

# Brownfields Success Story

## The New Waterloo: From Brownfields to Revitalized Downtown

*Waterloo, Iowa*

Waterloo is a diverse community of more than 68,000 located along the banks of the Cedar River in northeastern Iowa. The former “Factory City of Iowa” was home to employers such as John Deere and the Rath Packing Company, which provided thousands of stable, well-paying jobs to the region for much of the 20th century. But a deep agricultural recession in the 1980s led to job losses and company closures that shook the community. Numerous abandoned properties, some with perceived contamination, were scattered throughout the downtown and adjoining areas. Conflicting land uses, the poor structural condition of the buildings and environmental uncertainties impeded reinvestment in these properties. Low-income and minority populations were particularly affected, as neighborhoods downtown fell into a state of perpetual decline.

Waterloo is one of the most ethnically diverse communities in Iowa. The percentage of residents identifying as a minority (24.5%) is more than double the state figure (11.4%). Urban core areas targeted for environmental assessment activities have even higher numbers of minorities, as well as individuals living below the poverty level.

	Urban Core of Waterloo	City of Waterloo	State of Iowa	United States
Population*	1,801	68,406	3,046,857	308,745,538
Individuals below poverty level	65.9%	18.4%	12.2%	14.9%
Minority	48.6%	24.5%	11.4%	36.3%
Black or African American	38.5%	15.2%	2.9%	12.6%

\*Census tract population information is from the 2008–2012 ACS 5-Year Estimate, while city, state and U.S. population information was obtained from 2010 U.S. Census.



Waterloo is redeveloping contaminated properties into attractive riverfront residences like the Grand Crossing condominiums, shown here, to help revive commerce and activity downtown.

**EPA Grant Recipient:**  
City of Waterloo

**Grant Types:**  
EPA Brownfields Assessment Pilot Grant; EPA Cleanup Revolving Loan Fund; CERCLA 128(a) State Response Program; EPA Assessment and Cleanup Grants; EPA Hazardous Substances Cleanup Grant

**Former Uses:**  
Meat-packing plant, various manufacturing plants, bulk oil storage facility, automotive service and repair shops, hotel

**Current Uses:**  
Human services campus, public works building, sports and recreation facility, mixed-use commercial and residential property



Waterloo officials recognized the dire need for a plan to revive the area. “For a long time, people didn’t want to live here,” says Noel Anderson, the city’s director of community planning and development. “We’re changing that.”



The Rath Packing Company plant (top) sat vacant and decaying for years before city officials began redevelopment efforts. Today, the space is home to several social services providers, including Operation Threshold.

To enhance the livability of downtown Waterloo and attract reinvestment, city officials launched a renewal initiative in 2000 using a \$200,000 Brownfields Assessment Pilot Grant from the U.S. Environmental Protection Agency (EPA) to evaluate the contamination at potential redevelopment sites. Since then, EPA has funded \$2.25 million in assessment grants, which have helped draw an additional \$49 million in federal, state and local funds for properties at 19 redevelopment projects. EPA assistance through its Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) 128(a) State Response Program for targeted brownfield assessments and state brownfields tax credits, as well as the private investment of developers and new owners, all played a role in redevelopment, which is helping revitalize the city’s central business district and economy.

## The Projects



An EPA Hazardous Substances Cleanup Grant helped address contamination at the former Construction Machinery Company site, where buildings were neglected after the company closed in the 1990s.

When the Rath Packing Company closed in 1985, it left more than 2 million square feet of vacant industrial space, ushering in a period of severe disinvestment in the area. Using EPA Assessment Grants and other federal, state and local funding, the city helped transform the area into a human services campus. The property now houses several social services providers, including the Northeast Iowa Food Bank, the Waterloo Women’s Center for Change, and Operation Threshold, a local community action agency that helps residents meet their basic needs and become self-sufficient.

The city has also redeveloped the former Construction Machinery Company site, an 11-acre parcel that once contained 20 buildings, including a foundry. The city acquired the property after a Phase I Environmental Assessment cleared the way for reinvestment, and state and federal grants funded demolishing many of the buildings. An EPA site-specific assessment grant funded additional, in-depth environmental assessments that revealed a buried railcar packed with industrial solvents, underground storage tanks, soil contamination and hazardous debris from burned buildings. A \$200,000 EPA Hazardous Substances Cleanup Grant was used to address the contamination, including encasing a long trench where factory solvents, paint and equipment had been dumped and burned.



A new public works building opened where the Construction Machinery Company once stood.

The EPA Cleanup Grant was a catalyst for other investment. The city leveraged millions of dollars more from other EPA grants and other funding sources, including:

- \$350,000 EPA Assessment Grant
- \$350,000 EPA Cleanup Revolving Loan Fund
- \$65,000 Army Corps of Engineers Planning Assistance to States

- \$400,000 Iowa Department of Economic Development Iowa Brownfields Fund
- \$7.4 million to build a new public works building, of which \$5 million came from a state I-JOBS Flood Mitigation Program Grant, \$1 million came from the Black Hawk County Gaming Association and \$1.4 million came from the City of Waterloo

Today, the 130,000-square-foot public works building houses 150 vehicles from the city's motor pool in a large indoor garage. Various departments that had been scattered around the city are in the new building, including the street department, traffic operations, meter repair crews, engineering technicians and building maintenance crews. Future plans include adding new fuel pumps, a recycling drop-off site and salt mix storage buildings.

The renewal initiative also has fostered an emerging sports and entertainment district downtown. The city used EPA Assessment Grants to clear two blocks of declining properties for development of a sports facility. A bulk oil storage facility, automotive service and repair shops, and several leaking underground storage tanks in the area raised environmental concerns. Moreover, severe flooding had left many of the commercial properties damaged, underutilized or vacant. Construction on the \$27.5 million Cedar Valley SportsPlex created 200 temporary jobs. Today, the center employs 3 full-time staff and 75 part-time staff.

## The Challenges

Concerns about contamination and liability are among the most significant barriers to brownfields redevelopment. Under CERCLA, commonly known as the Superfund program, liability for cleanup of a contaminated site rests with past owners and operators who may have caused the contamination and current owners, regardless of whether they took any actions that led to the site being contaminated.

In Waterloo, city planners encourage property owners to answer questions about liability and contamination through environmental assessments. "I tell property owners that if they ever intend to sell their property, potential buyers will insist on an environmental assessment," says Chris Western, a planner and brownfields coordinator for the city. "Owners should take advantage of the city's grant-funded assessments, various loan programs and technical assistance to help assess and clean up brownfields and ready them for development."

One Waterloo property slated for redevelopment is the former Chamberlain Manufacturing Corp. property. Environmental assessments funded by EPA revealed contaminated groundwater and soil, extensive asbestos, a petroleum plume, buried storage tanks and five buried railcars that were used to dispose of various materials.



The city cleared two blocks of declining properties, including this automotive service and repair shop (top), to make room for the Cedar Valley SportsPlex.

“ Our goal is to make Waterloo *the place to live, work, play and raise a family.* ”

*Noel Anderson,  
Waterloo Community  
Planning & Development  
Director*



Crumbling buildings like this one on the former Chamberlain Manufacturing Corp. property sat vacant until the city bought the site and sought federal and state funding to clean it up.



After all 24 buildings on the former Chamberlain Manufacturing Corp. property were demolished and removed, the site awaits redevelopment, which will begin after the city and former property owners conduct soil and groundwater assessments and develop a remediation plan.

Using brownfield funds from the Iowa Department of Economic Development, plus its own funds, the city demolished all 24 buildings on the property. “It was one baffling discovery after another: railcars, storage tanks, a boiler wrapped in asbestos. We discovered a 10,000-square-foot room hidden inside one building,” says Western.

Redevelopment will not start until the city and former property owners fulfill a state-approved cleanup plan. But when cleanup is finished, city officials hope to entice residential development in the area. “It may take a while to get there, but it will be worth it,” says Anderson. “We’ve learned to be patient during these projects. We look at all the successes we’ve had over the last 15 years, and we’re just going to push through.”

Fortunately, the variety of challenges faced at the Chamberlain property are uncommon. Environmental cleanup is not always necessary to put a property back into productive reuse. In Waterloo, only a few properties have required cleanup following environmental assessments. Many properties were available for redevelopment and reuse right away.

## The Benefits

Revitalizing Waterloo’s older industrial and commercial neighborhoods has brought businesses, jobs, an improved tax base and new life to the downtown area. Cleaning up the former Construction Machinery site has cleared the way for reinvestment and removed a significant health and safety concern for residents who have been disproportionately impacted by brownfields. “Putting the public works building there has increased the presence of public employees in a troubled neighborhood, which is good for redevelopment,” says Anderson.

The city also invested \$6 million to eliminate blighted housing along the waterfront and make way for new residential infill. Dilapidated housing will be transformed into new single-family homes, sparked by Iowa brownfields funds. “We used \$400,000 in state brownfields grants to get started, and the private investment has followed,” says Western. “Developers gain more confidence when we build new houses in these older neighborhoods.”

Redevelopment projects are benefitting the local economy as well. The general contractors working on renewal projects are from local companies. Plus, the city has earned about \$100 million per year in permit revenue related to development projects. These projects have also yielded increased annual tax revenues. For example, revenues from the local option sales tax have climbed consistently since redevelopment projects have been in progress.

But the most important benefit has been the increase in activity downtown. “None of this would mean much if it didn’t attract people here,” Anderson says. “That’s always been the goal, and we’re well on our way.”