993:** City Bank for production of promotional video.

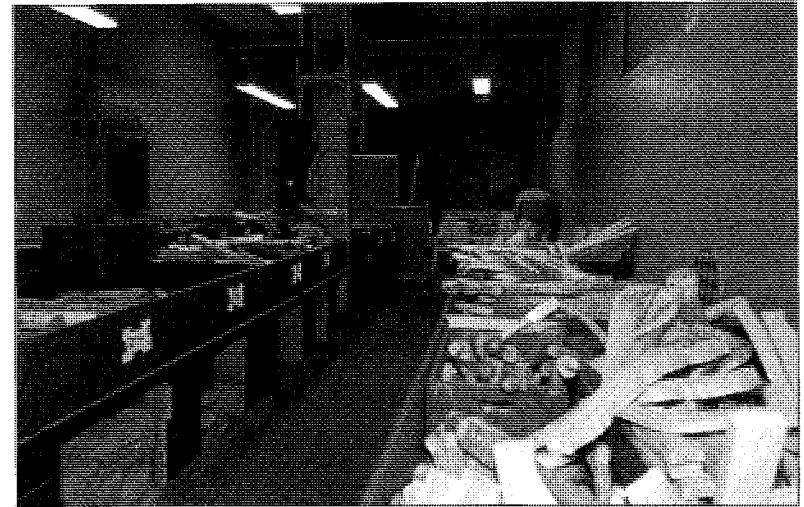
**1994:** UDC \$20,000 to train woodworkers in use of environmentally safe water-based coatings.

**1994:** U.S. Department of Health and Human Services, Office of Community Services \$500,000 grant to create shared resource center and make building repairs.

**Repairs and Improvements.** Estimates of the cost of repairing the building vary widely, with total renovation ranging from \$3 million to as high as \$14 million. The variation comes from differences in the agendas of the estimators and different assumptions. GMDC estimates that the basic repairs required “to keep this place open tomorrow” will cost between \$1 million and \$3 million. These include replacing sprinkler systems, repairing the roof, installing a hot water return system for the heating system (the current hot water return system is “the water spills on the basement floor and evaporates”), and upgrading building egress to meet code. GMDC is currently funding repairs from grants and rental income, with almost all surplus after basic expenses going for materials and labor. Sweeney hopes that their anticipated financial stability will soon allow them to obtain loans to speed the repairs.

**GMDC As a Net Gain for New York City.** It can be argued that the deal with GMDC was a very good one, politically and financially, for the city. New York City rid itself of a tremendous liability — a polluted building it clearly didn’t want to manage and was unwilling to maintain. In the process it supported a community-based economic development program which has created jobs and business growth. It supported a project that has become a boost, rather than an anchor, for the development of Greenpoint, and provides jobs to local workers.

The cost to the city of the sale is relatively small compared to the benefits. They spent \$1 million (less one dollar) plus about \$700,000 for environment clean-up. There were few other conversion options, and this building would have been very expensive to demolish. In return, New York City receives \$130,000 in property taxes, and income taxes from 50 businesses and 300 workers, many of whom would otherwise not be working, or would be working outside New York City. As an estimate of the economic gain to the city, assuming an average city income tax of \$2,500 per worker, and counting only 100 of the workers as a net gain (that is, the rest might have stayed employed elsewhere in New York City) the yearly additional income to the city is \$250,000. This in itself would



*The Wood Store*

make a four year payoff for the city’s \$1 million investment without taking into account corporate taxes or the multiplier effect of workers spending their wages within the city. In addition, the city was able to divest itself of a potential multi-million dollar liability through the transfer of title and expenditure of \$700,000 for environmental clean-up. Even deducting the \$90,000 rent the city no longer collects, this was a good investment financially, as well as socially, for the city.

## THEMES AND LESSONS

### You Can Fight City Hall — But Not Bare-Handed

This is a story of a small, local group going up against an entrenched bureaucracy and winning, but not without absorbing its share of blows. WCEC couldn’t gain ownership of the building because it lacked financial, real estate, and political skills. So it reformed itself as GMDC, added expertise to its board, recruited local politicians, and rejoined the battle with more organizational and management savvy. In the end, that strategy made the difference.

**Sweat Equity and Psychological Equity**

The organic and evolutionary way in which this project developed, eventually supported by by-laws that formalized tenant control, created a level of commitment that persisted through more than a decade. Most tenants literally built their own spaces and in the process created a professional community to which they felt considerable allegiance. This is a part of the model that is impossible to replicate from the top down, but whose value cannot be overstated.

**Starting With a Strong Rent Base**

GMDC had the singular advantage of beginning with a strong base of highly committed, rent-paying tenants. That gave them a great deal of flexibility in developing marketing plans and allocating resources to maintenance and repair.

**Stability Through Non-Profit Ownership**

An important part of the GMDC strategy was to have the building owned by a local development corporation, thus providing long term rent stability for tenants.

**Cooperation and Synergy**

The professional community that developed at GMDC provides the opportunity to combine strengths to mutual advantage. Tenants share equipment (some of which is now cooperatively owned), make bids together, and share skills. They are, said Sweeney, a "virtual large company." GMDC supports the community through jobs and training classes, and is in turn supported by it, with skilled and willing labor.

**Public-Private Partnership**

GMDC would not have happened without the joint contributions of public and private partners, although for much of the relationship the city was an unwilling and uncooperative associate. One observer commented that the city acted as if it "had a vicious reptile it was handing over unwillingly."

**Artists and Woodworkers Together**

The mix of woodworkers and artists is a particularly felicitous one. They share a willingness to tolerate unfinished spaces and uncer-

tain conditions and a love for "funky buildings," which they can alter to suit their needs. They provide a good economic balance — woodworkers tend to need larger spaces, artists smaller ones. They also have generated some unexpected cooperative efforts, in exhibit and product design.

**ASSESSING PROJECT SUCCESS...****...BY ITS GOALS****To Save 21 Business Threatened with Eviction**

GMDC has saved these businesses and increased their number to 57.

**To Create Jobs**

Businesses in the GMDC have grown considerably in the past few years and many credit their survival and success to the existence of the GMDC. There are now 300 employees, many drawn from the Greenpoint neighborhood.

**To Preserve an Important Industrial Building**

The building has been saved and is being repaired and upgraded. From a preservationist point of view, it is important that the building was not demolished, although there has not been any effort to restore the external appearance of the building, and there is no prospect of such restoration in the near future.

**To Provide Services for Businesses**

Through a series of grants and alliances GMDC has provided an important set of services to its tenants, including marketing support, help in developing bids, training for computer skills and setting up a shared shop with sophisticated woodworking equipment.

**To Incubate New Businesses**

GMDC has had some success as an incubator. Its cheap space supports new and growing woodworking and arts-based, as well as other, businesses.

**...BY SELECTION COMMITTEE CONCERNS****Who Owns the Properties/Shops? Are Workers Co-owners?**

No, workers are not co-owners. GMDC, a non-equity cooperative, owns the building and all shared equipment. However, tenants have a measure of control by serving on the GMDC board and a very strong sense of ownership.

**How Are Workers Trained? Is Training Part of the Program?**

Through GMDC programs workers receive training in a variety of skills that can enhance their productivity and profitability, including the use of computers and sophisticated machinery. GMDC has run, and plans to run again, apprenticeship programs to train skilled workers.

**Who Lives in Greenpoint Now and Who Lived There Before this Project? What Impact Has the Project Had on the Surrounding Area (economic, social, development, improvement)?**

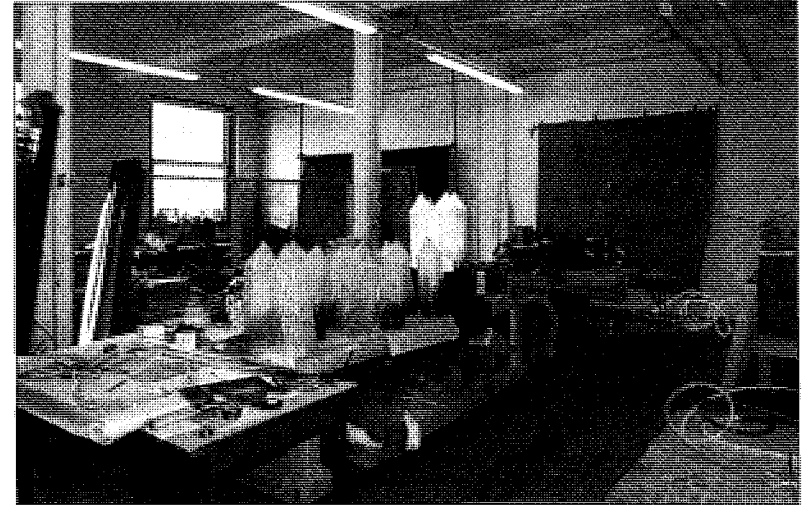
Greenpoint is demographically the same as it was before the project — a lower middle class, blue-collar, ethnic neighborhood. GMDC acknowledges that its impact on greater Greenpoint has been small. It hires and sells locally, and workers shop in the area. We found that some local businesses (hardware store, restaurants) said they had been very much helped by the presence of GMDC while others hardly knew it existed. Thus, while GMDC has a positive effect, it is not likely to change the balance economically or socially.

**What Is the Range of Occupations and What Distribution of Incomes Are Found There?**

Occupations range from clerical and “gopher” positions, making minimum wage, to independent artists working on commissions, to skilled workers earning \$10 to \$15 per hour, to shop owners making considerably more.

**What Are Plans for the Future; the Next Steps? What Is the Outlook?**

There are many plans for the future and the outlook is hopeful but not unbounded. Financially, GMDC hopes to be able to establish lines of credit to ease cash flow and speed repairs. Programmati-



*Studio Space*

cally, it expects to open a showroom to help in marketing, market its own line of toys and furniture, and add new skills training courses for tenants. The main goal remains plowing all available income into building repair, with the immediate focus on life safety issues (such as stairwells, fire walls, and egress).

**Is There Real Demand for this Type of Space? In New York? Elsewhere? How Fast Are Vacancies Absorbed? Is There a Waiting List for Vacancies or New Space?**

There seems to be a strong demand for these spaces by artists and crafts people, as much for the support and sense of community as for the cost of space (which while very low by Manhattan standards is at market rate for Greenpoint). Smaller studio sized spaces are in particularly heavy demand (there is a waiting list) but larger manufacturing spaces are also sought-after.

**What Is the Cost of Renting Space There?**

Current rates range from \$3.50 to \$4.50 per square foot, depending on size (lower rates for larger spaces).

**Would this Type of Project Work or Be Viable for Other Small Industries (Other than Artisans/Crafts People)?**

It is hard to know. Clearly, the outlook and special skills of woodworkers and artists added much to this project. The basic elements (see "Themes"), however, could probably work for a variety of industries.

**What Is the Quality of Products Which Are Produced? Who Is the Intended Market?**

The shops at GMDC produce production and custom furniture of wide ranging quality. The intended market is above mass market retail cabinetwork. They aim at architects and designers, and their marketing strategy is to promote custom work at factory-direct prices.

**Do the Enterprises Share Services, Marketing Efforts or Cooperate in Other Ways?**

Service and equipment sharing is one of the hallmarks of GMDC. It purchased \$120,000 of shared woodworking equipment. Tenants regularly use the talents, skills, and equipment of neighbors, and jointly bid on projects. There have also been woodworker-artist collaborations.

**Have Others in NYC or Elsewhere Modeled Efforts after this Project?**

GMDC has hosted visits from several other cities that are looking into similar models, suggesting that the demand (or at least need) exists elsewhere. A proposed development in the Bronx (Tastee Bakery) is modeling its approach directly on the GMDC.

**SELECTION COMMITTEE COMMENTS**

The Selection Committee commended Greenpoint Manufacturing and Design Center for providing a unique and important model for promoting small manufacturing businesses in the urban environment. At a time when production is leaving American cities, this project shows a way of keeping high quality production in urban centers through the support of small workshop operations. Cities

"need spaces like this...(GMDC) is a fabulous project...this is economic development in a really interesting way, emphasizing the value of labor."

The Selection Committee was concerned that there may be limited applicability to other settings because of unique aspects of this project — such as the nature and availability of the building, the presence of an existing and committed tenant base, and the ability and willingness of tenants to pay enough rent to maintain and improve the facility. Its impact on the surrounding community also appears limited, although it has managed to preserve an important community building.

Greenpoint Manufacturing and Design Center does provide a useful model of ways to make use of small workshop operations and their synergies with a population of artists. By pooling and sharing resources these small manufacturers are able to "compete with the big boys" in efficiency of production. Greenpoint Manufacturing and Design Center has had the vision and breadth to incorporate apprenticeship, training and education programs. The project demonstrates both the (eventual) flexibility of city government in creating the agreement that allowed Greenpoint Manufacturing and Design Center to survive, and the incredible patience and determination often needed to persevere in New York City.

**For More Information...**

Greenpoint Manufacturing and Design Center  
1155-1205 Manhattan Avenue  
Brooklyn, NY 11222  
Tel: 718-383-3935





## HARLEM MEER RESTORATION, New York, New York

### SUMMARY OF SELECTION COMMITTEE DISCUSSION

#### Initial Reasons For Including This Project as a Finalist

- Central Park is a nationally prominent open space that had experienced decline. This project claims to have restored one of its most distressed areas.
- Because of its location in Harlem, the project may have important social significance.
- The Conservancy has created an innovative public-private partnership with the City Parks Department.
- Careful attention appears to have been paid to programming activities and to on-going maintenance and security.

#### Selection Committee Concerns and Questions

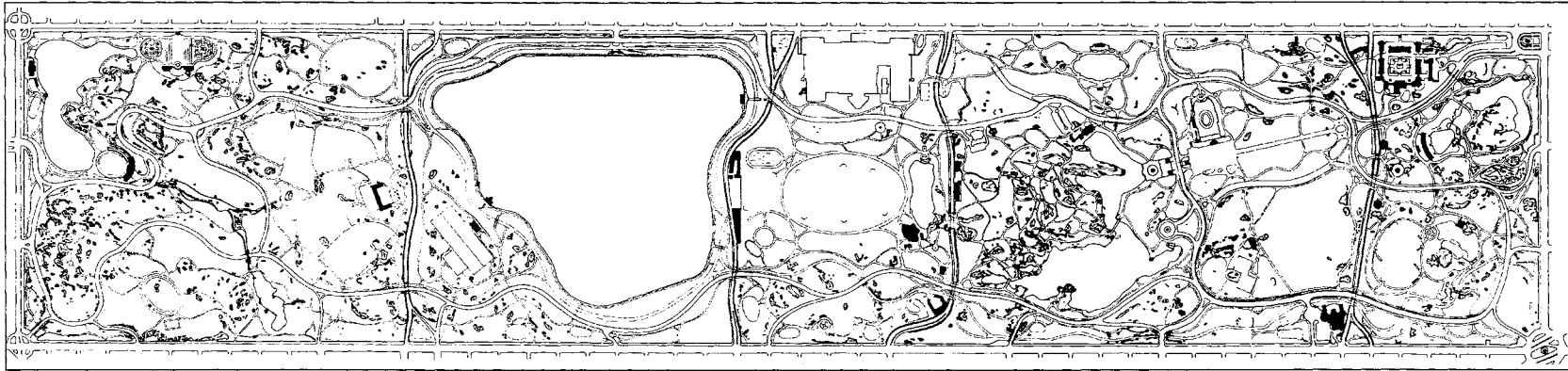
- Why and how was this area allowed to fall into disrepair? What happened to change the City's attitude and approach to it?
- How is the project area used? What is the balance between casual and programmed or organized activities?
- How are the programs funded and operated? Whom do they serve (including teachers and kids)?

- Is the area safe? Is anything done specifically to contribute to this?
- What impact has the project had on the surrounding area? Has the overall quality of life been affected? Who is being served? What has been the neighbors' reaction? What has been the impact on businesses — are they doing better? Have new ones started up? There are "partnership" housing projects in the area — has this project had an impact on them — do they rent up more easily?
- Why did the planned restaurant fail? Is there now a plan to make it happen?
- What has been the impact of the project on the balance of the park?
- Is there a sustainable maintenance plan? What is its budget, where does the money come from? Can it be threatened or taken away?

### THE PROJECT AT A GLANCE

#### What It Is

- The restoration of 17 acres at the northeast corner of Central Park, including an 11 acre lake, and the construction of a discovery center.



*Central Park (Meer is at Upper Left)*

#### **Who Made Submission**

- The Central Park Conservancy — a private non-profit organization that administers the park in cooperation with the City and raises money to supplement City funds for capital projects and operations.

#### **Major Goals**

- To reclaim this part of Central Park.
- To draw local residents back to the park.
- To reintegrate the north and south parts of the park.
- To involve neighboring communities in planning and programming.
- To make the area safe and attractive.

#### **Accomplishments**

- The restoration and new construction are complete (with the exception of one playground — which was reopened in the Fall of 1995). The restaurant was deleted from the project due to lack of funding.
- The area is now attractive, active, and safe.

- Many people are drawn to the area for both informal and programmed activities. The Dana Center offers regular programs for families and youth. The schools in surrounding neighborhoods make extensive use of the Center and the Meer for teaching and hands-on research projects.
- An on-going maintenance program is in place and many volunteers contribute to maintenance and other programs.
- Users are ethnically diverse, suggesting that the renovation has succeeded in attracting both local residents and those from other parts of the city.

#### **Issues That Could Affect Selection As Winner**

- The project appears to have succeeded in meeting its goals of restoring the Meer, making it safe and attractive, and providing excellent programming.
- The City and the Conservancy have a unique partnership for funding, maintaining, and operating the park — this arrangement has already served as a model in other cities.
- The Conservancy was slow to institute a participation program, but they seem to have learned from past mistakes and to have embarked on a sincere and effective outreach and participation effort.

## PROCESS

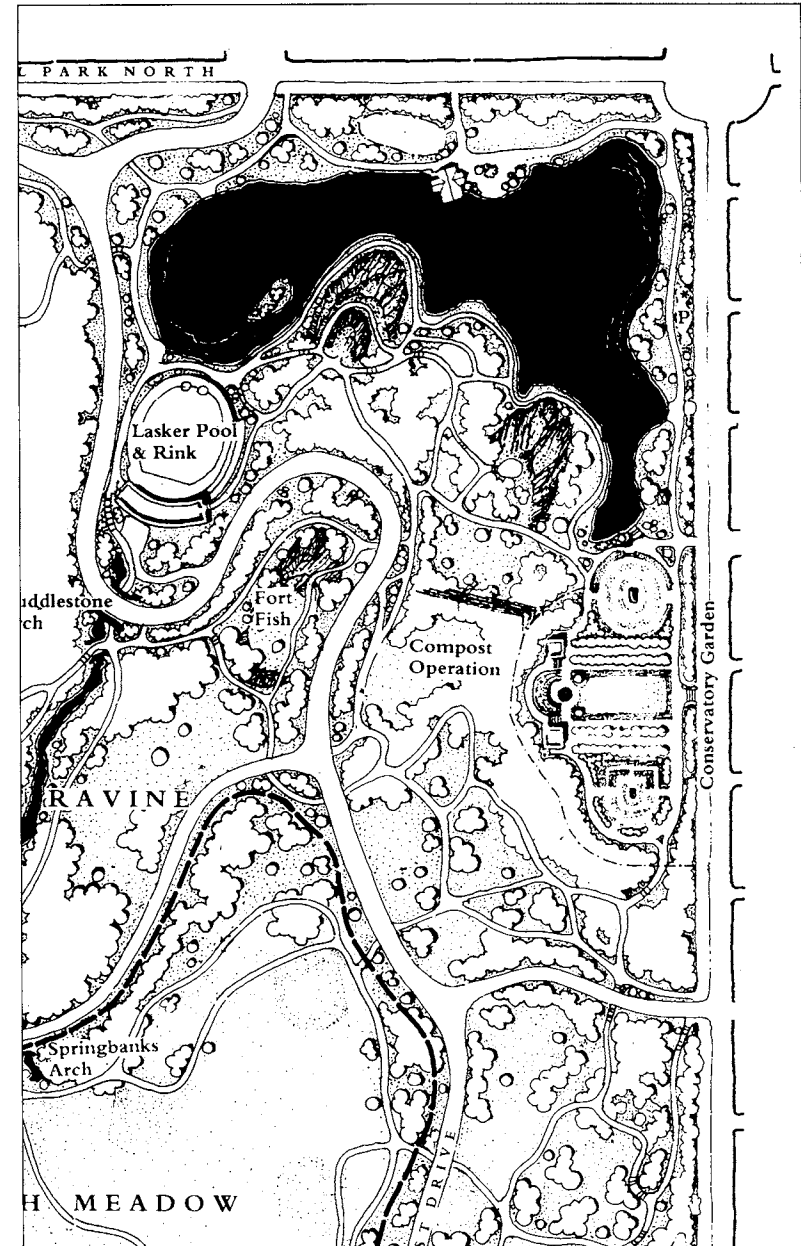
### Chronology

- 1857. Olmsted and Vaux win the design competition for Central Park.
- 1863. The northernmost portion of the park which includes the Meer is acquired.
- Early 1900s. Many recreational uses and facilities are added to the park.
- 1941. The naturalized edge of the Meer is straightened and paved and a boathouse is constructed.
- 1966. Lasker Rink and Pool are added at the southwest edge of the Meer.
- 1970s. Drastic reduction in expenditures for maintenance; severe decline of the park.
- 1985. The Conservancy publishes *Rebuilding Central Park*, a comprehensive master plan for restoring and managing the park.
- April 1989. The Central Park Jogger is raped and beaten, focusing attention on security in the north end of the park.
- June 1989. Task Force on Use and Security is formed. Report issued in March 1990.
- October 1993. Dana Center opens.

### Key Participants

(people we interviewed are indicated with an asterisk \*)

- Central Park Conservancy (note that some of those listed here are employees of the City of New York Parks and Recreation Department):
  - Elizabeth Barlow Rogers\*, Central Park Administrator (through 1995).
  - E. Timothy Marshall\*, Vice President for Planning and Operations.





*Olmsted*



*Vaux*

- Erana Stennett\*, Director of Government and Community Relations.
- Laura Starr\*, Chief of Design. Patricia Cobb\*, Senior Landscape Architect.
- Chris Nolan\*, Chief of Construction.
- Marianne Cramer\*, Chief of Planning.
- Cheryl Best\*, Director of Education and Recreation.
- Sara Cedar Miller\*, Park Photographer and Historian.
- Rowena Saunders\*, Director of Volunteer Programs.
- Doug Blonsky\*, Chief of Operations.

- Board of Trustees: Ira Millstein\*, Chairman; Rev. Calvin Butts, III\* (Abyssinian Baptist Church)
- Blue Ribbon Committee on Central Park Use and Security: Richard Davis\*, Barbara Forgy\* (Phase Piggy-Back Company); Lois Kennedy\* (Central Park Precinct Community Council); Dr. Richard Lonnie Williams\* (Boys Harbor).
- Upper Park Community Advisory Committee: Nan Davis\*; Derek Gibbs\*; Bettjean Miller\*; Bill Perkins\*; Bob Prudhomme\*; Doris Rosenblum\*, Belinda Saunders\*; Dr. Richard Lonnie Williams\*.
- City of New York Parks and Recreation Department
  - Henry Stern\*, Commissioner.
  - Stephen Whitehouse, Director of Planning.
- Samuel White\*, architect for Dana Center; partner in Buttrick, White and Burtis Architects.
- School representatives: Bob Giles\*, Deputy Superintendent of Curriculum and Instruction, Community School District 4; Carol Franken\*, Science Coordinator, School District 4; Bob Wallace\*, teacher at Harbor Academy.
- Captain William Bayer\*, commander of the Central Park Police Precinct.
- Phil Aaron, Millennium Partnership, part of team that was to have built and operated the restaurant.
- Local residents (who were not part of the Conservancy): Leon Ellis\* (owner of Emily's restaurant at 5th Avenue and 111th Street); Sara Jarvis\* (114th Street); Bobbie Allen\* (112th Street).

## PROJECT DESCRIPTION

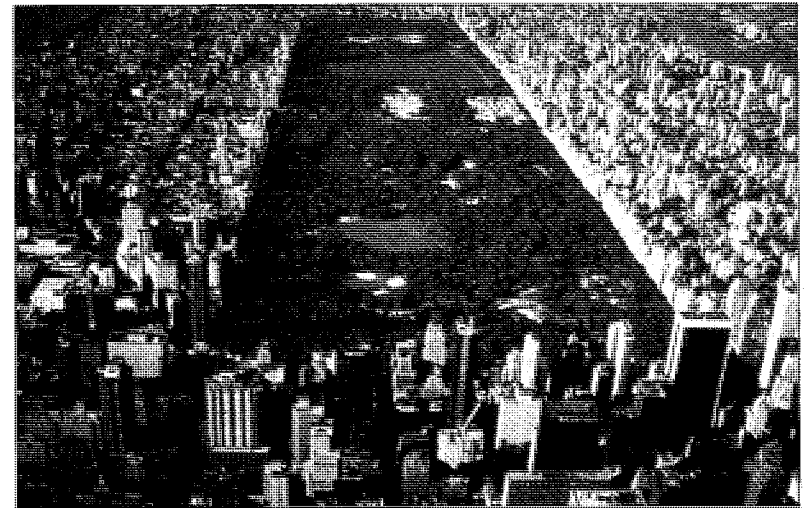
### The Evolution of Central Park

With 843 acres in the heart of Manhattan, Central Park is one of the nation's preeminent public open spaces. Hosting 15 million visitors per year, it is the most visited park in the country. The Park's design is the result of a 1857 competition, won by Frederick Law Olmsted and Calvert Vaux. Planned over a backbone of natural geography and geology, the park is an entirely designed and artificial landscape. Thus, it projects a conceptualized naturalism, influenced by English romantic landscape design concepts of Humphrey Repton and Capability Brown. According to these principles, the park was meant to provide a naturalistic relief from the artificial city.

Olmsted and Vaux's so-called Greensward Plan included carefully organized vistas from meadows to woods, gurgling brooks and other water features, a circulation system featuring depressed transverse roadways spanned by arched bridges that separated park and city vehicular traffic — at that time, carriages — from pedestrians and horses, some facilities that supported activities, and very few formal features such as promenades.

Over the years the park evolved as attitudes and ideas about open space and its appropriate uses changed. Toward the end of the Nineteenth Century, the City Beautiful movement added a few Beaux Arts monuments to the park and the Reform Movement encouraged significant increases in recreational activities and facilities (skating, lawn tennis, baseball, croquet, football, basketball, and other games). Recreation became even more organized in the 1920s and during the tenure of Robert Moses as park commissioner (1934 to 1960) many elements such as skating rinks and the zoo were added.

During the 1960s and 1970s, the park became the site of hugely popular events — love-ins, concerts, anti-war demonstrations. While use grew and wear and tear increased in the 1970s, city budgets were severely curtailed. Gradually the park fell into decline as restrooms were closed, maintenance was deferred, and graffiti became widespread. Eventually much of the park was seriously deteriorated and, in many places (and at certain times), quite dan-



*Central Park from the south*

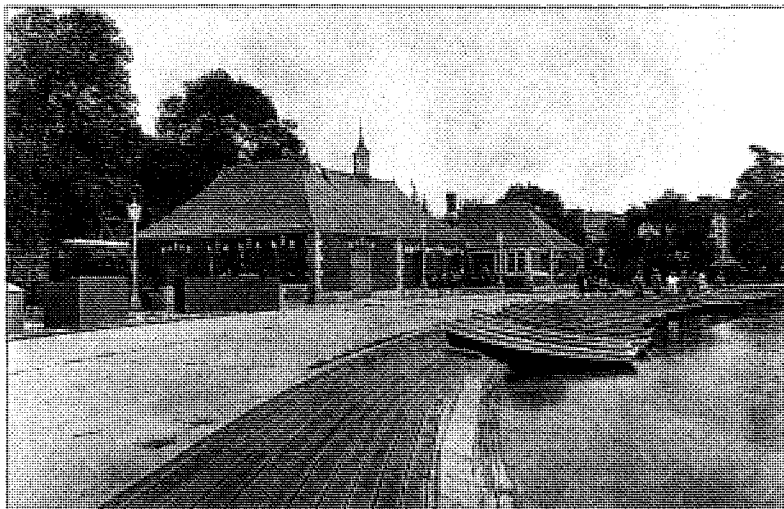
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gerous. It was, however, designated as a historic site in 1974 and gained the protection of the Landmarks Commission. In 1978 (after prior layoffs of 800 park workers city wide), budgets began to be restored and planning for restoration began.

By this time "the condition of Central Park ... was truly shocking. Once-green lawns were bare dusty hardpan, slopes were gullied with erosion, and water bodies silted and choked with weedy vegetation. Broken benches and clogged catch basins lined every path. Years of graffiti scrawlings covered almost every available ... surface." (*Rebuilding Central Park*, page 6)

### Leadership: Elizabeth Barlow Rogers

The Central Park Conservancy was founded by Elizabeth Barlow Rogers who had trained as a planner and was actively writing books about open space in New York, including *The Forests and Wetlands of New York City* and *Frederick Law Olmsted's New York*. Ms. Rogers was executive director of the Central Park Task Force and observed the Park Department's budget deteriorate as general city finances fell into disarray under the Lindsay administration and were taken over by the state during the Beame administration.



*The Old Boathouse*

CPC

Ms. Rogers was instrumental in obtaining grants from the Vincent Astor Foundation to fund a task force to study the park and from the National Endowment for the Humanities for a school program there. She worked with the Parks Department to found the Conservancy as a conduit for private funding and to establish the position of Central Park Administrator. The Conservancy funded the position and Ms. Rogers was appointed to it — a post she held for 16 years (Karen H. Putnam was appointed as her replacement in January 1996).

Under her leadership of the Conservancy, a board of trustees was established (principally to raise funds), the master plan was developed, and an organization was grown which not only plans, designs and constructs improvements, but also administers maintenance and programming for the park. It is a unique and strong leader who can succeed in such a wide variety of roles, as Ms. Rogers clearly has done. Two measures of her success are the high caliber of staff she has attracted and kept and the extremely high regard in which they (as well as civic and business leaders) hold her.

### **The Central Park Conservancy: A Unique Partnership with the City**

The Central Park Conservancy is a private non-profit corporation that administers Central Park in partnership with the New York City Department of Parks and Recreation. The Conservancy was founded in 1980 by "civic and corporate leaders unwilling [to] accept the continued deterioration" of the park (quoted from Conservancy fund raising literature).

In what is essentially a joint venture arrangement with the City, the Conservancy provides the administrator and top executives who manage the park. This is a unique arrangement whereby many city staff work under Conservancy executives, though in practice the question of which organization is paying someone's salary seems insignificant. Of the total park staff of 245, about two-thirds are from the Conservancy and one-third from the City (including some key managers as well as many maintenance staff). The Conservancy provides all horticultural workers.

The Conservancy also provides about two-thirds of the funding for park operations and maintenance (about \$8 million per year) and has contributed \$50 million for capital improvements. It extracted an agreement from the city that budgets for the park will not be cut disproportionately compared to other parks, though the city contribution could decrease as overall budgets and Parks Department budgets decline. On the other hand, the Parks Department is not constrained from cutting the budget for other parks and, if this were to happen, one could argue that Central Park had become a drain on the rest of the system (we were not told that this is presently the case).

### **Integration of Design, Construction, and Maintenance**

For landscape construction and restoration, the Conservancy has an unusual and effective organization. All design, planting plans, construction and installation are done in-house (or, where construction is subcontracted, it is managed in-house). This not only gives the Conservancy a unique level of control over the intent and result, it allows integration, feedback and coordination among functions which are usually separate and often in conflict. It improves the quality of installations since plans are realistically



*Elizabeth Barlow Rogers*

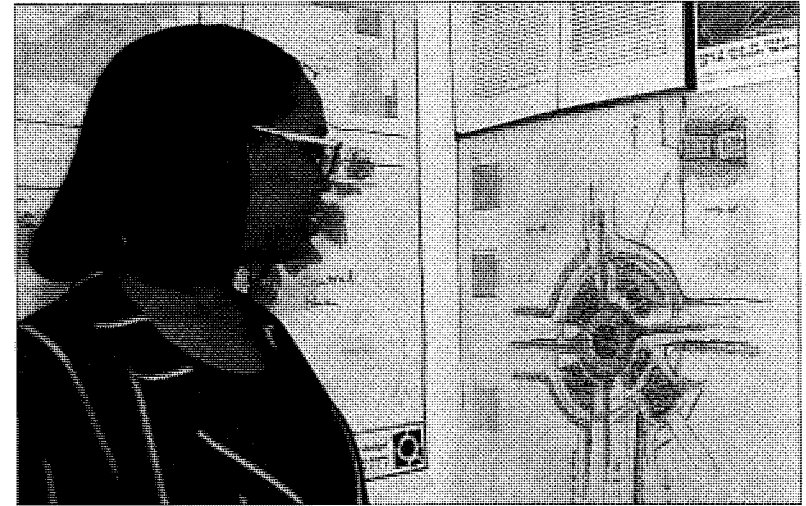
constructible and designers spend time in the field helping, for example, to place boulders where they are most esthetically pleasing.

In addition, the Conservancy now organizes maintenance so that it is handled by crews assigned to a single zone. This way, the crews learn about the area, get to know the needs of particular types of plants, become familiar with users and patterns of activity, and generally develop a sense of ownership in their area. Zone gardeners also participate in design and restoration decisions.

#### **A Commitment to Maintenance**

The Conservancy has demonstrated an understanding of the need for, and commitment to, providing outstanding maintenance of the park. Its initial master plan was called a "management and restoration" plan and the two efforts have proceeded in parallel.

The Conservancy spends about \$8 million each year maintaining the park as a whole and about \$650,000 on the Meer area (including operating the Dana Center). In particular, the Conservancy pays for all horticulture (plantings). Volunteers also contribute to pruning, cleanup, and planting through a program that requires them to be trained in these skills.



*Erana Sennett*

By appearances, the Conservancy's maintenance program is very successful, especially considering the level of use to which the park is subjected. The Conservancy has sought maintenance endowments for the park as a whole and for specific areas, though the Meer does not have one.

#### **Restoration of the Park**

The Harlem Meer project is a relatively small part of a massive undertaking: restoration and ongoing maintenance of the entire Central Park. The plan for rebuilding the park, published in 1985, laid out a fifteen year timetable of projects requiring tens of millions of dollars. The restoration of the Meer, which was originally scheduled for 1996 and 1997, depended on first improving the up-slope areas that drain into it in order to prevent further siltation. Part of the plan was to initially complete one project each in the south, middle and north. In the north, the Conservatory Garden, which lies immediately to the south of the Meer, was the first project, though it does not seem to have had much significance for the residents of Harlem — indeed, they may have seen this choice as continuing to ignore their needs. The fact that the garden is fenced sends a certain message of exclusion and may have

*Cleaning the Meer*

CPC

suggested that the northern portion of the park was being taken over by southern (read: downtown, white, middle class) influences.

As of the time of writing, approximately 50% of the restoration work has been completed and many projects are under construction. Another massive fundraising drive is underway and appears likely to raise the \$77 million needed to complete restoration and expand the Conservancy's endowment for programs and maintenance (in fact, the money was successfully raised). Much of the remaining work is on the west side of the park.

### **South and North: Toward Effective Integration of the Park**

There are geological and historical reasons why the park was designed and equipped differently in the south and north. Manhattan developed first in the south and there were far more potential users living and working around the southerly end at the time the park was designed. The northerly end was still rural and agricultural — and Harlem was a village. Because there was more development toward the south, the original design provided more meadows, playfields and facilities at that end, while the north was intended to be a more natural landscape.

Beyond these historical factors, there is a modern social boundary at 96th Street. On the east, this marks the division between the poorer, predominantly Latino East Harlem to the north and the wealthy Upper East Side to the south. Due north of the park is Central Harlem, which is predominantly African-American. This division carried over to a significant degree into the park, with few park users from Harlem venturing to the southerly part of the park and few residents from the middle and south venturing north. The inclusion of new and restored attractions in the north and the improved integration of north-south circulation paths are part of a conscious strategy to encourage more exchange between north and south — with the goal that the entire park be perceived as belonging to the whole city. As reported below, that perceptual shift appears to be taking hold.

### **Rape of a Jogger**

Almost everyone we interviewed brought up the highly publicized 1989 episode of a white female investment banker (known as the "Central Park Jogger") who was savagely attacked and left for dead in the Ravine, only a few hundred yards south of the Meer. A group of African-American teenagers (some of whom lived in an apartment building opposite the northeast entrance to the park and the Meer) were convicted of the crime, which introduced the frightening term "wilding" to the nation's vocabulary. Ironically, the rape occurred in a period in which crime had already been reduced significantly (see section below on Security).

In some ways, the event contributed to racial polarization. From the African-American perspective, it was asked why so much attention was paid to a black-on-white crime when many crimes with African-American victims had not been treated as particularly significant. From the white perspective, it reinforced the sense of the north end of the park as dangerous, threatening and perhaps to be left to minority users.

On the other hand, the crime can also be seen as sparking a general outrage about the state of the park and a sense that the entire city had to do something to take it back and make it safe. The response was to form a city-wide blue ribbon Task Force on Use and Security. In addition to police and park representatives, there were also leaders from community groups adjacent to the north end of the park.



The very name of the task force indicates a predisposition to consider the presence of people and activity as a critical component of creating a safe environment. The task force made over 50 recommendations, calling for greater attention to be paid to, and money spent at, the north end of the park; expanded activities; enhanced security of access routes; improved lighting; increased police and other staff presence; and the greater involvement of the surrounding community in planning and operations. Neighborhood residents and leaders who participated in the task force spoke of the very positive experience of working effectively with the police to solve commonly perceived problems. Importantly, the task force report led to formation of the advisory committee described in the next sections.

### Learning About Outreach and Participation

While the Conservancy might be faulted for its limited commitment to community participation during its initial phases, it appears to have learned important lessons and changed its way of working. Of course, being a public-private entity operating a highly visible public park, the Conservancy always had to proceed through a formal review process. This included initial review and approval from Parks Department staff and commissioners, followed by the local Community Board of the area closest to that part of the park (this constituted the only real channel for neighborhood input — and did not necessarily provide a forum for local park users), then to the Landmarks Commission, and finally to the Arts Commission.

While utilizing this process, the Conservancy had two projects fail, at least in part because of a lack of understanding of community concerns and a lack of anticipation of their response. One in the mid-1980s involved varied interests among tennis players, while the other in 1988 and 1989 entailed community response to the proposed closing of a park entrance at West 88th Street. These failures led the Conservancy to hire a director of community relations and to conduct a detailed assessment of problems and options for improvement. Their analysis showed the two critical weaknesses to be a lack of input during the design phase (they had limited this to review of completed designs) and the reliance on the Community Board as the sole channel for park user input.



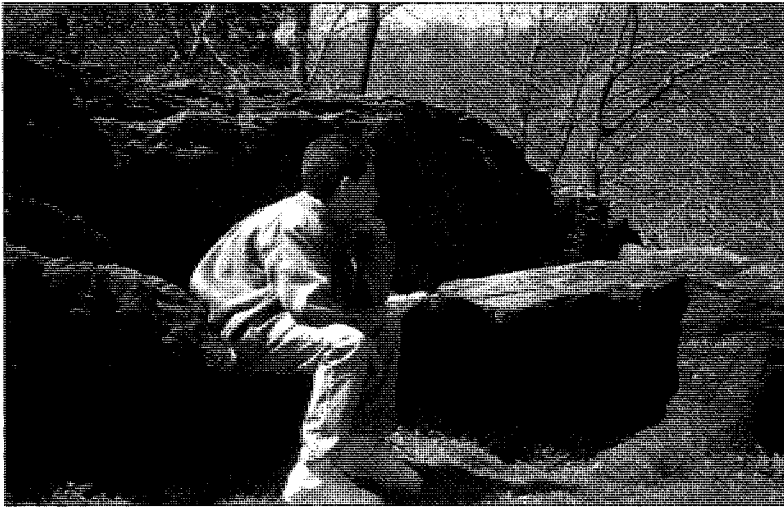
PHOTO BY SARA CEDAR MILLER, PARK PHOTOGRAPHER

While the Conservancy's initial response predated the jogger affair, they quickly became bound up with the issues it raised. The Conservancy embarked on a multi-pronged effort including improved community and press relations, as well as formation of a community advisory committee for the north end of the park.

### Formation of the Upper Park Community Advisory Committee

The Conservancy's director of community relations began by establishing contacts with community leaders, groups and residents, eventually inviting a number of them to serve on a community advisory committee. Some had already been involved with the Use and Security study, but many others had not. Several members expressed an initial skepticism about how effective the committee would be, whether the Conservancy would listen to them and take them seriously, whether restoration would actually take place, and whether they would continue their involvement beyond a few meetings.

After initial activities getting to know the park and the Conservancy, the advisory committee was asked to provide input to various aspects of the Meer design, phasing, and programming. The restoration plan was already developed, but the committee



*Overlooking the Meer*

reviewed it and suggested changes in phasing, design features, and programs. An example is their suggestion, which was followed, that the 108th Street Playground be reconstructed first and that it be kept open while the balance of the area was closed during construction.

While the advisory committee was very active through completion of the renovation, its involvement has tapered off to the point where it meets only a few times a year. It expects to get more active again with the planning for Frederick Douglass Circle. This is a highly participatory process, where the Conservancy organized several events, including a design charrette with many community participants, some of whom were part of the advisory committee.

#### **History and Decline of The Meer**

*(drawn from Rebuilding Central Park, page 56).*

Before the city was developed, the site was the western edge of a large tidal marsh connected to the East River. This area was not originally part of Central Park, but the park was extended from 106th Street to 110th Street in 1858 (the site was actually acquired in 1863). The original design for this area included a formal canal and promenade but was changed to a lake with an informal edge. It

was called the Meer, the Dutch word for lake.

The Meer is the second largest body of water in the park and covers about 11 acres. Like other bodies of water in the park, its bottom was sealed with concrete in response to malaria scares, and in 1941 (under Robert Moses) the entire naturalistic shoreline was smoothed out and rimmed in concrete. Around this time, the entire Meer was fenced and a boathouse and two playgrounds were built. Though heavy handed in treatment of the landscape, these improvements reflected an acknowledgement that the neglected north end of the park required services that users of the southern end had long enjoyed.

In 1966, the Meer was altered again with construction of the Lasker Pool and Rink at the southwest corner directly over the mouth of a stream where it entered the lake, reducing its area by about 3 acres and interrupting the naturalistic flow into the lake. The rink has a low profile but its architecture is hard edged and incompatible with the original feel of the park.

At the time the restoration plan was written, in the mid-1980s the Meer was in very poor condition. The lake was in a "hypereutrophic" state and erosion was severe, resulting in an estimated 180,000 cubic feet of sediment at the bottom. While the 110th Street playground had been renovated, the boathouse was described as "a disgraceful eyesore: vandalized, week choked, burned out and virtually stripped to its shell." The landscape had lost much of its ground cover and there were almost no shrubs or understory trees along the perimeter wall.

#### **The Meer Restoration Project**

While the original restoration plan called for reconstruction of the boathouse, this was changed to incorporate the discovery center and a restaurant (see next sections). The principal work on the site included restoring the lake and landscape, rebuilding paths and a playground, and providing lighting and signage.

The lake was dredged of 20,000 cubic yards of silt, its clay lining was replaced, and an aeration system installed. The lake was then restocked with thousands of fish. Almost all of the lake's edge was restored to a naturalistic state, with turf, rocks or sand meeting the water. The landscape on upland slopes and in higher use areas was

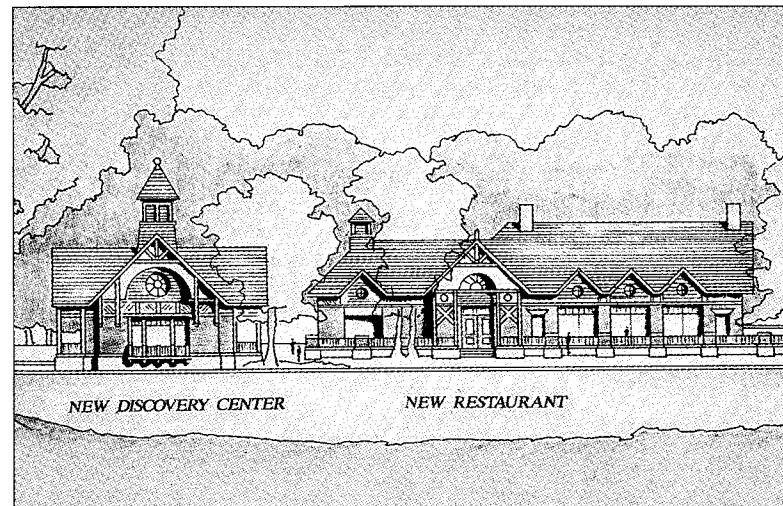


*The Dana Discovery Center*

restored and a major planting program begun. Only about one-quarter of the budget for plant material was expended initially, allowing the gardeners to observe how various plants perform and leaving generous funds to add and replace plants over the next few years.

As in other parts of the park, paths were revamped to reflect "desire lines" (where people actually want to go) and to eliminate redundant paths. Seating has been added, both as benches and less formally as planter edges and steps. Lighting has been reworked and improved, with a newly designed but historical looking light fixture. A signage program has been initiated, but not fully implemented. The directional signs are very small and placed perhaps too subtly on the lamp posts.

One of the two playgrounds (at 5th Avenue and 108th Street) was entirely redone, with attention paid to user needs. Parents were involved in the programming and design; they suggested, for example, that only one entry be provided so that they could better supervise their small children. New equipment, seating and fencing were installed. The other playground (along 110th Street) has not yet been redone and was enclosed by chain link fence at the



*The Center and The Restaurant (not built)*

time of our visit. It has equipment from the 1960s which appears to be intended for use by an older age group. We were told that it would reopen in the summer of 1995 (and it did).

A plaza was created in front of the Dana Center with hardscape, planters, and steps edging the lake. It is used informally and for school and Dana Center activities.

### **The Dana Discovery Center: Design**

The Charles A. Dana Discovery Center is a structure of about 5,000 square feet which provides space for exhibits, offices, a classroom, and public restrooms. An information desk is staffed by volunteers and provides a place from which to check out fishing poles.

The exhibit area contains a set of self-guided, exploratory displays about the lake and woodland ecology. The number of visitors was observed to be highly variable over time. The classroom contains some scientific equipment and is used by school groups and for organized programs mounted by the Center.

Restrooms are accessible from the outside and are supposed to be unlocked when the Center is open. We observed, however, that



*Inside the Dana Center*

they were locked at some times when the Center was open (and the Center now issues a key to people who wish to use it). They are constructed with security in mind (stainless steel fixtures) and appeared to have remained in good condition.

The design of the Center was treated with considerable care and thought by the architects. The building is carefully sited at water's edge and has two balconies which overhang the lake. It is strategically placed to present itself attractively from several directions and is very easy to identify from the closest park entrances. The style is intended to be reminiscent of the Victorian period in which the park was built and the structure succeeds at this while still being recognizable as a contemporary building. Quality materials (stone, brick, and slate roof tiles) are used and the choice of colors appropriately balances subtlety and stimulation. The brick is carefully detailed, especially on the otherwise rather blank façade facing the street. Security is present but rather subtle, relying principally on shutters which are either hidden or look like an historical element when open, but enclose all windows and doors when shut.

### **The Dana Discovery Center: Programs**

There is a wide variety of programs that operate in the Dana Center, at the lake, and in the surrounding woods. The Center itself is home to a self-guided discovery program about lake and woodland ecology, a very popular catch-and-release fishing program (poles, bait and instruction are provided at no cost; over 11,000 people participated last year), and more structured educational and cultural programs in its classroom.

In the year ended in October 1994, 174 school groups visited the Dana Center to see an exhibit and 2,948 people participated in 115 family workshops.

In April 1995, there were two or three family or individual programs offered there on each weekend day, bird watching reports were gathered each Saturday, and school groups came for instructional programs most week days. The Conservancy has an education staff which organizes and offers programs, coordinates with the schools, develops instructional materials, and trains teachers about the park and how to use its resources. We observed two classes using teaching materials; one was a design awareness exercise that used the Dana Center as its focus and the other concerned identifying species of birds.

On a continuing basis, a group of classes from 15 local elementary and middle schools use the Center and the Meer for an exceptional, hands-on science project. Classes are engaged in visiting the Meer every day and gathering data which provide a base for monitoring its ecological health. Students record data on such topics as water temperature, acidity, clarity, plant and animal communities, shading, and so forth. Data are logged, entered into a specially developed computer program, and made available through an online system networked to the other schools and the Conservancy. Classes dialogue by e-mail on topics and issues around their discoveries and share with the Conservancy scientists who also gather and share data with the schools. This is a remarkable example of giving children an opportunity to do meaningful research in the real world and it has arisen as a direct result of the Meer restoration in combination with Conservancy support.

In addition, the Conservancy recently received a major grant from the Lila Wallace Readers' Digest Foundation to expand and improve programs, including those at the Dana Center.

### Construction and Operating Budgets

The cost of the work at the Meer was as follows:

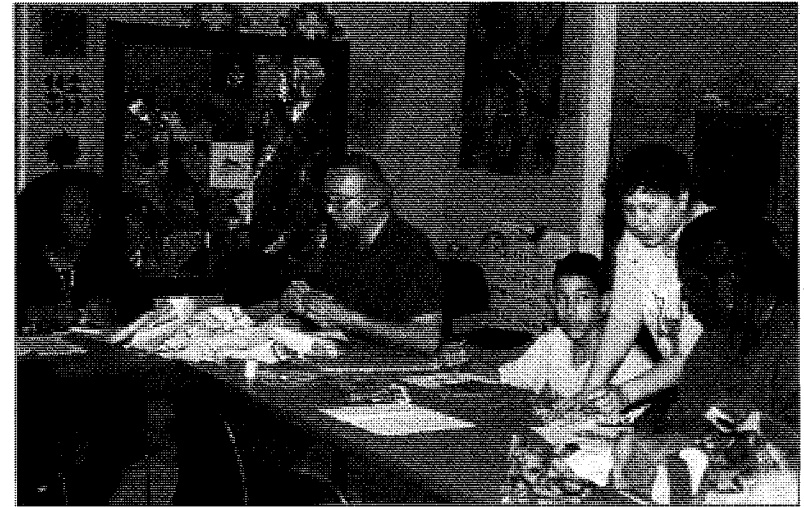
ITEM	COST	PAID BY
Planning and Design	\$1,000,000	Conservancy
Dredging and Restoration of Meer	1,900,000	City
Shoreline Restoration	3,300,000	City
Dana Center	1,800,000	Conservancy
Plaza	1,500,000	Conservancy
Playground at 108th Street	300,000	Conservancy
Total	\$9,800,000	

Thus, the City's and Conservancy's contributions to capital costs were approximately \$5 million each. The area's operating budget is about \$650,000 per year including maintenance, planting, programs and park security (the portion provided by the police is not included because it is not available as a separate line item).

### The Case of the Missing Restaurant

As mentioned above, a restaurant was planned for inclusion in this project, but was not constructed due to lack of funding. The concept, which evolved over time, was that a rather large facility should be provided which would include counter service (for snacks and casual meals), a sit-down table service area, and a large catering hall for special events such as weddings. The entire facility was seen as filling an important need in the community, especially the later two elements which were perceived as missing from this part of Harlem. In addition, food service was considered to be very important as an attraction to users from the south of the park, which is better served with these facilities.

The City issued a request for proposals for teams of developers and operators who would finance, construct and run the facility. A joint venture was selected that included Harlem and Midtown companies with considerable experience and resources. The selected team requested several changes in the program, principally enlarging the restaurant to a size they felt would be economically viable. The



*Dana Center Programs*

building was designed to match the Dana Center in style and was placed along the 110th Street wall with good views of the Meer and entrances directly from the street as well as from the park.

Unfortunately, the timing on the project coincided with severe setbacks in the financial and real estate markets. The developers claimed that they could not obtain financing for the project and essentially abandoned it.

Since the restaurant was not to be forthcoming, the Conservancy resurrected a concession building at 5th Avenue toward the southern edge of the Meer. There are push carts authorized to operate in the area, but it was apparently too early in the season for us to see them on our visit. Private enterprise has also stepped in to open a pleasant restaurant across from the park entry at 5th Avenue and 111th Street (Emily's) and its owner strongly supports the park improvements.

The lack of the park restaurant is perceived in a variety of ways. Some residents feel that it is sorely missed (especially the catering hall). Others feel that the Meer is successful without the restaurant, that it is attracting many users as it is, and that food service alternatives in and out of the park are sufficient. The Conservancy claims

*Fishing*

PHOTO BY SARA CEDAR MILLER, PARK PHOTOGRAPHER

that it is still pursuing the project and is considering an arrangement under which it would provide a building structure using private donations, greatly reducing the capital that an operator would need to raise. To date, no donor has been found, though several names were mentioned as having been approached.

### Security — Yesterday and Today

The area around the Meer and, indeed, the entire park, are now perceived by users and law enforcement officials as safe and accessible. There appears to be very good coordination between the police (who have a dedicated precinct for the park) and the Conservancy. The police demonstrate a continual presence and have shifted to a more community-oriented policing strategy (with officers on foot, bicycle and scooters rather than inside cars); they have also located call boxes at strategic points. In the Meer area, there are five officers and one sergeant assigned, more than for other similarly sized parts of the park, reflecting the police commitment to keeping the area safe together with their assessment that the area requires a heightened presence. Police expressed their intent to be responsive to the Conservancy's stated needs and to keep the area around the Dana Center "safe and graffiti-free".

Police also recommended planting and pruning schemes which remove hiding places from the edges of pathways — and the Conservancy follows these guidelines. The Task Force on Use and Security reported that the park was significantly safer in 1989 than it had been in 1982 and the commander of the park precinct reported further significant declines in crime in the last two years.

Many people we interviewed referred to the interdependence of safety with activity and having people in the park. Clearly this is a circular relationship with many people abandoning the park when it was perceived as unsafe. That they are now drawn back into the park is both a product and cause of its being safer. The challenge was, as parts of the park were restored, to get the initial users to come back in. Here, programming was the key to the strategy's success. Residents described an evolution — some more adventurous ones tested the waters at first and use grew as positive reports spread by word of mouth.

Residents also report that the police are responsive to their complaints and requests — and it is clear that they see this as better service than they have generally come to expect.

### Impact on Residents and the Neighborhood

Almost all of the neighbors and community leaders we talked to were extremely positive about the restoration and its impact on the area. While some had used the area during its period of decline, all reported increased use since restoration. One resident regularly takes walks around the lake and likes to sit and watch birds. She described the area as "serene" and expressed that it "helps to relieve the stress of living in an urban area." She also appreciated the fact that the Dana Center's programs help attract people of varied ethnic backgrounds (including whites who had not been visiting the area) and gives them a chance to get to know each other.

Another Harlem resident who had grown up there but used the southern end of the park was delighted that his children could use the park near their home.

Several area residents described the park as their "backyard", saying that it had been abused, become unsightly, malodorous, and dangerous. Now they see the birds coming back and neighbors who never used the park before out walking and jogging around

the lake, teenagers engaging in constructive behavior, and other positive signs. Other residents report a “huge increase in use”, citing school groups and fishing parties.

The process was seen as important, too. The Conservancy had been seen as irrelevant in terms of contributing to the solution of Harlem’s problems and its initiation of a community advisory committee was viewed with a healthy dose of skepticism — at least a “wait and see” attitude. People had observed the north end of the park getting worse and doubted that anything positive would happen. Even as restoration work began, the community saw gates being locked and fences erected that closed off the park and playgrounds. They wondered whether the gates would be reopened when work was complete. They also had to be shown that the Conservancy would take their input seriously — which it demonstrated in terms of accelerating work on the playground and creating means to keep it open during reconstruction. It also has won acceptance by following through on promised programs and maintenance.

Lonnie Williams of Boys Harbor (a member of the Task Force on Use and Security and the Upper Park advisory committee) described how the improved safety has made the park more accessible to younger children.

Only one person (someone we stopped at random) complained about the restoration in terms of possible gentrification on 110th street where rents were said to have risen and prior tenants replaced by those who could pay more. Other residents, including one who lives on 110th Street did not agree; she reported using the Tenant Interim Leasing program (a prior Bruner Award winner) to rehab her building while keeping most of the existing tenants in place as new owners.

### “Up in Central Park”

During our site visit (on April 15, 1995), the New York Times published an editorial titled “Up in Central Park” (did they know we were there?). Speaking of the Meer and the Conservatory Garden, it states, in part:



Storytelling

PHOTO BY SARA CEDAR MILLER, PARK PHOTOGRAPHER

*“More recently, Harlem Meer was derelict, a wasteland of broken lights and broken benches. A marriage of public and private money is what revived them, that and the enthusiasm of the communities at the park’s northern border. ‘I live in that building right over there,’ a visitor to the Meer said last spring, ‘and believe me, I’m keeping an eye on this place.’*

*“So she should. So everyone should, on all the city. If New York is to enter the 21st century with the same vitality with which it entered the 20th, it will be because thousands upon thousands of New Yorkers, rich, poor and in between, kept their eyes on the place. There is the uptown end of Central Park to show what happens when they do.”*

## THEMES AND LESSONS

### Public-Private Partnership

Started in 1980, this is an early example of a private, non-profit organization established to supplement the efforts of a government entity. While some might argue that it is the City’s appropriate duty to utilize its funds to maintain its parks, the magnitude of degeneration of the park probably could not have been remedied by the city — at least for a very long time.





*Ecology Program*

PHOTO BY SARA CEDAR MILLER, PARK PHOTOGRAPHER

The structure of the partnership is also unusual; and perhaps better described as a joint venture where the park is owned by the City but mostly administered by the Conservancy who directs a mixture of their own and city staff.

Aspects of this partnership are, apparently, being emulated in other cities (e.g., Louisville, Kentucky). However, one wonders about the availability of private donations in a city without New York's access to both huge corporations and old money families.

#### **It's Never Too Late for Real Community Participation**

Central Park is a unique place and its community of interest is large and varied. From its start the Conservancy worked with many constituencies, but it may have ignored the less organized and less powerful groups of users and neighbors. What is particularly impressive is that the Conservancy recognized this issue and responded to it in a genuine way, incorporating real participation as a standard part of its operations.

#### **Nature is Important in the City**

Many people spoke to us of the physical and spiritual importance of being able to experience the quiet and scenic beauty provided by

the park's natural vistas. Especially in a large city, the ability to get away, to recreate, and to participate in nature are important in relaxing, reducing stress, and enriching one's life.

#### **Reclaiming "Lost" Areas is Even More Important**

With crime and the rhetoric around it dominating so much public dialogue, an area which has been "turned around" and reclaimed from criminal elements creates hope and optimism. The upper end of the park, including the Meer, has been transformed from a place many people feared to enter — the site of the infamous Central Park Jogger incident — to a place where elders, families, children, and solitary females feel safe.

#### **Use and Activity Contribute to Safety**

The City and Conservancy recognized that policing alone would not achieve the desired effect on safety. The park had to be populated to make it feel safe and this meant attracting people with amenities and activities.

#### **Seizing the Opportunity for Education in Nature and Ecology**

Between the organized activities at the Dana Center and the innovative hands-on research and teaching programs initiated by the schools, the Meer area has become a focus for environmental education.

#### **Building in Maintenance**

The physical improvements made at the Meer would not have lasted long without the well funded and well organized maintenance program the Conservancy has put in place. Due to adequate budgets, zoning of responsibilities, and the use of volunteers, the area is very well kept up.

### **ASSESSING PROJECT SUCCESS...**

#### **...BY ITS GOALS**

#### **To Restore This Part of Central Park**

At the time of writing, the restoration of the Meer area was almost complete. The Meer and surrounding landscaping had been



returned to a healthy and beautiful state. The only remaining unfinished pieces were one play area and the restaurant and, as much as some local residents may want the restaurant, the Meer area did not feel incomplete without it.

#### **To Make the Area Safe and Attractive**

Crime has dropped significantly based on more activity, design improvements, and increased police presence and responsiveness. The area now feels safe to casual visitors and residents. The beauty of the area has been restored and new features are being maintained.

#### **To Draw Local Residents Back to the Park**

By observation and report, the project is successful in drawing local residents back into the park. While some never stopped using it (at least in the daytime), now many who avoided it (especially the very young, the elderly, and women) appear there in large numbers. The Dana Center, the lake, and the playground are specific attractions and many organized activities also draw people.

#### **To Reintegrate the North and South Parts of the Park**

The restoration and maintenance program appears to have had an important impact on drawing users up from the south. This includes attractions such as those mentioned immediately above as well as improved circulation which makes north-south movement more easy and pleasant.

#### **To Involve the Neighboring Community in Planning and Programming**

While the Conservancy had to learn about community involvement, they appear now to take it very seriously and to be doing a good job of integrating participation into their planning and management processes. The Upper Park Community Advisory Committee and the work done at Frederick Douglass Circle attest to this.



PHOTO BY SARA CEDAR MILLER, PARK PHOTOGRAPHER

### **...BY SELECTION COMMITTEE CONCERNS**

#### **Why Was This Area Allowed to Fall into Disrepair?**

The budget crisis in New York City in the 1970s led to drastic reductions in funds available for repairs, improvements and regular maintenance in the park. While the entire park suffered, this area was subject to greater abuse and declined faster and farther than others.

#### **How is the Project Area Used? What is the Balance between Casual and Programmed Activities?**

Use is varied and, at peak times, intense. Activities range from the relatively passive (walking, sitting, talking) to the active (jogging, skating, biking, using playground equipment, fishing). Many activities are informal while others are organized by the Dana Center, schools, and bird watching groups.

#### **How are the Programs Funded and Operated? Whom do They Serve?**

Dana Center programs are funded from the Conservancy's operating budget as well as from targeted gifts and grants. Dana Center

and Meer-focussed activities serve all age groups from the surrounding neighborhoods and other parts of the city. School-based activities serve the children in the area.

#### **Why Wasn't the Restaurant Built? Is There a Plan for One?**

The restaurant project was abandoned due to lack of financing at a period when there was a general recession and the real estate market crashed. The current concept is for the Conservancy to construct the building and have the operator complete tenant improvements, lowering the amount of capital required of them — but the search for a donor to underwrite the restaurant has not yet succeeded. We note that this project does not appear to be included in the current massive capital campaign.

#### **What Impact Has the Project Had on the Surrounding Area?**

The project is believed to have had an impact on the surrounding areas. Businesses have opened at or near the corner of 5th Avenue and 110th Street. Apartment buildings on 110th Street have been renovated without displacement. People from the area use the park and are very pleased to have this amenity at their disposal again.

#### **Is There a Sustainable Maintenance Plan?**

The Conservancy has maintained the Meer area from its general operating revenues. The Meer does not have a dedicated maintenance endowment as a few other areas do.

### **SELECTION COMMITTEE COMMENTS**

The Selection Committee found Harlem Meer to be an admirable project of very high quality. The landscape and building design, as well as the maintenance programs are exemplary. The committee was particularly impressed by the combination of national prominence of Central Park and the social significance that derives from the Meer being located within Harlem. While the Conservancy had to learn how to plan together with local constituencies, they clearly involved neighbors in planning the renovation, programming activities, and improving security.

While the Selection Committee found no weaknesses with the project itself, they wondered about certain of its features, primarily its questionable replicability in that both Central Park and New York City are so unique. It also bothered certain members of the committee that the city had allowed such deterioration to occur. They felt that the park should have been a city responsibility, but that the city abdicated it. To overcome governmental neglect required an extraordinary level of private effort and investment — resources that would be more difficult to find in other cities. The committee also wondered what the city had learned from the experience that would enable them to be better stewards for the balance of the park system or to deal with other problems more effectively.

#### **For More Information...**

The Central Park Conservancy  
The Arsenal  
Central Park  
New York, NY 10021  
Tel: 212-360-2700

#### **References**

Elizabeth Barlow Rogers, et al.: Rebuilding Central Park: a management and restoration plan; MIT Press, 1987 (based on the draft edition published by the Central Park Conservancy in 1985).

Citizens Task Force on the Use and Security of Central Park: *Central Park: the heart of the city*, Central Park Conservancy, March 1990.



## LOWERTOWN Saint Paul, Minnesota

### SUMMARY OF SELECTION COMMITTEE DISCUSSION

#### Initial Reasons For Including This Project as a Finalist

- This project has kept the inner city from deteriorating, reclaiming a part of it.
- It has kept jobs and housing in town at a time when it is critical to maintain and develop the city's economic base.
- Saint Paul appears to be doing things right, but often doesn't get the credit it deserves.
- This may be a model for other older cities to follow; it should be documented.

#### Selection Committee Concerns and Questions

- What was the impetus for the Lowertown project; who started it and why?
- Lowertown represented a vision — has it been fulfilled? Are the results tangible?
- Who is employed there, at what wages, and with what quality of jobs?
- What was the effect of adding higher quality housing? Has there been displacement?
- Has Lowertown had an impact on the surrounding area?

- What has been the effect on the social fabric? Have civic participation rates increased? Are there measurements of empowerment or disempowerment?
- How is this area viewed by neighbors and community groups from outside it?
- What is the quality of design?
- Where have city tax benefits generated from the projects in this area gone? Is the city getting the anticipated tax revenues?
- What was done to improve physical infrastructure and transport?
- Is this a model for older, poorer cities?

### THE PROJECT AT A GLANCE

#### What It Is

- Redevelopment of a historic district on the edge of downtown Saint Paul near the Mississippi River.

#### Who Made Submission

- The Lowertown Redevelopment Corporation (LRC). LRC is a small private non-profit organization set up to intervene where government alone would be very cumbersome or

slow. While it does not choose to do projects itself, it plays some role in almost every project, often catalyzing action between private developers, public agencies, and funding entities.

### Major Goals

- To attract new investment, create new jobs, and broaden the tax base.
- To provide permanent housing for all income levels.
- To incorporate a mix of historic preservation, adaptive reuse and new construction.
- To establish a lively artists' district for both living and working.
- To be energy efficient by meeting codes and providing district heating.
- To create a sense of place through the urban design plan, guidelines and design review.

### Accomplishments

- Creation of a lively, mixed income and mixed use area adjacent to downtown.
- More than 70 projects have been completed from 1978 to 1993, including construction or renovation of:
  - over 1,500 units of housing (approximately 25% low and moderate income)
  - 180,000 square feet of retail and restaurant space
  - about 2,000,000 square feet of offices, studios, laboratories, and the like.
- These projects support about 6,700 permanent jobs (in addition to temporary construction jobs).
- Preservation and rehabilitation of many historic structures including warehouses, the train station, and office buildings.
- Relocation of the farmers market to a newly improved site.

- Renovation of a park in the center of the district and addition of a children's play space and a new riverfront park.
- Completion of streetscape improvements and skyway connections to downtown.

### Issues That Could Affect Selection As Winner

- The program appears to be very successful in meeting its goals, despite setbacks on some projects and a recent recession in the real estate market.
- Has the public investment been justified by the public benefits of renovating this district?
- Will the LRC and the city be able to successfully develop the two major remaining portions of Lowertown — the northern quadrant, which is largely parking lots, and the river front?
- Does LRC have a sufficient mechanism for participation in planning decisions and how will neighborhood participation change and evolve now that there are enough people living there to form a community?
- Will LRC be able to find a replacement for the current president (when he eventually retires or leaves) who will be able to carry out the wide range of functions with as much effectiveness?

## PROCESS

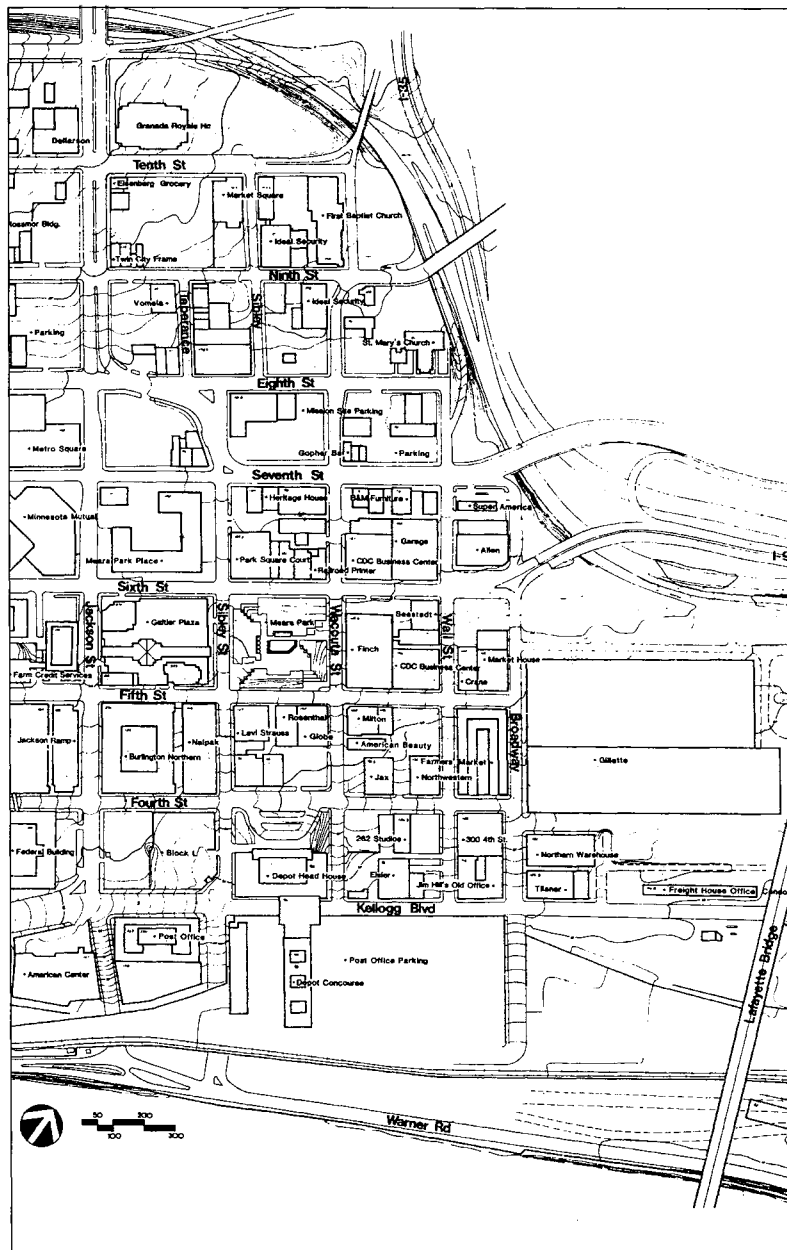
### Chronology

- **Mid-1800s.** Lowertown develops as warehouse and transshipment point between the Mississippi River and the railroads serving the upper Midwest.
- **Early 1900s.** Warehousing is supplemented with considerable manufacturing.
- **1950s.** After World War II, Lowertown is largely abandoned as its industrial base moves out.



*Lowertown (at upper right)*

PHOTO COURTESY LOWERTOWN REDEVELOPMENT CORP.



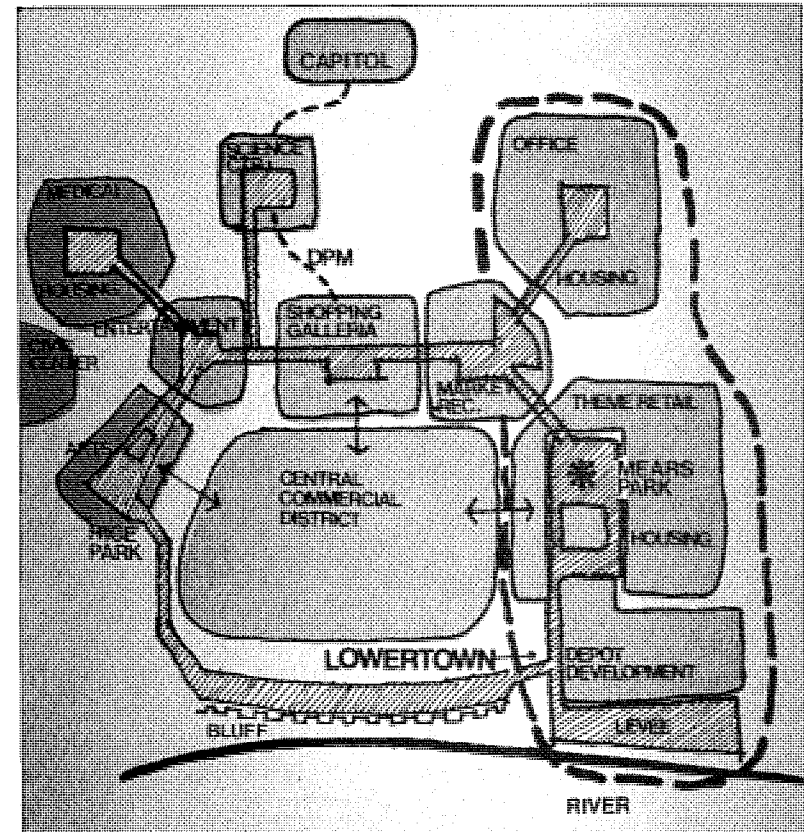
- **Early 1970s.** Norman Mears initiates efforts to revitalize Lowertown.
- **1978.** City applies for and receives McKnight Foundation support and the Lowertown Redevelopment Corporation is formed.
- **1981.** Developer is designated for the project that will become Galtier Plaza. Weiming Lu is promoted from deputy to executive director (now president) of LRC.
- **1984.** YMCA opens; construction begins on the balance of Galtier Plaza.
- **1989.** Canadian investor buys Galtier Plaza, at great loss to original investors.
- **1992.** Mears Park reconstruction complete.

#### Key Participants

(people we interviewed are indicated with an asterisk \*)

- Lowertown Redevelopment Corporation (LRC):
  - Weiming Lu\*, President.
  - Board of Directors (8 members): Patrick Donovan\* (banker; current president); Roger Nielsen\* (local businessman); Bob Hess\*; mayor is ex officio member; another member is labor leader.
- McKnight Foundation; Michael O'Keefe, Executive Director; Russell Ewald, former Executive Director (when initial support was provided). Provided funding for LRC.
- City of Saint Paul:
  - Mayors: Norman Coleman\* (current); George Latimer\* (1976-1989); James Scheibel (1990-1994).
  - Department of Planning and Economic Development: Pam Wheelock, director, Larry Buegler\*, former director; Ken Peterson\*, former director.
  - Department of Public Works: Leon Pearson\*, director.
  - Department of Parks and Recreation: John Wirka\*, director.

- Port Authority of Saint Paul; Ken Johnson\*, President (provided bond funding for part of the Galtier Plaza project).
- Consultants (with a very small staff, LRC relies heavily on consultants):
  - Fritz Angst\*, Briggs and Morgan, attorneys
  - Merrill Busch\*, Busch & Partners, public relations
  - Don Loberg, CPA
  - James McComb\*, McComb Group, real estate market analysts.
- Downtown Community Development Council (neighborhood association which includes Lowertown; one of 17 in Saint Paul): Mike Skiwra, president, Jim Miller\*, past president; Mary Nelson\*, coordinator.
- Developers and property managers: Henry Zaidan\* and Gordon Awsumb\* (Zaidan Holdings, second owner of the retail, commercial, condos, and parking at Galtier as well as other buildings in Lowertown); David Frauensuh\* (owner of the First Trust Building and other properties); John Mannillo\* (also led park planning group); Sharon Nault\* and Lorie Danzeisen\* (Griffin Property Management for the Towers of Galtier)
- Architects and planners: Craig Rafferty\* (Rafferty, Rafferty, Tollefson: river park plan and various renovations); Milo Thompson\* (Bentz, Thompson, Reitow; for Crown Stirling Suites hotel); Lloyd Berquist\* (various renovations); Project for Public Spaces (programming consultant for Mears Park); Hammel, Green and Abrahamson (for KTCA and Lowertown Lofts).
- Artists: Cheryl Kartes\* (former ArtSpace director; led co-op of Lowertown Lofts; author of book on doing loft conversions for artists); Lowertown Lofts: Marla Gamble\*; Seitu Jones\*; Tacoumba Aiken\*; Tilsner Building: Jim and Carol Byrne\*



(also active in citizens group promoting development of children's play space).

- Other residents and business people: Galtier condos: Joe O'Neill\*; Don Anderson\*, Michael and Karen Swkora\*; Steve Wolf\* (Art Resources); Leeann Chin\* (restaurateur); Betty Herbert\*; Wayne Mikos\* (KTCA public television).



*Weiming Lu, Fritz Angst, Merrill Busch*

## PROJECT DESCRIPTION

### The History and Decline of Lowertown

Saint Paul was the northernmost navigable point on the Mississippi River in the middle of the Nineteenth Century — and Lowertown was home to its docks and the railroad terminal that linked the hinterland to the river. This made the area one of the most important transshipment points on the continent. Tremendous quantities of grain and other products arrived by land and were loaded onto the river boats, while manufactured goods and supplies came up river in exchange. Many large warehouses were constructed in Lowertown, which was home to brokers and shipping agents.

Lowertown was where Saint Paul began. From there, the city gradually expanded from the river banks and upstream (toward the west) where the bluffs are steeper and limit access to the river, to the site of the present downtown.

As time passed, manufacturing facilities were built in Lowertown or took over the warehouses. Rather few houses remained there. The area experienced growth through the early Twentieth Century, with concrete frame or steel construction used in place of the brick clad heavy timber structures of the earlier periods.

By the 1950s, with the decline of its traditional economic base, Lowertown was nearly abandoned. However, due to the generally slow economy and rate of change in Saint Paul and the fact that growth had taken place elsewhere, much of the building stock of Lowertown (especially in the southerly portion closer to the river) was still intact.

In the late 1960s and early 1970s, an industrialist whose family had been active in the area for years, Norman Mears, proposed a plan to renovate Lowertown's existing buildings. He succeeded in getting the city to renovate the park that is now named for him, encouraged private investment in refurbishing a block of historic buildings facing the park, and started the process leading to construction by the city of market rate downtown housing on an adjacent block. These efforts petered out after Mear's death in 1974, but laid the foundation for the next steps.

### McKnight Foundation Support for Redevelopment

In 1978, the mayor of Saint Paul, George Latimer, submitted a request to the McKnight Foundation for support in redeveloping Lowertown. Discussions with the foundation had indicated that it might be prepared to support such a major effort. While the application was assembled in a matter of weeks, its vision was clear and reflected many principles which are still being pursued.

The application referred to Lowertown as "Saint Paul's unpolished gem" and proposed the establishment of the LRC, with funding of \$20 million, of which half would have gone toward redevelopment of the riverfront. It suggested that the funds could be leveraged tenfold and have a positive effect on the entire downtown. The McKnight family, founders of 3M, had a long history in Saint Paul which may have influenced their decision to fund the LRC and their commitment to providing the requested \$10 million (the portion for the riverfront was not provided).

The intervention strategy had three main components: redevelopment of the core area linked to downtown, an office park on the northern portion, and major development of the train station and river front. In 17 years, it is mostly the core area that has been redeveloped, with the latter two areas largely unaffected. But the LRC's investment has been leveraged forty-fold rather than ten-fold.



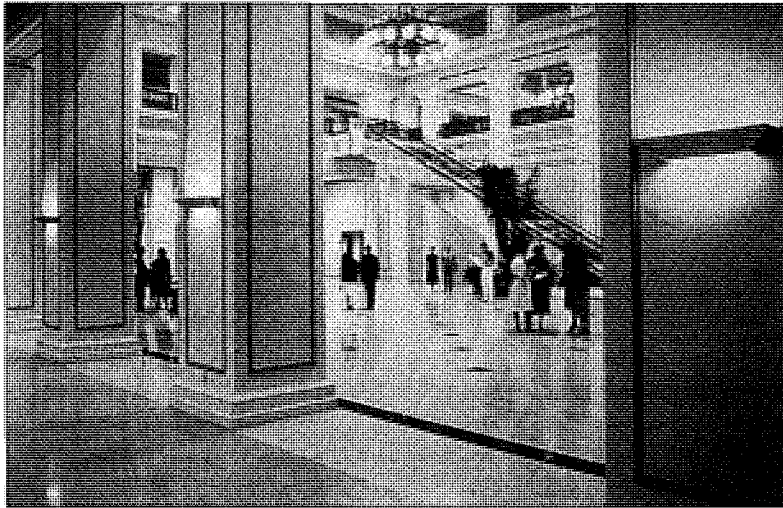
*Burlington Northern*

PHOTO COURTESY LOWERTOWN REDEVELOPMENT CORP.

The vision of Lowertown described in the grant application foresaw a pedestrian-oriented community with mixed income housing, evening activities, and links to the river for recreation and aesthetic benefits. The proposed mandate for the LRC, which the McKnight support would create, contained its essential elements. While many specifics put forward in the application have not developed as foreseen, a significant number of its key features have been realized.

#### **The Lowertown Redevelopment Corporation — An Unusual Organization**

True to the original proposal, the Lowertown Redevelopment Corporation (LRC) has three areas of emphasis — gap financing on projects that would not otherwise be financially feasible, design review, and marketing. Unusually for a redevelopment agency, LRC does not have condemnation powers, does not own land, can't assemble parcels, and can't offer standard development incentives by itself (such as tax abatement) — but it can facilitate these and other contributions to a project.

The McKnight Foundation recommended that the board include the mayor, strong representation from the banks, a leader from

*Skyway*

organized labor, a local resident and one or two others. (It seems that the board was somewhat more representative of Lowertown at first, with a large local employer, a local pastor, a community activist, and a member of the staff of the congressman who represented the area. (Fosler, page 186)) LRC has always had a very small staff, which is now intentionally reduced to only two, the president and an assistant, keeping overhead very low.

The McKnight pledge of \$10 million serves, in effect, as an endowment which LRC husbands, loans out or pledges for loan guarantees, and uses to support itself and make small grants. Of the \$10 million, \$1 million was a grant to fund LRC for three years and \$9 million was to be made available as a "program related investment", essentially a revolving loan fund where McKnight would approve each loan and be repaid when the loan matured (\$3.3 million was loaned directly and was to have been paid back to McKnight, not LRC). After three years, McKnight decided that LRC had proven itself and gave it an additional half million dollar grant for expenses as well as about \$3.8 million more for its loan fund. Thus, the total McKnight contribution was about \$8.6 million, of which \$5.3 went directly to LRC, most of which it still has — though much is tied up in loans. (Because of its careful management and investment of the funds, LRC is now self supporting.) In

these ways, the initial announcement of the \$10 million grant has parlayed a considerably smaller amount of money into a small but highly effective organization. It has also been leveraged greatly, generating much public and private investment (see below).

Other than the mayor who serves ex-officio, the board is self-perpetuating, appointing its own replacement members who are always prominent civic leaders, ideally the kinds of movers and shakers who can be counted on to get things done in the best interest of the city. Although it stays in touch with the community by having its president serve on many committees, including the Downtown Community Development Council (the city-sanctioned community association that represents the larger area that includes Lowertown), LRC has no formal mechanism for gaining input from Lowertown residents and businesses. While this situation is understandable historically — since there were few residents or businesses in the area when the process started — one wonders whether a more formalized structure for participation would now be appropriate.

Although the type of entity created for Lowertown may not seem so unusual in the mid-1990s, it is important to recall that this model was proposed in the 1970s when the notion of public-private partnerships was far from common. Mayor Latimer and his deputy mayor Dick Broeker appear to have been pioneers in inventing ways in which government could cooperate with the private sector to do things neither could manage on its own. The Lowertown Redevelopment Corporation was one of several quasi-governmental entities they set up for such purposes.

Saint Paul, Lowertown and the LRC have received a great deal of recognition for their innovative approach to solving urban problems. Latimer and Broeker are quoted in *Reinventing Government* as saying “foundation participation can make things happen outside conventional governmental restraints .... to skirt the paralyzed or outmoded bureaucracy and initiate direct action” (page 336). LRC is difficult to classify as an organization; set up at the impetus of the city, funded privately, yet acting in the public behalf. One gets the sense that in order to function both effectively and in the broader public interest, such an entity needs to be located in a city with good measures of cooperative spirit and honesty; without these ingredients, it could be ineffective or subject to considerable abuse.

### A Unique Style of Leadership

LRC benefits from the energy and skill of its president, Weiming Lu, who has held the post since 1981. A planner by training, Lu performs a highly disparate set of functions. While design review is the closest to his training, he has learned very well how to assess the financial viability of projects, to negotiate loans, and to market and promote the area.

It is difficult to adequately describe the role of the LRC president. Lu is, at turns, visionary, promoter, design critic, banker, coalition builder, booster, midwife to difficult projects, tough negotiator, liaison to government agencies and banks, and ombudsman. He works as much by persistence, patience and persuasion as by power to plan, fund or regulate. He has gained the respect of the various communities with which he works as a person who will stick to his principles and do what he can to help, but never give as much financially as he is asked for. In order to qualify for a relatively small amount of LRC loan funds, Lu has required many projects to trim themselves to what has probably proved to be a more healthy cost while at the same time improving their design. Working with his board, he has husbanded their limited resources so they are still largely available to support the LRC and projects in Lowertown.

It is difficult to imagine how LRC will replace Lu when he eventually leaves or retires. They may have to hire two or three people to fill his position and still may not get the contribution that he himself makes.

### The Urban Village

An important goal of redevelopment has from the start been to create an “urban village.” In other places, this notion has often been treated in a picturesque or sentimental way by urban planners who tried to impose the concept on people who did not want it or by neotraditionalists who would provide it only for those who can afford it. In Lowertown, by contrast, the plan was to create an area of rather intense and highly mixed uses where people of all economic levels could live near where they worked (either downtown or in newly renovated offices or lofts).

A key component of the strategy was to promote expansion of the number of artists who already had studios in cheap loft space. Some of the artists lived in their studios — often illegally — and a goal was to provide accommodations that could properly allow them to do this (see the section about artists' housing). Other components were the conversion of warehouses into offices and apartments as well as the construction of mixed use projects (see the section on Galtier Plaza).

In parallel, LRC pursued links to the downtown skyway system and the provision of missing amenities (such as parks, restaurants, shopping and entertainment). Some of these are in converted historic buildings and some in new construction.

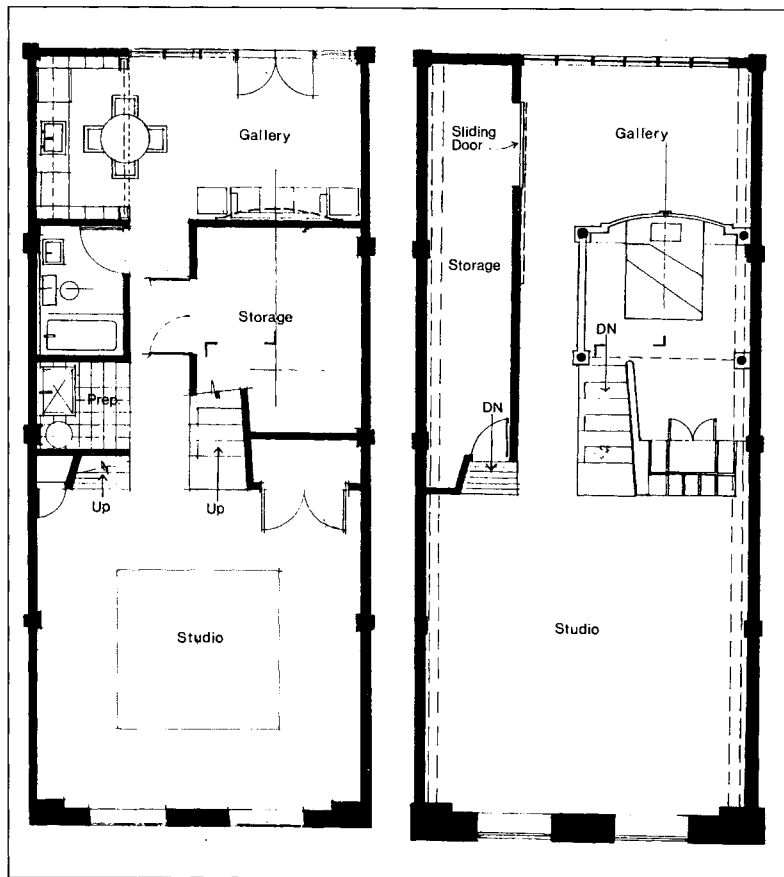
The result is an area which has become an attraction to many who seek an urban lifestyle. When the Lowertown project started, very few people lived there; now it is home to about 7,000. Some residents are empty nesters who have given up houses in the suburbs to retire close to downtown amenities. Others are young professionals and office workers who walk a few blocks to work. Still others are artists for whom home and studio are combined in one space. The area also draws many people who live elsewhere but come to shop at the Farmers' Market on weekends, to eat in restaurants or visit entertainment establishments, to take periodic "art walks" when studios host open houses, or to take part in other festivals. Office workers from downtown come to Lowertown at lunch or after work to eat or work out at the "Y".

### 70 Projects in 15 Years

Lowertown has been transformed by approximately 70 projects since 1978, some carried out privately, some by public agencies, and some by a variety of public and private entities working together. The following paragraphs describe some of the projects. In addition to those described below, many historic structures have been renovated, including warehouses (some designed by the famous architect Cass Gilbert), the main lobby of the train station, and the former headquarters of the Burlington Northern Railroad which is partially occupied by a bank and includes a spectacular atrium. New construction has included a very large mixed use project (Galtier Plaza), a studio for the public television station, a parking garage, and other infill projects.



*Lowertown Lofts*



*Lowertown Lofts: Typical Studio*

### Cooperative Artists' Housing

We visited two of the three buildings in Lowertown which have been converted to housing and studio space for artists. Lowertown Lofts was the first artists' project to be completed, in 1986. It provides 29 lofts varying in size from about 900 to 1,300 square feet and cost about \$1.5 million (in cash, plus various in-kind contributions including \$300,000 worth of sweat equity).

The building is located at the southern edge of Lowertown and some units have expansive views of the river. The design was the



*Lowertown Lofts: Artists Studio*

result of a participatory charrette and includes a skylit multi-story atrium which gives access to all units. This space is used for continuous, rotating exhibitions of the residents' work, providing a glimpse into the private world within the studios. Each unit provides mostly open space for living and working with minimal built in amenities for cooking, hygiene and storage. Abundant natural light is provided by the large windows.

In talking to several of the artists, it was clear that the building is a real cooperative enterprise, with shared decisions and responsibilities. Much effort went into defining the organizational structure, leases, financial arrangements, and criteria for who can take over a vacant unit. The form of ownership is a limited equity cooperative, which allows each artist to recoup his or her investment in fixing up the unit, but not any escalation in the market value of the project. Thus, rents are fixed and affordable and will not rise (except as utility costs increase). As one artist moves on (because of life stage or the need for different studio space), other low and moderate income artists will still be able to afford to move in.

Lowertown Lofts was a very complicated development project. The building is partly owned by the artists' cooperative and partly by a

for-profit developer who leases out the first two floors. This developer had many problems which made it more difficult for the artists' portion to proceed. The financing was also complex, with four loans (one from LRC for \$177,000), tax credits, grants, and other funding sources. However, the project serves as a model and inspired the other artists' living/working projects in Lowertown and elsewhere (see the reference below to the book *Creating Space*, about making artists' housing, written by an artist who helped put together the project, and featuring it as a case study).

We also visited the Tilsner Building which has 66 apartments/studios for artists, finished in 1993 at a cost of about \$7 million. It, too, features an open atrium cut into the original warehouse, a soaring space lit with windows and providing a meeting and socializing area on the basement level.

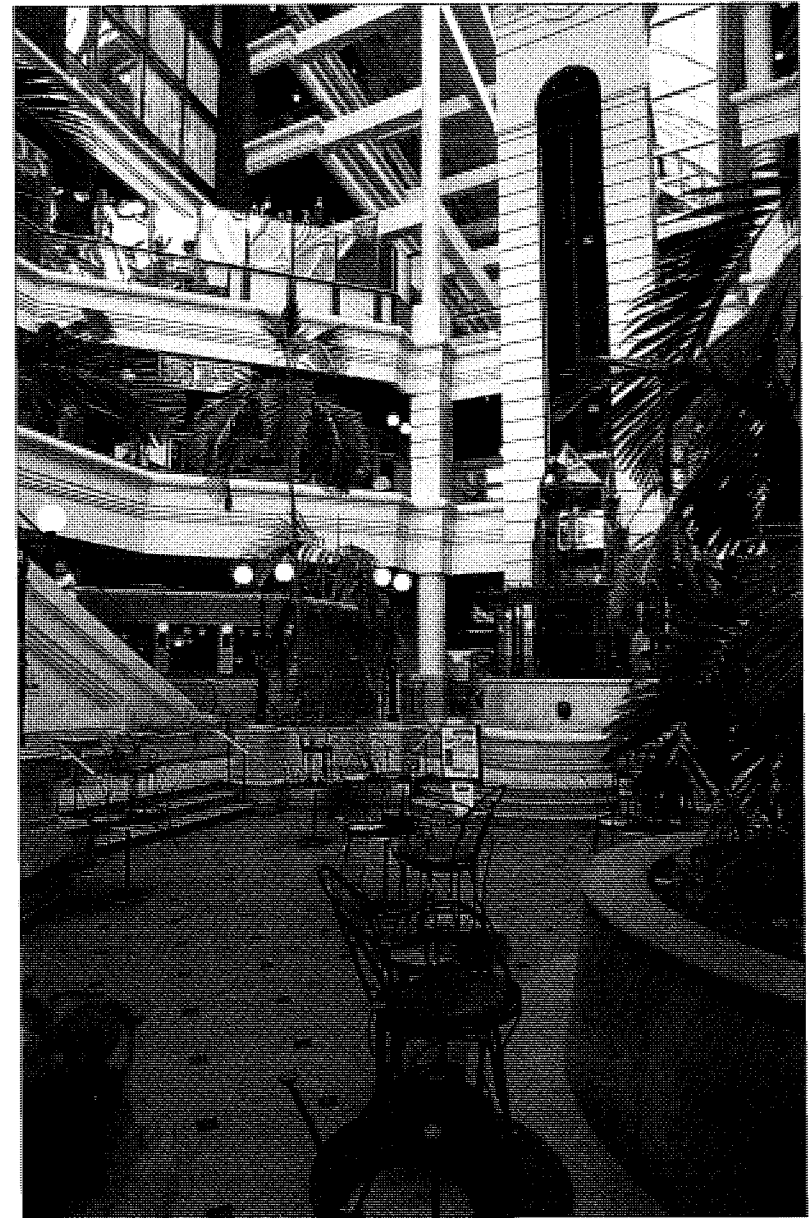
#### **Galtier Plaza:**

##### **Grand Vision, Spectacular Failure, and Turnaround**

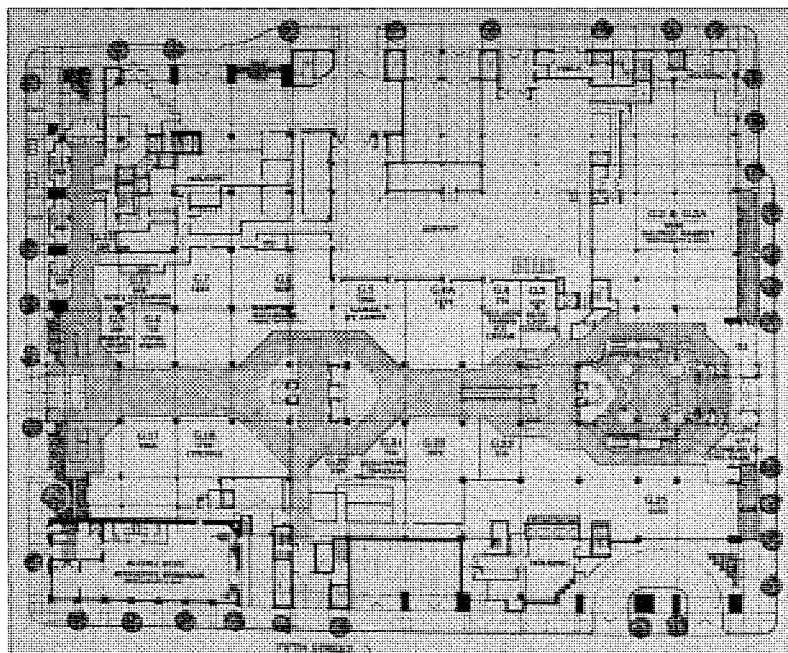
Galtier Plaza represents the single largest intervention in Lowertown. Sited on a pivotal block between downtown and Mears Park (the visual and activity center of Lowertown), this location was targeted early on for a large mixed use project. The block had three significant historical structures, but was able to support considerable new construction.

LRC and the city put out a call to developers. At that point, they envisioned a development that might cost perhaps \$30 million. However, the development team that was selected proposed a much larger project. As planning proceeded, it came to include:

- 120 condos to be offered for sale
- 361 rental apartments
- 78,000 rentable square feet of office space
- 123,000 square feet of retail
- a YMCA of 75,000 square feet
- 820 space parking garage
- a skyway link to downtown.



*Inside Galtier Plaza*

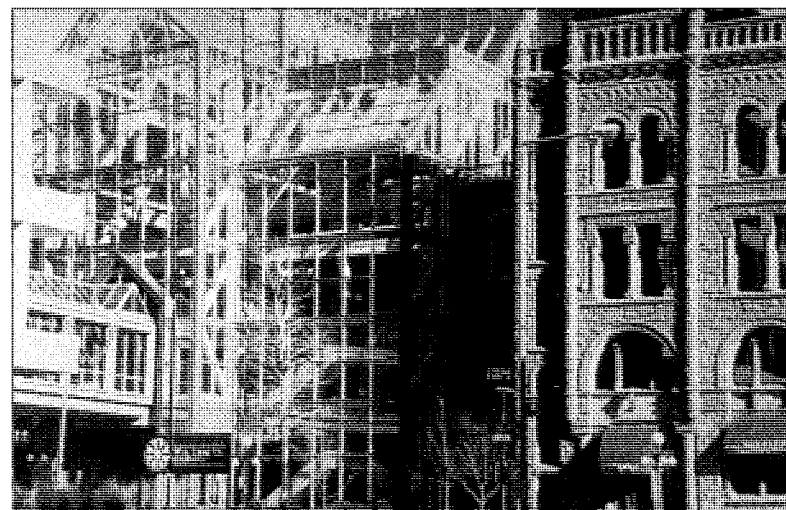


*Galtier Plaza*

PHOTO COURTESY LOWERTOWN REDEVELOPMENT CORP.

In terms of its urban design, the project was carefully thought out and has some excellent features. The housing is divided into two towers, reducing its mass. Each tower has rental apartments on the intermediate floors and condos on the upper floors. The towers are placed closer to the denser downtown side and the development steps down on the Lowertown side, becoming somewhat closer to the scale of the nearby converted warehouses. Only one of the three historical buildings was maintained intact (and the new construction is carefully stepped around it to preserve its integrity), while the façades of the two other historical buildings were dismantled and reinstalled in new positions, but on their original Mears Park side. Also on that side is a glass atrium containing the retail and office space.

Esthetically, however, the project is not quite as successful. It is detailed with a rather heavy hand and the towers are, perhaps, over articulated. Importantly, while the urban design qualities



*Galtier Plaza*

PHOTO COURTESY LOWERTOWN REDEVELOPMENT CORP.

evolved under the guidance of the LRC, the architectural design was beyond its control. On the other hand, post occupancy evaluation research assessing public reaction to the design of the Galtier façades suggests that the designers were successful in achieving their objectives to link the new structures to the historic ones. Linda Day (1992a) reports that the inclusion of the old façades was greatly appreciated and that they were found to be even more attractive than the new ones, though all were regarded positively.

Completed in 1987, the project cost at least \$140 million to build (not including the YMCA and other portions). Various parts of the project were funded separately: the rental apartments were funded by bonds sold through the Port Authority to private institutional investors; the YMCA was on a separate parcel; and much of the other private funding came from investors as equity and from Chemical Bank as a loan.

This project was a very large undertaking for any developer and was apparently more than its developer could handle. Various interviewees mentioned problems with construction, cost overruns, inadequate financial resources, high interest rates, delays, and strategic errors made in market analysis and design (for example, the





retail areas were targeted toward upscale regional shops which require a greater critical mass, visibility of the retail areas is blocked by the elevators, and the food hall was originally to have been located above the main circulation paths rather than in its current more accessible location).

As the project was delayed and had difficulty in attracting tenants, it began to founder. Eventually, private investors are said to have lost about \$42 to \$45 million in equity and Chemical Bank is said to have lost about \$90 million on their loan. It is unclear how much public money may have been lost. The Port Authority took over the rental apartments after the default on that part of the project — for which they had loaned \$32 million and which would have cost about \$36 million. They estimate that their investors' equity is now worth about two-thirds of the original investment (or perhaps \$20 million). The apartments were not managed in a way that maximized their revenues, but a newly installed management team appears to be reversing that, raising the prior 78% occupancy to about 90% at the time of our visit (and rising) with lower turnover (66% per year versus 102% under prior management) and more stable, somewhat higher income tenants. Rents have also been raised (these are all market rate units).

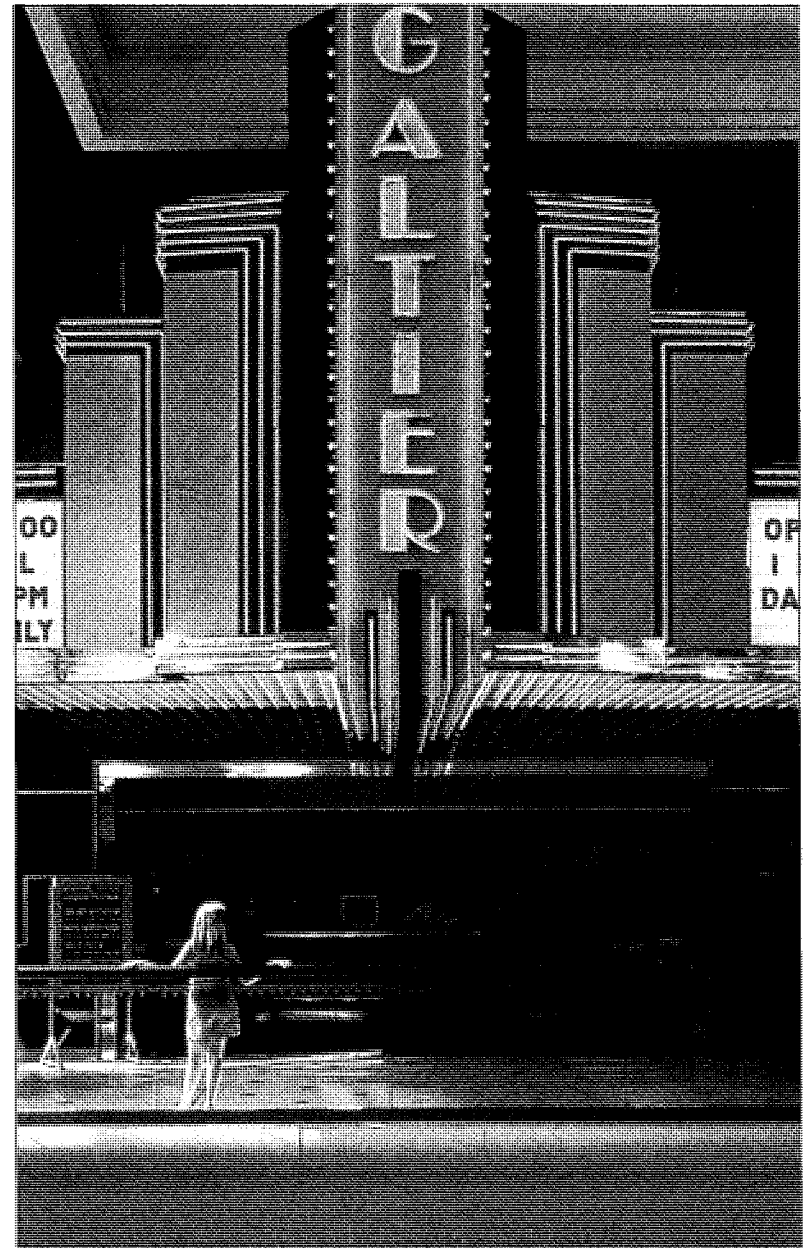


PHOTO COURTESY LOWERTOWN REDEVELOPMENT CORP.



Mears Park

PHOTO COURTESY LOWERTOWN REDEVELOPMENT CORP.

Excluding the YMCA, the rental housing, and the energy plant, the balance of the project (retail, offices, condos, and the parking garage) was sold in 1989 to a Canadian investor for (reportedly) in the range of \$10 to \$12 million. This transaction took place immediately before the recession and steep decline in property values began.

His strategy has been to aggressively market the condos, and to "reposition" the retail space away from the regional high end target and toward services for the neighborhood and downtown. He also relocated the food court to the ground floor. The mall now contains several restaurants, a multi-screen movie theater, a comedy club, and a business college. Retail and office space are 90 to 95% occupied. At the time of our site visit, only 9 of the 120 condos were left unsold, mostly on the park rather than in the towers.

From the point of view of its impact on the area, the project now appears to be successful. It brings residents, office workers, students and shoppers to Lowertown and contributes substantial property taxes (over \$800,000 per year) and sales taxes to the city. By most reckonings, however, this would not be a sufficient return to justify the public investment.

In an interesting assessment of the trade-offs between image and economics, Linda Day (1992b) discusses the balance between the project's likely ability to succeed financially and the perceived benefits of having a large, visible project (with tall towers) from the point of view of city decision makers. Day maintains that the symbolic values appeared to have overcome financial considerations, in the sense that there was not a clear justification for a project of this scale in terms of demonstrated market demand. The city and the developer had to believe, in effect, that the large size of the project would contribute to creating its own demand and would change the market. The large scale image would supposedly contribute to this effect. The history of the project is too complex to argue that its (temporary) failures prove that this line of reasoning could have been shown at the time to be incorrect and LRC argues that it did attract other investments that might not otherwise have been made.

### Mears Park

Mears Park is located at the heart of Lowertown's core area. Named for the local industrialist who started Lowertown toward redevelopment, the park had been remade in the 1970s according to a design that won awards but had come to be referred to as "the brickyard" by locals for its unrelenting paved surfaces.

In 1988, the city and LRC commissioned Project for Public Spaces to prepare a study of the park, evaluating its potential for enhancement. By that time, many of the buildings surrounding the park had been renovated and the Galtier project built. The study entailed surveys of many park users, observations, and focus group workshops. Among the identified shortcomings were the deteriorating materials, limited views and access, and lack of green space and amenities for children. They proposed remedying these problems and providing more seating, better event support, and involving the community in maintenance.

After a competition to select the design team and a featured artist, the park was redesigned and reconstructed for \$1.8 million in 1992. The new design features a diagonal waterway, enhanced landscaping, seating, activity support, and a pergola. The park appears to be well used and appreciated by residents.

Community involvement with the park is striking. Neighboring residents, who have formed the Friends of Mears Park, volunteer well over 1,000 hours per year to maintain the park and donate



many thousands of dollars for materials and gardeners' salaries. One retired couple was described as spending eight hours every day working in the park on cleanup, weeding, planting, fertilizing, and pruning.

### The Farmers' Market and the Hotel

For some years, a farmers' market had been located on a site at the northern end of Lowertown, close to and visible from a highway. When a developer proposed to locate a hotel on this site, the notion arose of relocating the market. LRC was very active with both these projects, working with the hotel chain to modify the exterior design to fit in better with the neighboring brick buildings (a southwestern style design had been proposed!), and working with the farmers and the city to find a site and the funds (about \$900,000) to install needed improvements, such as the permanent canopy shelter for 116 vendors.

In the end, a site for the market was selected closer to the river. The market has been operating very successfully there and has considerably expanded its number of vendors and sales. The market is very popular city-wide and many of our interviewees who do not live in Lowertown come to the market regularly. As the market's success has grown, it has used up the available site and more room is needed for vendors and parking. LRC is looking for ways to accommodate this expansion, recognizing that the farmers are also exploring other locational options and that the market is important to maintaining Lowertown's success.

### The Economic Impact of Lowertown

A study of the economic impact of the Lowertown redevelopment program from 1978 to 1993 showed the following results (note that considerable additional activity continued in 1994 and 1995):

Total investment	\$428,000,000
Jobs created	6,700
Housing units built	1,500
% low and moderate income	25%
Property taxes paid annually	\$3,840,000
Sales taxes paid annually	\$1,600,000



*Farmers Market*

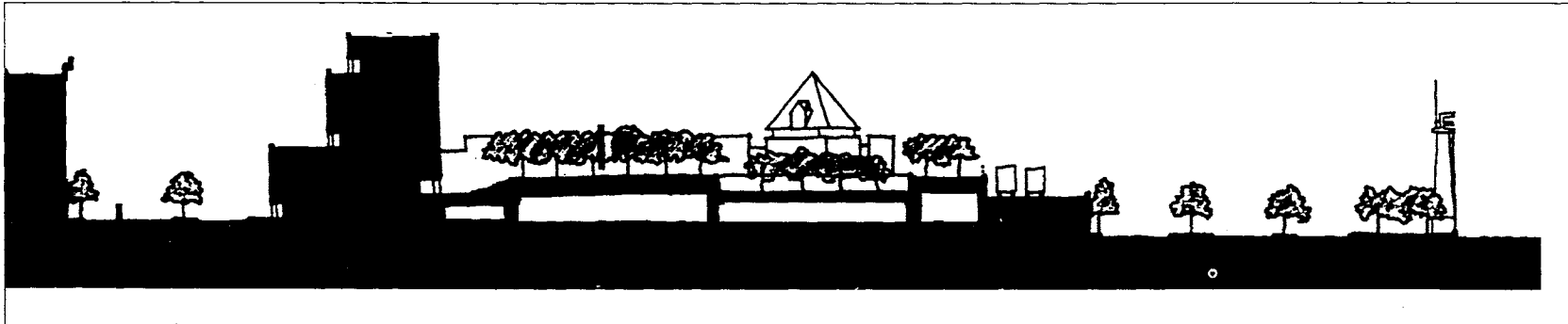
PHOTO COURTESY LOWERTOWN REDEVELOPMENT CORP.

By comparison, in the ten years prior to 1978, only \$22 million had been invested in the area (and \$16 million of that was in a single project). Of the \$428 million, about \$185 was from public sources (mostly loans which presumably will be repaid). Property taxes paid annually prior to renewal were only about \$860,000.

LRC has provided about \$2.2 million in loan guarantees and about \$5.5 million in loans over its history (some of which have been paid back and the money recycled). LRC claims great leverage from its investments, with a multiplier effect of approximately 13 times (that is, for every dollar LRC put up on a given project, other investors put in \$13). If the total investment in Lowertown is taken into account, the leverage on LRC funds would be over 40-to-one.

### Next Steps: the Northern Quadrant

There are two main areas left in Lowertown where LRC can have a major impact: the river front and the northern quadrant. The northern quadrant contains most of the vacant, developable land in Lowertown, much of which is currently surface parking (in demand by downtown workers). Initially, the concept was for this area to be mostly offices and more recently a "technology park", though neither of these has been able to demonstrate market



*Concept Design for Riverfront*

demand or find financial backing. LRC considers the open space to be a kind of land bank for future development of an as yet undefined nature. The mayor is not particularly concerned by the vacant land and does not see its development as crucial at this time.

#### **Next Steps: the River Front**

The river front, by contrast, has received much more attention recently. The mayor has emphasized this area and instigated major new projects including, among others, a park, a "Chautauqua" center, and relocation of the science museum.

The new linear park, which runs along Lowertown's river frontage, was almost ready at the time of our visit. This part of Lowertown, however, is blocked from the river by a two lane road and a structure which supported the railroad tracks before they were removed (two mainline tracks still run there). Much of this area is now owned by the U.S. Postal Service, which may cooperate in its development. There is also the Union Depot concourse which has yet to be redeveloped.

LRC recently sponsored an urban design study of options for this area. Among the elements that were considered were an esplanade connecting Lowertown to the river, a new river landing, housing, offices, an interpretive center, and a marina (which would be connected to the river by a channel under the railroad tracks). While there is interest and support for action in this area, it is unclear what direction its development will ultimately take.

Of some concern, the report for this study does not make reference to any formal public input or review from Lowertown businesses, residents or employees — only LRC and city agencies — though we are told that there were later presentations to the Planning Commission, the Downtown Community Development Council, and other groups. Yet the project would have significant impacts on Lowertown businesses, residents and employees in terms of traffic, views, circulation, recreation opportunities, parking, and many other issues. This lack of input and review may be symptomatic of LRC's "old" way of doing things, left over from before there was a significant community there — and, now that there is one, LRC may need to reconsider its approach.

## **THEMES AND LESSONS**

### **Vision, Leadership and Patience**

The accomplishments of Lowertown are attributable to a very special combination of vision, leadership and patience. City elected officials, the McKnight Foundation, bankers, LRC staff, artists, and developers all contributed toward creating a structure within which Lowertown could be brought back into the fabric of the city. This represents a commitment by many of these actors to work in the area over the long term.

### **Accomplishing Much with Limited Powers**

Lowertown represents an unusual approach to urban redevelopment. Classically, a redevelopment authority has considerable power to condemn land, to offer property tax abatements, and to package tax increment or other bond financing. LRC does not have these powers, though it does have a moderate amount of funding to use for loans, loan guarantees, and occasional small grants. Therefore, it has relied to a large extent on providing encouragement, facilitation, networking, review, marketing exposure, maintenance of standards, and other somewhat non-traditional approaches.

On the other hand, LRC can make decisions very rapidly when necessary, reportedly making a loan commitment for an elderly housing project in 6 days, allowing the city to capture millions of dollars in construction and Section 8 funds that would otherwise have been lost.

### **Steady Change Over a Long Period**

Perhaps because LRC's power and resources are limited, it has had to work slowly and steadily to accomplish change. Rather than imposing a rigid plan, it provided vision and guidelines as a general framework for development then worked closely with each project to see that it contributed to long term goals. While a number of projects happened early on, it has taken years for the overall fabric to heal and regrow. The process has been much more incremental and organic than in areas that tried to achieve a grand plan in a short time. Perhaps because of this, the failures or temporary setbacks of some projects have not killed the overall plan and the area now has a complexity and vitality that make it quite robust.

### **Plan Versus Process**

Not surprisingly, over the years there has been a series of physical plans for Lowertown. The original plan in 1978 which laid the ground work for initial development bears only a limited resemblance, other than rehabilitation of existing structures, to what was done or what is now foreseen. It is clear that any plan for Lowertown provides what is essentially a general framework for evaluating proposals that may come forward for a given parcel of land. More important are the goals and guidelines for how Lowertown should develop and the evolutionary nature of the

process. As conditions have changed concerning financing, politics, market demand and so forth, the LRC has attempted to respond to, and often to guide, proposals. What will happen along the river and in the northern quadrant, the two remaining areas of greatest opportunity, while guided by a vision from LRC will depend on what is possible as conditions develop.

This appears to be an effective approach as long as an agency like LRC exists to serve as midwife and ombudsman for an area. It demonstrates that an effective plan for long term development can be limited to broad outlines within a process that protects and enhances the common interest when specific proposals come forward.

### **A Foundation Grant can Give Independence**

Because the LRC began life with \$10 million from the McKnight Foundation, it had a degree of independence that most redevelopment authorities lack. On the other hand, with limited powers, it had to rely more on encouragement and persuasion than it otherwise would have.

### **Husbanding Resources: Leverage**

The LRC smartly chose to use its resources in a way that could encourage change yet preserve its capital. In general, it has pledged funds to guarantee loans from other sources or has made bridge loans to developers, rather than outright grants. Thus, as loans have been paid back, LRC has been in a position to support new projects.

### **A Tough Negotiator**

LRC has a reputation as a tough negotiator. Most groups we talked to said that LRC had given them less than they asked for and had insisted that they tightly control costs as well as conform to design requirements. This strategy, characterized by some as "tough love", appears to have been good for the health of many projects which, by keeping costs low, limited exposure and enhanced financial success (also helping to assure that the projects would pay back LRC loans).



*The Railway Station*

PHOTO COURTESY LOWERTOWN REDEVELOPMENT CORP.

### **Creating a Community Where None Had Been for Years**

The plan for Lowertown built on the area's attraction for artists, as well as its potential for other uses, and added enough new residents and workers to achieve a critical mass. The area is now lively and attractive and beginning to function more as a community in the sense of participation in civic affairs. It can be anticipated that this community will now exercise its voice in a way that has not been possible until now — and a mechanism for incorporating its participation in planning and decision making for Lowertown will likely be needed.

## **ASSESSING PROJECT SUCCESS...**

### **...BY ITS GOALS**

#### **To Attract Investment, Create Jobs, and Broaden the Tax Base**

Lowertown has attracted over \$400 million in investments, created workspace for about 7,000 jobs and broadened the tax base substantially (though with considerable public investment).

#### **To Provide Housing for All Income Levels**

Approximately 1,500 housing units have been built or renovated from warehouse space. Approximately 25% of the units are designed for low and moderate income households, including some with Section 8 rent subsidies. The population is quite diverse and includes young professionals and others who work in downtown, empty nesters who have retired there, a substantial number of artists, and many others.

#### **To Blend Historic Preservation, Adaptive Reuse and New Construction**

Each of these strategies has been used successfully in Lowertown. Many significant historic structures have been preserved or reused, including Union Station, the Burlington Northern building, and very attractive warehouses, some designed by Cass Gilbert.

### **To Establish a Lively Artists District**

One of the original strengths of Lowertown that was recognized by LRC was its artists' studios and bohemian lifestyle. Rather than making changes which would result in the artists being displaced (as often happens when rents rise), strategies were put in place to keep inexpensive studio space available, to create live-in work space, and to encourage galleries to open in the area. These efforts seem to have paid off as many recognize and appreciate the area as being more interesting for the large number of artists who live and work there.

### **To Create a Sense of Place**

Lowertown is a real place with a distinct character and identity. The visual focus around Mears Park, and the preservation or adaptive reuse of historical structures have contributed to this, as have the growing level of activity, the farmers' market, many periodic community events, and the special flavor added by the arts community.

### **To Keep Design Quality High**

While the quality of design varies by project and depends on the owner, budget and design team, overall it is quite high. Urban design quality, over which LRC is more able to exert influence, is excellent. The park is very well designed and street improvements, while modest, are well executed.

## **...BY SELECTION COMMITTEE CONCERNS**

### **Has the Vision for Lowertown Been Realized?**

While not "complete", Lowertown is far enough along to be evaluated. It is an active, lively neighborhood that appears to be successful in most terms: attractive buildings have been saved and reused; many people live and work there, while others visit for entertainment, dining and shopping. The vision has been realized but is still evolving.

### **Who is Employed in Lowertown?**

While historically Lowertown provided warehousing and manufacturing jobs, current employment includes artists (generally self

employed), office jobs of all scales (employers include the Army Corps of Engineers, banks, architects and other design professionals, a business college, Control Data, and city and county offices).

### **Has There Been Displacement?**

Because so few people lived in Lowertown when redevelopment started, the area was not subject to displacement. Many artists who lived illegally in their studios now live in legal attractive artists' cooperatives.

### **Has Lowertown Had an Impact on the Surrounding Area?**

Lowertown is bounded on one side by the Mississippi River, and on two others by freeways, so its potential impact is limited. The fourth side is downtown and this edge is not clearly demarcated. Several projects in Lowertown have been built along this edge, and projects have been built on the downtown side as well. The downtown skyway system (important because of the climate — but the subject of great debate about its impact on the street) continues into Lowertown at three points, though its penetration is somewhat limited.

### **What Has Been the Impact on the Social Fabric? Has Civic Participation Increased?**

Considering that almost no one lived there before Lowertown was redeveloped, there are many signs that a community is developing. There are biannual artwalks for which artists cooperate to open their studios to visitors. There is a strong sense of ownership of the park, where neighbors have adopted and help maintain it. Participation also appears strong in planning for children's play space and other community events.

While LRC appears to have increased its encouragement of participation on projects for open space planning, there does not seem to be an established mechanism for broader input on other projects (such as the recent river front planning exercise). One can imagine a protest developing when, for example, a proposal for river front development is seen by artists or others as blocking the views to which they have become accustomed.

### **How is the Area Viewed From Outside?**

Lowertown is now seen as a cultural asset, due to the artists. It is also an attraction to office workers who come for lunch, and residents from the entire city who visit the farmers' market. The opinion of people we interviewed who do not live or work there was uniformly positive about the changes in Lowertown.

### **What is the Quality of Physical Design?**

Design quality varies greatly, depending on the architect for each project, its budget and its owner's intentions — but it is generally quite high. Many of the historic buildings ranged from attractive to beautiful and these qualities have been maintained or enhanced. New projects are generally attractive and incorporate features that help them harmonize with historic neighbors (massing, choice of materials, scale of openings, etc.). LRC has exerted influence on design in many ways, including providing general urban design guidelines (e.g., massing), insisting on specific requirements (when it provided funding), design review by the president, and referral to developers of architects. Streetscape improvements are modest, incorporating lighting and bus shelters (but not paving, signage or street furniture). The lighting is attractive and is used as part of the Lowertown logo. Overall, LRC's impact on design has been extremely positive.

### **Is the City Getting the Anticipated Tax Revenues? Where Has Money from This Area Gone?**

LRC's \$10 million commitment from McKnight has generated approximately four times the amount of investment anticipated (they hoped for \$100 million and have had about \$400 million). This level of investment has clearly increased tax revenues (from both real estate and sales taxes), undoubtedly beyond expectations, though the recession in real estate has also lowered values compared to what they would otherwise have been. Whether the added tax revenues justify the total public investment in Lowertown is a question we do not have the data to answer. While revenues go into the city's general fund, the city has continued to invest in Lowertown; there is no evidence that this money is being drained to support other areas.

### What Was Done to Improve the Physical Infrastructure and Transport?

A number of infrastructure improvements have been made, and more are planned. Completed improvements include the streetscape program (such as street lighting which was entirely lacking), creation of signage directing traffic toward Lowertown, rebuilding the bridges over I-94, relocation of the farmers' market to be closer to the center of the neighborhood, extension of the skyway system into Lowertown, and improvement of Mears Park. During the site visit, a trolley service began operation, linking Lowertown to the rest of the downtown. Planned improvements include a tot lot play area and major works along the river front, possibly including an esplanade, marina, visitors center and other features.

### Is Lowertown a Model for Older, Poorer Cities?

Lowertown represents an unusual approach to urban redevelopment, lacking most powers inherent to typical redevelopment authorities, and utilizing a range of other approaches. Whether these approaches can be applied by others is open to debate. For one thing, Saint Paul is quite different politically and demographically from other similar sized cities. It is much more homogeneous economically and racially, with a very small minority population. In addition, the streamlined political structure and a general lack of social conflict may make it easier for Saint Paul to define and move toward common goals. For another, Lowertown has benefited from a particularly capable president, who has stayed with the project for fifteen years. This combination of ability and longevity is not often available to a redevelopment effort.

### SELECTION COMMITTEE COMMENTS

The Selection Committee was interested in Lowertown because it addresses the very important and widespread issue of what to do with the decaying areas adjacent to so many downtowns. They found that Lowertown represents a bold and innovative response to the many problems posed by such areas. These include the preservation and reuse of historic structures, encouraging private investment, and re-creation of community where none has existed for many years. If the LRC had not been effective, a great deal more of

Lowertown would have been sacrificed to parking lots. Instead, Lowertown has created new options for urban life: for living and working near downtown.

One feature that particularly impressed the Selection Committee was the innovative partnership between the city and a private foundation. With very limited support, a quasi-private/quasi-public entity was created that was able to catalyze redevelopment without the heavy-handed and very expensive strategies such entities often employ. The sophistication and dedication of the president was also noted.

In addition, the committee was impressed with the quality of urban design exhibited by the public improvements and many of the private projects. These contributed to the sense of place that has attracted a new community to Lowertown.

One concern of the Selection Committee was the massive expenditure and near failure of the largest project in Lowertown, Galtier Plaza. While neither the scale nor the problems of the project could be laid at the feet of the LRC, the committee could not reconcile the problems of this more traditional type of project with the successes of most of the balance of LRC's interventions.

Another concern was the question of whether the Lowertown model can be replicated in other cities. St. Paul benefits from features which many cities lack: an attractive and viable site adjacent to a healthy downtown, a history of cooperation among key players, and private developers willing to become involved. In many cities which would benefit from the kind of development which has taken place in Lowertown, these conditions do not prevail. Despite these limitations, the committee felt that there is much to learn from what has been done there.

### For More Information...

Lowertown Redevelopment Corporation  
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## WHAT DID WE LEARN ABOUT URBAN EXCELLENCE?

The Rudy Bruner Award is a search for urban excellence. It seeks to identify and reward excellent urban places, and to serve as a forum for debating urban issues and the nature of urban excellence. So, what did we learn about urban excellence in this round of the Award through reviewing seventy-two submissions, visiting six finalists, and selecting a winner?

### **Non-Traditional Organizations — Building Coalitions for Urban Excellence**

The theme that emerged from this year's award, building coalitions, is demonstrated in a variety of ways by the finalists and winner. Creating urban excellence requires the participation of many entities and many actors. City agencies and elected officials, for-profit and community developers, neighborhood action groups, financial institutions, and many others play a role. In fact, the Rudy Bruner Award has recognized this from its inception by including these actors on the selection committee and asking for their stories in the application. While it has been common for Bruner Award projects to cobble together support from a wide variety of sources, new relationships and new organizational forms appear to be evolving. In this year's finalists, we see changing roles, actors coming together to collaborate in new relationships, and new hybrid entities appearing which can operate in areas where traditional organizations cannot function as effectively. These new vehicles for collective action take a variety of forms.

None of these projects could appropriately be categorized as having been done either by government or by a community developer acting on its own. Rather, in every case, multiple or non-conventional entities came together to create these impressive projects:

- One was initiated by a city (which got foundation support to create a highly non-traditional redevelopment group outside city government — the Lowertown Redevelopment Corporation).
- Another formed a non-profit entity (the Central Park Conservancy) which partnered with the city parks department to achieve what neither could do on its own.
- Another was a combination of for-profit and non-profit developers (Campus Circle) formed by a university to rehabilitate its surrounding community.
- Still others evolved out of struggles with local government — either from an initial opposition to city policies that resulted in an effective collaboration (DSNI, with important foundation funding); or through a struggle to meet city requirements ending in the emergence of a new entity to respond to new challenges (GMDC).
- The winner, Maya Angelou, was created by a non-traditional, highly democratic, feminist group with major support from its city.

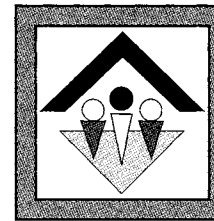
These inventive arrangements raise interesting qualitative and organizational questions:

- What is the most effective agent for urban change and improvement?
- How should it operate?
- How should it incorporate or relate to the many interests which come into play?
- Is the appropriate entity a city agency, a not-for-profit developer, a for-profit developer, or a new hybrid such as Lowertown Redevelopment Corporation, the Central Park Conservancy, Campus Circle, or the Dudley Street Neighborhood Initiative?

Interestingly, in several of these projects, it took us a rather long time to ferret out what these entities and relationships are about, since they are new hybrids and hard to classify.

There are also more quantitative issues, such as the question of how much government will contribute to projects that are in the public interest, and how much will come from business, local residents, foundations, and others. In some cases, the local governments got a tremendous “bang for their bucks”, but would the projects have been more successful or succeeded earlier with more public investment? This can be stated more strongly: it may seem that the city is abdicating its duty in some cases (e.g., Central Park) and letting or requiring the private, charitable, and not-for-profit sectors meet what had been the obligations of the commonweal (government) to provide for parks, safety, and other features of urban life that used to be taken for granted as public responsibilities.

There is a clear trend toward a new and more minimalist role for government in the community development process (see “The New Role For Government” below). The key question is, then, how will the reduced resources from governments be allocated and used to greatest effect? These projects may hold answers in their non-conventional modes of obtaining resources and often highly efficient ways of utilizing them. They are pushing boundaries, inventing new forms of organization, entering into new relationships and inventing new processes to bring about needed urban transformations.



This year's winner, the **Maya Angelou Neighborhood Initiative**, was developed by Housing Our Families (HOF), technically a community development corporation, but in fact a highly non-traditional organization. HOF started as a feminist consciousness-raising and advocacy group but chose to become a developer because it determined that the only way to realize its vision was to help provide housing and services for low income single parent (usually female) families.

Racially, ethnically, and economically diverse, HOF modeled its approach to egalitarian, consensus-based decision making after the National Congress of Neighborhood Women. This emphasis on group process and non-hierarchical structure is central to HOF's organizational personality. HOF will not move forward without everyone buying into the direction. What HOF lacked in experience, it made up in the quality of its process, gaining great strength from the power of consensus.

HOF succeeded with the Maya Angelou project because it formed a working coalition with city. It gained the confidence of the city, which, while not its partner, initially put up all the money for HOF to buy the project. Before committing to take on the project, HOF insisted on reaching out to the rest of the neighborhood and honored its commitment to listen and respond to their needs. Thus, HOF made the city and the neighborhood collaborators in the project planning, and in continued improvement of the area.



The **Dudley Street Neighborhood Initiative (DSNI)** is rather difficult to categorize. It is a grassroots organization, not a community development corporation, but it orga-

nized the people, stopped illegal dumping, got the neighborhood cleaned up, prepared a plan (which the city adopted), created a land trust, and eventually built some housing. Yet the events that precipitated the formation of DSNI were initiated by a charitable foundation. Traditionally, a neighborhood plan would have been prepared by the city (hopefully with input from the neighbors) but

here DSNI created the plan as a means of envisioning and realizing its desired future. The city had the wisdom to recognize that this plan had legitimacy and the foresight to adopt it as the official plan. The city also collaborated with DSNI to create the land trust, delegating powers of eminent domain to a related entity, Dudley Neighbors, Inc.

When DSNI started, it had to exert intense pressure to get the city to respond to local problems of trash dumping and arson. By demonstrating its legitimacy as a voice for community needs, it gradually became recognized by the city as the key actor in the area. While fiercely maintaining its independence from the city, DSNI joins with it when it needs to in order to achieve a desired end. For its part, the city uses DSNI to furnish input and garner support for city initiatives. The city provided major funding and considerable technical support for the one construction project DSNI undertook. Thus, there is an ad hoc, evolving coalition between DSNI and the city to achieve mutually beneficial ends.



In St. Paul, the **Lowertown Redevelopment Corporation** (LRC) is a much heralded example of reinventing government. In the late 1970s, mayor George Latimer asked the McKnight Foundation to support a new concept: a non-profit agency to help reclaim the nearly defunct district below downtown. Although the type of entity

created for Lowertown may not seem so unusual in the mid-1990s, when the model was proposed the notion of public-private partnerships was far from common.

LRC has three areas of emphasis: gap financing on projects that would not otherwise be financially feasible, design review, and marketing. Unusually for a redevelopment agency, LRC does not have condemnation powers, does not own land, can't assemble parcels, and can't offer standard development incentives by itself (such as tax abatement) — but it can facilitate these and other contributions to a project. With a modest budget and a very small staff, LRC is a model of doing more with less. LRC spends much of its effort maintaining liaisons and building coalitions; working with or through other agencies or boards to encourage development that

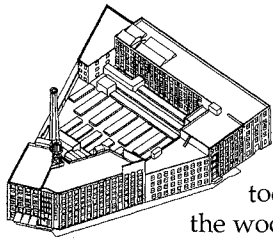
will contribute to Lowertown's quality. It advocates for good design, but cannot enforce particular standards. It helps projects that need its help, but requires them to be mostly self sufficient. LRC is difficult to classify as an organization; set up at the impetus of the city, funded privately, yet acting in the public behalf. A considerable part of its success is undoubtedly attributable to its president, Weiming Lu (see the discussion about leadership below).



At **Harlem Meer**, the Central Park Conservancy, a private non-profit corporation, administers Central Park in cooperation with the New York City Department of Parks and Recreation. This highly unusual arrangement grew out of a number of special circumstances. The park itself had deteriorated greatly due to New York City's fiscal crisis of the 1970s. A visionary leader, Elizabeth Barlow Rogers, not only recognized the needs of the park,

but was instrumental in founding the Conservancy, which she headed until 1996. In what is essentially a joint venture arrangement with the City, the Conservancy provides the administrator and top executives who manage the park, a portion of park staff, operational budgets, and capital financing. Many other staff, working under Conservancy administrators, are city Parks and Recreation Department employees. This unique arrangement works so well that in practice the question of which organization is paying someone's salary seems insignificant.

The evolution of the Conservancy and its sharing of responsibility for the park grew out of circumstances unique to New York City. New York faced a traumatic municipal fiscal crisis, and its Central Park, a significant symbol of the city and a national treasure, suffered from lack of attention. With significant corporate, private and foundation resources in New York (possibly more than in any other American city), the decline of Central Park would seem to be a clear example of public poverty in the midst of private wealth, where the commonweal could not shoulder what should have been its responsibilities. This unique organizational model is working very effectively and apparently has been emulated in one or two other cities. It is not clear, however, that this scale of resources (and perhaps talent) can often be marshaled to duplicate its success.



**Greenpoint's** organizational structure evolved in response to changing conditions and needs. It started life as the Woodworkers Center Equity Corporation which was formed when the risk of eviction on short notice loomed as the city took over the building in 1988. In response, the woodworker tenants began to organize to protect their interests and formed a corporation, the WCEC, creating a legal entity that could sign a lease with the city and eventually buy the building. They conceived of the WCEC as a European crafts-cooperative, much like a trade association. It intended to provide a way for tenant-manufacturers to control their own destiny by working together and managing the building cooperatively.

It became clear, however, that the WCEC was not going to be able to consummate a purchase. Their for-profit status made city concessions difficult. More importantly, they lacked the financial, managerial and political expertise required to inspire confidence that they could succeed. The alternative that became increasingly attractive was to create a "local development corporation" (LDC). This became the Greenpoint Manufacturing and Design Center with a board that included outside technical experts, business people, and bankers as well as representatives of the woodworkers and artists. As an LDC, and making use of the expertise on its new board, GMDC could negotiate more effectively with the city. Thus, GMDC formed a hybrid organization in order to effectively pursue its ends. Greenpoint has had many collaborations with local institutions and foundations and with members of the New York City Council, in part to help it overcome the resistance of city agencies.



**Campus Circle** is another very unusual organization. Set up by Marquette University, but largely independent of its governance structure, Campus Circle was able to function as a "wheels on fire" developer when lightning fast acquisition of deteriorated properties was the only way to gain control of a sufficient number of them without causing their prices to skyrocket. Campus Circle developed partnerships with other institutions in its neighborhood,

such as hospitals and service organizations, with other parts of Marquette University (students, service learning programs), and with the city police department.

### Six Parts of A Whole City

While these six projects were chosen as finalists because of their individual achievements, the choices were not made in isolation. Rather, as the Selection Committee debated, sifted and winnowed at their first meeting, they worked toward a set of selections that included what they perceived as the cities' most pressing problems together with the most promising approaches to solving them. The Selection Committee came to view these six projects as a unit, as complementary tiles in a mosaic, addressing a broad set of needs, strategies and possibilities for urban excellence. Individually they are important yet isolated pieces of excellence. Together they say something about what makes a city function as an effective whole — a balanced place to live, work, play, and learn.

The whole consists of elements addressed by these projects that are common to most or all big cities. These include healing devastated inner core areas, providing affordable housing, addressing the abandonment of the city by industry and manufacturing, developing and maintaining parks, and coming to terms with the important relationship between universities and their often troubled surrounding communities.

Reclaiming the most devastated neighborhoods — places marked by the out-migration of the working and middle class, ravaged by crime, and housing the city's poorest and least powerful — is addressed head on by **DSNI** and **Maya Angelou** and, to a significant degree, by **Campus Circle**. While these three projects share this problem focus, they differ in context, process, leadership style, financing and development strategies. DSNI and Maya, for example, are very much about community building — bringing together and building on the human resources that can be tapped in even the most devastated communities. DSNI has community development at its core, with a construction project emerging as an outcome of the process. Maya Angelou did the reverse, using their housing project as a wedge to rally the community and provide an impetus for its overall improvement.

Campus Circle also addressed the problem of reviving a poor inner city neighborhood, and was able to have a broad impact in a short period, in part because it focused more on physical development, with its rapid and massive acquisition and development phases, placing less emphasis on neighborhood participation and organizing, which were parallel and somewhat mutually supportive efforts.

The Selection Committee recognized that, for all the appropriate attention to housing and jobs, cities exist and succeed because these are balanced with other resources. Campus Circle addresses the often uneasy marriage between urban neighborhoods and great universities, with the potential for mutually destructive or mutually supportive relationships. Universities have a wealth of resources (intellectual and otherwise) that can hold great benefits for neighboring communities. And, as Marquette was wise enough to learn, the viability of these communities can be crucial to the success of the university. Campus Circle was unique in addressing these issues directly and its apparent success will have implications for the university, the community, and the city. As a model it is already attracting the attention of other urban universities.

Cities are also experiencing an exodus of industry from the central core. The industrial base that helped create great cities is evaporating from many of them, leaving behind a legacy of abandoned buildings and neighborhoods, unemployed workers, and an eroded tax base. Because they so effectively address these issues, the Selection Committee included **Lowertown** and **Greenpoint** as finalists. Lowertown provides a careful, sensitive and cost effective approach to the adaptive reuse of an abandoned industrial area into a mixed-use commercial and residential community. It not only resulted in the successful reuse of existing resources but also created a neighborhood and community of artists and families where none had existed before.

The Greenpoint Manufacturing and Design Center deals with an aspect of the same problem of industrial flight from the city, but its approach and solutions were different in every way. GMDC is the outcome of a kind of "guerrilla adaptive reuse" process. The woodworkers and crafts people were initially legal renters, then essentially squatters, who developed a communal solution to their own

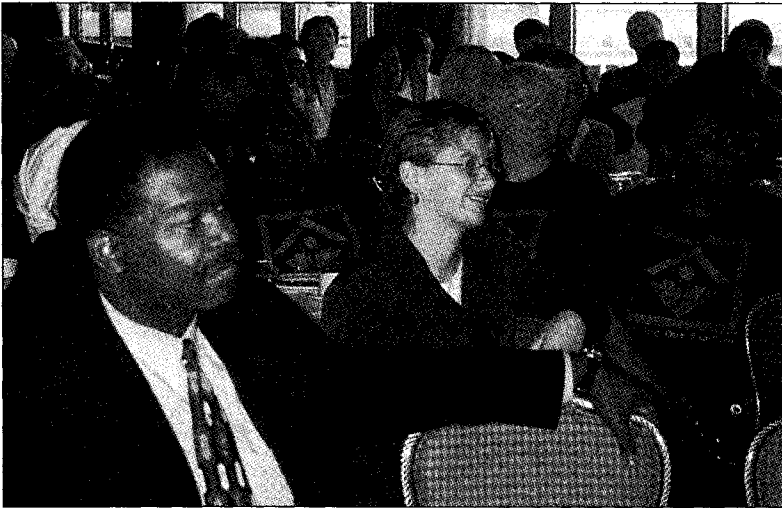
problem, trying to avoid being forced out of the city and out of business. In the process they created a model akin to a European-style crafts-cooperative, a "virtual large corporation" made up of many small, independent shops sharing services, equipment, expertise and marketing. It has saved the original shops and jobs and incubated many new ones.

The Selection Committee included **Harlem Meer** as a finalist because it saw parks not as frills, but as essential elements that define the quality of urban life. In restoring Harlem Meer, the Central Park Conservancy created amenities that made an important and under-served part of New York City more livable. The Meer restoration also reconnects the northern end of the park, and its related communities, with the rest of the park and of Manhattan.

### A New Role For Government

At one time the role of government in creating urban excellence was obvious: as the initial planner, the prime mover, and the provider of major funding for the urban infrastructure. In fact, many of the Bruner Award winners and finalists over the past decade have been projects initiated and heavily supported by city and federal programs (New York's Tenant Interim Leasing program, Portland's Downtown Plan, and Boston's Southwest Corridor, to name just a few, as discussed in previous books about Bruner Award finalists, referenced in the Introduction). Even though governments never acted alone for these projects, they were often a, or the, major player. However, the resources available for heavy government intervention, and with them the will to foster large scale change, are on the wane as both political parties have declared "the era of big government" to have come to an end. Fewer and fewer public resources are likely to be available and greater reliance is likely to be placed on non-federal and even non-governmental entities.

What, then, is the proper role for government in solving urban problems and helping to create excellent places given these new realities? Some community developers have urged it to "lead, follow, or get out of the way". Certainly the 1995 Bruner Award finalists demonstrated these diminished and divergent government roles. In none of these cases was a government agency the primer



*The Award Ceremony*

player, and nowhere were federal agencies heavily involved (though block grants and other federal funding or subsidies were used). Only in Lowertown and Maya Angelou did local governments play a significant role in the inception of a project, and even there the primary efforts in planning and making it happen were conducted outside of government offices. For Lowertown, a mayor had the foresight to initiate an effort that brought in a private foundation and created a redevelopment agency to manage the process of gap financing, design review and marketing. At Maya Angelou, the Portland Development Commission had the courage to risk the 100% financing that allowed the renovation and community organizing to go forward, but the creative and physical effort, and ongoing fiscal responsibility for the project, were managed by Housing Our Families.

For DSNI and Harlem Meer, the local city governments played important but diminished roles. While New York City effectively teamed with the Central Park Conservancy for Harlem Meer, the Conservancy often appears to be the senior partner. In Boston, the government helped by supporting plans created through DSNI's efforts. In both cases the governmental partner helped by providing regular city services where requested (and where they were

conspicuous by their prior absence), and by avoiding bureaucratic roadblocks to the implementation of plans. At Campus Circle, the City of Milwaukee was barely visible. It had little or no role in planning and implementation, save for the agreement to move a precinct of police into a Campus Circle building for a pilot test of community policing. It provided little funding, except for loans based on tax increment financing. Marquette University and Campus Circle filled a gap in planning and community service left by the absence of city efforts in its neighborhood.

For GMDC the City of New York was the major obstacle that needed to be overcome. The long period of negotiations, demonstrations, and much of the risk of failure, were due to the intransigence of a city agency blocking the transfer of building ownership to the local development corporation. The eventual success of GMDC in gaining title was the result of a battle between the city Division of Real Property and GMDC, which was supported by other city agencies and city council members.

For city planners and officials there are several lessons about the role of government to be learned from these stories. Perhaps most the important lesson is the cost of neglect and abdication of responsibility. Several of these projects required heroic effort to accomplish what the cities should have been doing all along, for instance to provide for safety, housing, and infrastructure. The lack of attention to, and in some ways abandonment of, the maintenance of Central Park, of the huge factory building in Greenpoint, and of poor neighborhoods in inner city Boston and Milwaukee, created voids that were filled by the unusual, hybrid organizations described above. On the other hand, in Portland, and especially St. Paul, we found stories where the city was a positive force for change, seeding projects, facilitating and collaborating with many different players, and clearing a path through bureaucratic thickets.

At a time when cities will have much less money to throw at problems, they will find their intellectual, moral and organizational leadership roles coming to the fore. If they conceive of their role in this way, they will be able to create the conditions where they and other players can get important things done. If cities limit themselves to their regulating functions, some potentially excellent projects may never get off the ground.

### Leadership and Decision Making Styles

Leaders who have the vision to see beyond obstacles, and are able to commit their energy and creativity to overcoming those obstacles, have contributed greatly to all of the projects. Some have incorporated extraordinary levels of participation through exemplary democratic processes. In our book on the 1993 awards, *Re-building Communities*, we commented on the need to balance appropriately strong and dynamic leadership with broad participation — both to ensure an effective base of support throughout the community and to sustain the project if the leader moves on. This theme of balancing leadership and participation reappears with this group of projects, which shed further light on the wide range of variations in how they can be handled.

**Lowertown** Redevelopment Corporation has long been led by dedicated planner and urban designer, Weiming Lu. To fulfill his organization's mandate, Lu has also had to learn finances and marketing. Though he covers a broad range of issues, as explained above LRC actually has very limited powers compared to other redevelopment agencies. Therefore, Lu has had to achieve a significant portion of what he does not by direction, but by persuasion and persistence, coalition building, and leading by example. He has had a very small staff but a strong board that participates in decisions about funding and other key issues. LRC networks and builds coalitions with other commissions and agencies, as well as the private sector. It seems to have learned to be inclusive on projects that require it, like planning for the redevelopment of the community park and tot lot, as well as recent plans for the river front.

The **Central Park** Conservancy has been led, until recently, by a charismatic, even "aristocratic" pioneer who had vision, put together the park master plan, raised money, created the innovative organizational relationship with the city, and then actually administered the park. This is a remarkable range of roles for one person to be able to play and Elizabeth Barlow Rogers seems to have played them very well indeed. The Conservancy appears to have been rather insulated and elitist during its early years but to have learned from mistakes and failures and now seems to have incorporated effective mechanisms for participation from park users and neighboring residents.



*Housing Our Families (Maya Angelou Apartments)*

**Campus Circle** was created because Marquette's President, Father DiUlio, had the insight to recognize the connection of Marquette's fate to that of the neighboring communities, and because its Board of Trustees was willing to risk significant capital on his vision. Campus Circle flourished because of a strong entrepreneurial executive director, Pat LeSage, who led a fast paced program of acquisition, rehabilitation and new construction. His skills were necessary to conduct a program at the speed with which Campus Circle proceeded. While he reported only to the president of the university, he also encouraged an effort to reach out to students and community members.

All the groups involved in **Greenpoint** Manufacturing and Design Center agree on one thing — it would not have happened without David Sweeney. Sweeney was called a "luminous personality" by one board member, and a "visionary" by a staffer. Sweeney joined with the woodworkers out of excitement at the concept they were trying to carry forward. He stayed on to develop the proposal, see negotiations through to their final conclusions, create the board structure and management team, and guide it through its initial financial difficulties. Observers suggest that his genius is for organization and, above all, persistence. This project could never fail, a participant told us, "David would never let it."



*Che Madyun of DSNI (center) with Simeon Bruner and Mayor Rice*

Sweeney's contributions were crucial to getting GMDC through its birthing process. His development of a politically and financially savvy board may have been the stroke that made the difference. Tenants, however, may be underestimating their own capabilities for managing the operation, should Sweeney leave at some point. They have a board and a structure in place, and a large group of tenants who were part of GMDC's creation story, and have taken an active role in the management of GMDC affairs.

The **Dudley Street Neighborhood Initiative** is a premier example of strikingly participatory, consensus-based decision making on complex community issues. While Dudley was born of a meeting called by a charitable foundation that had taken an interest in the area, it was transformed during that initial meeting into something more. It restructured itself to mirror and give power to the entire range of community interests. Interestingly, it also has attracted a succession of strong executive directors, including among others Peter Medoff and Gus Newport (former mayor of Berkeley, California). These leaders had powerful commitments to community participation and worked in that mode. At the time of our visit, the status of the organization was less clear in terms of leadership, with an interim executive director and a rather large staff. Having expe-

rienced considerable success and very significant growth, it appeared to be a time of reconsidering how Dudley should be structured.

The **Maya Angelou Neighborhood Initiative** was developed by Housing Our Families, a feminist, completely democratic, consensus based organization. While HOF has an effective executive director, its commitment to consensus decision making means that decisions are well understood and widely supported once reached. There is no one person whose loss would be fatal to the organization since power is broadly dispersed.

#### **The Microwave versus the Crockpot — Differing Recipes for Community Development**

In 1995 the RBA team flew from the Campus Circle site visit directly to Lowertown. The contrast between these two projects, however, made the distance traveled seem far greater than the few hundred miles between Milwaukee and St. Paul. While both projects had as their mission mixed-use redevelopment of an area near downtown, their approaches and styles were diametric opposites. One observer characterized these different approaches as the "microwave" rapid boil versus "crock-pot" slow cook models of community development. Campus Circle was striking for the speed and scale of its effort — a top-down approach characterized by rapid planning on multiple fronts, engaging in a massive property buying effort in its first year, and using direct intervention and management to evoke significant change in a short time.

Lowertown, by contrast, was equally striking for its patient and long term perspective, choosing to view change as a process to be measured in decades, using leverage, coalition building and considerable subtlety to gently nudge, rather than directly push, the course of development.

The vast differences in their approaches is the result of many factors, including the organizations that created them, the nature of the neighborhoods involved and the urban contexts in which they exist. But there are also elements of perspective, values and leadership style (see earlier section) involved in selecting the proper pace for a project.

**Campus Circle** was created by a university that saw an immediate need to create change to ensure its own survival by addressing



crime, housing, and livability in its surrounding community.

Marquette had a history of unilateral action in the area.

Marquette's president and Campus Circle's leader were disposed to a top-down model adapted from for-profit real estate development — a quick study to generate an action plan followed by immediate implementation.

By contrast, **Lowertown** Redevelopment Corporation, the product of a unique organization formed by the city and a local charitable foundation, was looking to support creation of a community where none existed. The decisions about projects and investments were made mainly by the private developers who Lowertown courted and sought to influence. Lacking many powerful tools often available to redevelopment commissions, Lowertown was able to gently direct and encourage projects by finding and helping development teams it thought appropriate for projects it wanted done, providing very small amounts of gap financing to help projects forward, reviewing designs and making suggestions (but not enforcing standards), and marketing the success of the entire area. Lowertown's leader was clearly effective at working this gradual, long term perspective.

A key decision for any project, one which depends on context, management style and values, is the degree to which decisions are subject to a broad, participatory process or are made by a smaller group of leaders. Opting for a less centralized and more participatory approach increases the time it takes to make design and development decisions. The potential payoff for the extra investment of time comes from the broader base of input, decisions which are better for the community, and increased "buy-in" and long term success. The renovation of Maya Angelou apartments, for example, proceeded relatively quickly (about one year), but even so Housing Our Family's internal consensus approach and involvement of the community extended decision-making in ways that would have been maddening to a typical developer.

Insistence on a participatory process at the expense of speed is also inherent to the history and structure of the Dudley Street Neighborhood Initiative. Born of an effort to organize the community, DSNi functions as a grassroots organization.

Part of the significance of the Harlem Meer project was its demonstration of Central Park Conservancy's willingness to extend the



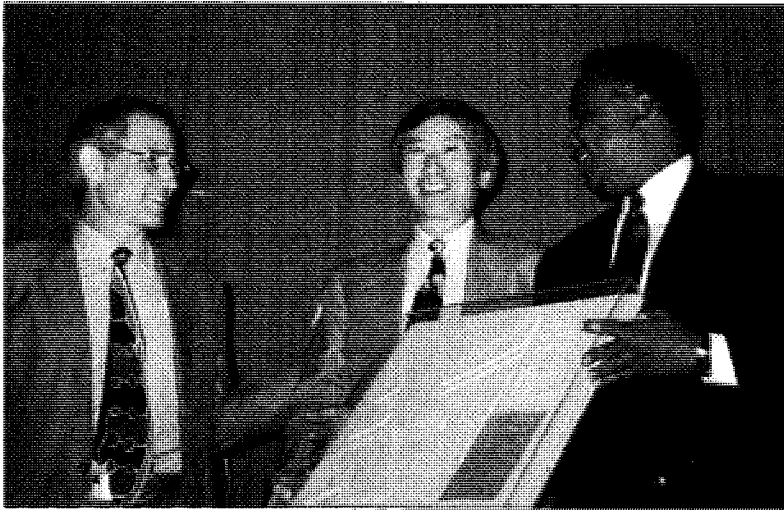
*David Sweeney of GMDC (center)*

restoration process to include the input of several committees made up of representatives of the neighborhood, again at the expense of simplified, centralized decision making. The Conservancy learned the hard way about the necessity of participation — by having projects challenged or stopped — and has since integrated it into its normal way of planning projects and programs.

Campus Circle's model of rapid, top-down change was effective and may have been necessary, given the goals and demands of the situation. Indeed, some elements of quick change and success may be critical to any successful project that needs to infuse confidence and hope to sustain the community over the long haul. The Selection Committee pointed out, however, that this model does not allow for the kind of community building and human resource development necessary to create a body politic that can eventually take over responsibility for their own community.

### **The Importance of Design**

To qualify for consideration for the Bruner Award, a project must be a tangible place. That is, it must have a physical, spatial dimension. To become a finalist or winner, the qualities of the place need to be in harmony and balance with the values, processes, and social



*Weiming Lu of Lowertown (center)*

outcomes which are supported by that physical environment. While the RBA is not an award for urban design, urban excellence cannot avoid incorporating design. This section discusses general aspects of design, while the following section focusses on using design features to reduce crime.

Achieving urban excellence requires at least that the physical environment not inhibit, constrain or detract from the social environment. At best, the projects are wonderful places, with spatial and physical qualities that express, symbolize and support the social processes they contain. While design — the conscious, deliberate shaping of the physical environment, generally at a single point in time and by professional experts — played a key role in some of these projects, others have evolved over time, the result of incremental decisions and actions of the residents or neighbors themselves. Some projects were designed by capable or even noted architects, landscape architects and planners. Others have benefited from the thoughtful, caring actions of citizens, such as planting flowers, building a fence or trellis, maintaining a front yard, and the like.

The **Maya Angelou** apartment project benefited from starting with buildings that were attractive, nicely scaled, and well constructed

of sturdy, attractive materials. Key design goals for the complex centered on making it livable, useful, pleasant, homey, and safe (as described in another section, principles of crime prevention through environmental design played a major role in the design). Not surprisingly for a project like this, cost control was a key factor in the rehabilitation and materials were reused wherever possible. The only major design change came in the remodeling to create four larger apartments and the new construction of space for community meetings and child care. This new structure was, to good effect, made to match the original buildings. Thus, while “design” was not the major factor at Maya, the result is entirely appropriate to intentions and needs.

At **Lowertown**, design was an important focus from the beginning. Led by an urban designer, Lowertown is an exceptionally attractive area. This results from a base of attractive historical structures which have been restored and preserved and new designs which are generally respectful of the historical character. This has been achieved by an agency which performs design review to encourage good design, even though it lacks the “teeth” to enforce standards. It also helps developers find capable, sensitive architects. Of course projects that are done or funded by the city provide opportunities for more control. This was true for street improvements, which are very attractive (the light fixture serves as the logo for Lowertown) and the Meer’s Park renovation, which is also very well done. The park is so much a part of the community that it attracts significant citizen involvement in its maintenance program.

In **Central Park**, because of the history and prominence of the place, design is a crucial factor. The Conservancy has top landscape architects on staff who are highly sensitive to the importance of balancing historical character with modern needs and materials. Olmsted and Vaux’s original design is always taken into account, and at the Meer, much was done to restore the lake to conditions it would have displayed in earlier times, such as naturalizing a large portion of its shore. Lighting, benches and signage are, throughout the park, consistent with the original character, while not slavishly copying historical models. Design, construction and maintenance are well coordinated, so that each rock and tree is placed where it looks best, materials are used which are known to weather and wear well, and plantings are kept up so that areas look as they were intended to.

The main new structure at the Meer, the Dana Center, was treated with considerable thought by the architects. Carefully sited at the water's edge it is strategically placed to present itself attractively from several directions. The style is reminiscent of the Victorian period in which the park was built yet it is still recognizable as a contemporary building made of quality materials.

The **Dudley Street Neighborhood Initiative** was the somewhat reluctant developer of Winthrop Estates, 36 units of owner-occupied housing. With much input into the design, the result is a quality product. While there were some missed opportunities from an urban design perspective (such as more closely reflecting the pre-existing housing stock and maintaining an urban street front), the homes probably exceed residents' expectations.

**Campus Circle's** main new development, Campus Town, made many efforts to use design features to visually relate the project to the neighborhood through massing, choice of materials, and details. The buildings are brick with bay window elements at some locations, gables, and metal roofs with dormers. One phase of Campus Town is successful in maintaining the street facade by placing the parking in the rear while the other interrupts the continuity of the street facade by leaving a large parking court at the street. Campus Circle also completed handsome preservations of several historic buildings.

In looking at these projects as a group, there are some overall lessons that can be learned with regard to design and the qualities of place.

- Design must play its appropriate role, depending on the nature of the project. While not always the most important factor, design can be critical to the success of a place.
- The design process must be treated with attention equal to other decisions (such as funding or political approvals).
- Participation is the hallmark of design decision making which takes into account the needs of occupants. Excellent, professional designers and planners can support these participatory processes by helping to find creative, responsive design solutions.



*Housing Our Families*

- Sufficient construction funds must be provided to allow the setting to support the people and activities, and to last for a long time. While costs must be controlled, cutting the wrong corners can be deleterious to achieving key project objectives.
- While materials and systems must be of a high enough quality to last, sufficient provisions must be made for ongoing maintenance. If deterioration or graffiti are allowed to persist, a downward cycle is reinforced that can kill a project.

#### **Fighting Crime through Urban Design**

An unfortunate but enduring fact of modern urban life is the overriding concern about crime and safety. Crime is a dominating issue in local and national politics, and it also is a major factor driving many development decisions. The level of personal safety felt by community residents is one good index of community health or distress, and effectively addressing these fears is a major component of urban excellence. Thus, it is not surprising that, for many of the finalists, crime and safety issues were important, even central.

**Housing Our Family's** (HOF) entry as developer and organizer into the Albina neighborhood was primed by its rising crime rate. The apartment complex itself had become a key site for drug use and sales. Street crime and prostitution were facts of life in the area and some people, especially elderly residents, were afraid to venture outside their homes.

When HOF began the Maya Angelou renovation they took advantage of Portland's strong commitment to community policing by involving local officers in their neighborhood improvement plans. Neighborhood watch patrols — created with the help and support of local police — have been credited by neighbors with improving community safety.

Maya Angelou also made extensive use of "crime prevention through environmental design" (CPTED) principles in the redesign of the apartment complex. These included planning for increased natural surveillance (such as seeing from the laundry room to the playground), reducing vehicle passageways through the complex, creating real and symbolic markers of territory (through liberal use of picket fences), and reducing hiding places among trees and shrubs. Lighting was improved within the complex and on the surrounding streets. Tenant selection became more rigorous and the tenants themselves are involved in watching what goes on and reporting untoward activities. As a result of these changes, together with the broader efforts to improve housing and address needs of neighborhood youth, crime is down significantly and residents report feeling much safer.

Planning for the **Harlem Meer** restoration happened to coincide with a widely publicized assault and rape in the park. Given the problems and reputation of both the north end of the park and its neighboring communities, making the area around the Meer safe was considered a necessary step in increasing park use. It was so important that a blue ribbon committee of local citizens and organizations was established to make recommendations for increasing safety. Here, as in many urban areas, there was a circular aspect to the safety problem. A critical mass of people using a space creates a feeling of security, but those people won't come until they first feel safe there. In the northeastern end of Central Park, extra lighting

and call boxes were installed and police patrols increased to help overcome initial resistance to entering the area, and design features as well as activity programming provided positive attractions.

For **Campus Circle**, crime was also a driving issue. Marquette blamed the perception of dangerous conditions around the university for reduced enrollment figures, which fueled their willingness to fund Campus Circle. The approach to crime prevention in Campus Circle took several forms. A Campus Circle-owned building was donated to Milwaukee for use as the city's first community police station. Campus Circle also set up its own security operation with a primary focus on closed circuit television observation within and around its buildings. Improved crime statistics in the neighborhood are considered important indices of success by Campus Circle.

**Dudley Street** began life organizing to stop arson fires and illegal dumping. Curtailing the dumps was an early and major success for the organization. The reduction of arson and other criminal activity may be less the result of specific anti-crime efforts than a sign that its broader organizing and development efforts have reversed the social disorganization that had characterized the neighborhood.

There is also a security component to the success of **Greenpoint**, although security was not its reason for being. The cooperative community that developed there became a source of comfort and safety. In this space tenants felt they could work late into the night without being exposed or threatened by possible intrusions.

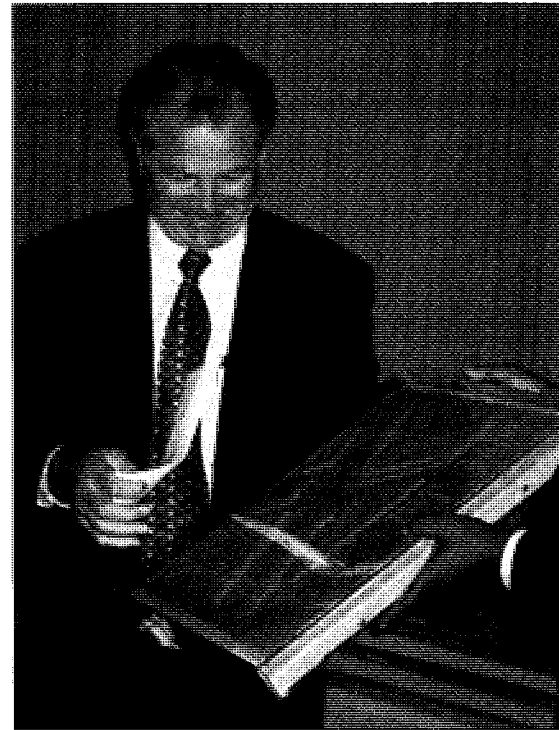
## Conclusion

The six projects that make up the 1995 Rudy Bruner Award speak to inventive problem solving in an era of changing political and economic realities. These realities led to the creation of the hybrid — and occasionally very unusual — organizations needed to produce excellent urban places. They have in common a perspective that focuses on the community as a unit, working from the ground up to create excellence by building on strengths and resources (both physical and human) rather than focusing only on problems. They also have leaders who are creative and, in some cases, visionary.

The Selection Committee made use of the opportunity to choose and then discuss in depth these six projects in order to make several points they considered vital to urban excellence. First, the variety and balance of these projects illustrates many of the elements critical to the success of any city — housing, community development, keeping and creating space for quality jobs, and providing recreational and cultural opportunities. There are so many crises in our cities, it is often difficult not to take a single minded focus (on affordable housing, for example). But cities, as the mayors who serve on the selection committee inevitably point out, cannot survive by adopting only projects like Maya Angelou, Dudley Street and Campus Circle — as important as they are. They must also find ways to produce jobs and be an attractive place to live for all income levels, as illustrated by Greenpoint, Lowertown, and Harlem Meer.

With the choice of the winner — Housing Our Families for Maya Angelou — the Selection Committee also hoped to send a message to mayors and other decision makers: that government at all levels cannot afford to take a hands-off approach and still expect urban excellence to develop. In many ways and places, governments are seeking to privatize and otherwise reduce their role in urban development. But there are times when enlightened governments have to step up and take a major role in funding, even where private or non-profit organizations take the lead in planning and management. Maya Angelou would not have happened if all or even most of the initial funding had to come from private sources. The Portland Development Commission bent its own rules to provide 100% financing, yet the project was not a burden on the public. On the contrary, the low cost renovation and eventual private refinancing made the public expense very low, particularly considering that it paid not just for forty-two units of low cost housing but for very successful organizing efforts which turned around a distressed community.

While there are times when government has to step up and take initiative, these projects are most notable for their unusual and creative collaborations among public, non-profit, and for-profit entities. Not one project in the group is the product of a traditional development organization or a single sector of the economy. This



*Pat LeSage of Campus Circle*

trend may be critical for survival in a time when resources are scarce and rules are changing. In evolution, biologists point out that rigidity of function — being very good at one mode of operating — can be very efficient, but also can make extinction likely when conditions change. In biological evolution, it is diversity — a variety of options and ways of operating — that allows adaptation to change and assures survival. This kind of creativity in developing organizational responses to community needs may now be critical to helping cities survive and flourish.



Founded in 1986, the *Rudy Bruner Award for Excellence in the Urban Environment* searches for and celebrates excellent urban places. This book presents the lessons we learned from the six 1995 finalists – all promising examples of urban excellence. These projects have transformed their communities so well, and on such a significant scale, that their accomplishments are nothing less than astounding – especially in contrast to the continual stream of pessimistic reports we all hear about cities. They are:

**Maya Angelou Community Initiative** – Winner  
Portland Oregon

**Campus Circle** – Finalist  
Milwaukee, Wisconsin

**Dudley Street Neighborhood Initiative** – Finalist  
Boston, Massachusetts

**Greenpoint Manufacturing and Design Center** – Finalist  
Brooklyn, New York

**Harlem Meer** – Finalist  
New York, New York

**Lowertown** – Finalist  
Saint Paul, Minnesota

The 1995 *Rudy Bruner Award*, and its \$50,000 prize, went to the **Maya Angelou Neighborhood Initiative** where an exceptionally democratic and inclusive process by Housing Our Families led to the successful conversion of one of Portland's most troubled properties into 42 units of safe, attractive low cost housing for mostly single, female headed households. By reaching out to the community, the project became the impetus for turning around the entire neighborhood.

This book was published by and is available from:

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