

Visioning Report

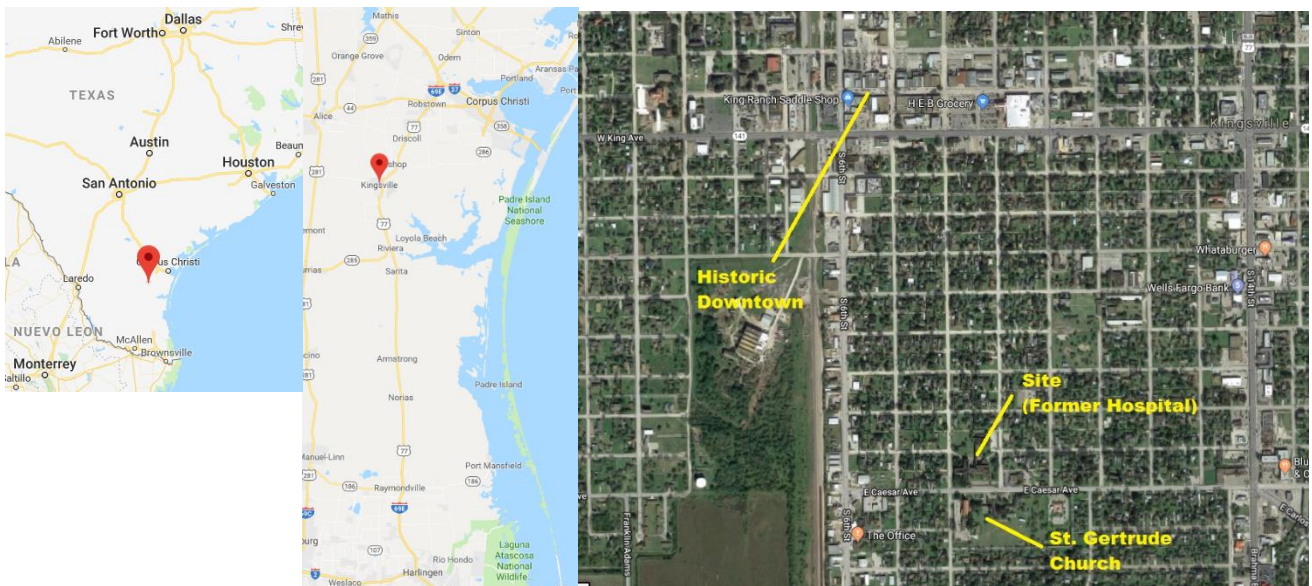
Former Kleberg Hospital
400 East Caesar Avenue
Kingsville, Texas

Scope

USEPA's Technical Assistance to Brownfields (TAB) program helps communities and neighborhoods plan for the redevelopment of blighted brownfield properties. Kansas State University, one of the three TAB providers, facilitated a Visioning Event for the redevelopment of the Former Kleberg Hospital in Kingsville, Texas on the evening of October 25, 2018. This report provides both a summary of that meeting and a perspective on what to expect while pursuing redevelopment of that parcel.

Background

Kingsville is a city in the southern region of the U.S. state of Texas. It is the county seat of Kleberg County, and is located on the U.S. Route 77 corridor between Corpus Christi and Harlingen. Kingsville is the principal city of the Kingsville Micropolitan Statistical Area, which is part of the larger Corpus Christi-Kingsville Combined Statistical Area. The population was 26,213 at the time of the 2010 census, and in 2016 the U.S. Census Bureau estimated the population at 26,071.



Named in honor of Richard King, Kingsville's first buildings were constructed in 1904 along the newly completed, now defunct, St. Louis, Brownsville and Mexico Railway line, only three miles from the headquarters of the historic King Ranch, the largest ranch in Texas. The city was incorporated in 1913. It is home to Texas A&M University-Kingsville, a member of the Texas A&M University System, and Naval Air Station Kingsville, one of the U.S. Navy's two locations for jet aviation training. The city is surrounded by farmland producing various crops including cotton and sorghum. The terrain around Kingsville is generally flat, with an elevation of 59 feet above sea level at city center. Several creeks run through the city, including the San Fernando, Santa Gertrudis, and Escondido Creeks, all feeding into Baffin Bay.

Two commercial corridors run north/south along 6th and 14th streets to the west and east of the site, and the historic downtown is about one-mile due north. Currently most commercial activity takes place along the Route 77 corridor to the east.

The hospital was an important part of the community for many years, but in 1980 was deemed obsolete and abandoned for a newer facility. For some years the structure was used to store old records, but even that use ceased in 2012. The building was condemned a year later but, lacking funding, was not torn down. No one to date has expressed an interest in redeveloping the site and the property taxes have been in arrears for some time now.



Picture postcard (1930?) featuring hospital in better days

Timeline

- 1853 Richard King founds King Ranch
- 1904 City of Kingsville founded
- 1915 Hospital (& courthouse) opened
- 1980 Hospital closed
- 1993 Purchased & used for Storage
- 2012 Storage Operation Ceased
- 2013 Building Condemned
- 2017 Phase I Env Site Assessment (TCEQ)
 - No REC (recognized env conditions)
 - Asbestos
- 2018 Phase II ESA (TCEQ)
 - Minor heavy metals in surface soils
- 2018 Draft ABCA – Analysis of Brownfield Cleanup Alternatives

Although St Gertrude Church is across the street to the south, most of the other land uses in the vicinity are single family housing. The commercial corridor along 6th street is about 1,000 feet away, with the other commercial corridor along 14th street about ½ mile to the east. It is no surprise that no private party has seen an opportunity to redevelop this obsolete building at this location, which is developed at a much higher land use intensity than the surrounding neighborhood.

In an effort to move redevelopment along the Texas Commission on Environmental Quality funded a Phase I ESA (environmental site assessment) in 2017 that found no REC's (recognized environmental conditions) but did note friable asbestos that must be removed prior to renovation or demolition. In 2018 a Phase II ESA sampled the site and found some heavy metals in the soils. A draft ABCA (Analysis of Brownfields Cleanup Alternatives) has been prepared that supports asbestos abatement.



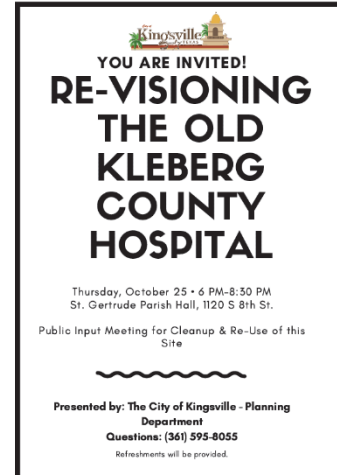
Brownfields Redevelopment Process

1. Identify & Assess Brownfields, Identify Redevelopment Needs
2. Prioritize Sites, Set Redevelopment Goals
3. Investigate – Phase I/II site assessments (environmental due diligence)
4. Clean-up, if necessary
5. Redevelop

(Absent an active developer) The City has now targeted the USEPA's cleanup grant program plan as a possible funding source. The USEPA, TCEQ and TAB have been working with the City, educating staff on the highly competitive nature of the program and the need to proceed down the recognized brownfield redevelopment path to the point where the City has a vision for the site, a plan to move towards that vision, and many relevant stakeholders engaged in the effort.

Community Visioning Meeting

A community meeting to explore visioning of the site, as well as present and discuss the draft Analysis of Brownfields Cleanup Alternatives (ABCA), was convened at 6 PM on October 25 in the Parish Hall at St. Getrude’s, across the street from the site. Approximately 8 members of the public attended, along with representatives of the media and the current owners. Following a short presentation by the team of Tom Ginter, Planning and Development Services Director; Kristy Livingston, project manager and brownfields program manager in the Voluntary Cleanup Program-Corrective Action Section of the Remediation Division of TCEQ; and Eugene Goldfarb, representing KSU-TAB, the audience was broken up to two tables and they developed and “voted” on 4 potential alternatives uses for the site.



Proposed Use	Likes	“Best”	“Don’t Like”
Assisted Living	13	4	
Educational	15	2	
Medical Facility	5		1
Youth Facility (e.g. Soccer Field, covered basketball court)	13	2	

It should be noted that some alternatives (Youth Facility) contemplated demolition of the existing building while others, (educational, assisted living, medical facility) saw a potential adaptive reuse.

In terms of fitting this effort into the City’s overall planning effort, the City’s 2008 Master Plan talks about combatting sprawl by encouraging compact and efficient development patterns served by existing infrastructure¹ and promoting historic preservation, but the preservation efforts are centered on the historic downtown.

ABCA - Analysis of Brownfields Cleanup Alternatives

As part of the Visioning meeting the draft ABCA (prepared by APTIM dated October 11, 2018) was presented and reviewed. Since the contamination is limited to asbestos the discussion was straightforward. Asbestos is common in older buildings and the technology to remove (prior to either rehab or demolition) is well developed and routinely implemented by a mature industry.

¹ Chapter 2 – Growth Capacity, P. 36

The estimated \$250,000 cost of the recommended cleanup alternative #5 was acknowledged as an obstacle to redevelopment of the parcel and the City stated they would be looking at funding sources, including a USEPA cleanup grant. The audience was told that the draft report was available for review and comment through the City's Department of Planning Development Services. No one objected to pursuing the removal/abatement (#5) alternative.

Moving Forward

EPA defines brownfields as

Real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant

When we outline what it takes to redevelop most brownfield sites we focus on planning, characterization, cleanup, and funding. Brownfield sites with high intrinsic value attract for-profit developers but marginal sites can sit vacant for many years because no one is willing to invest the time and money needed for sites with many unknowns (cost and time), especially if they appear to be contaminated. In cases like this it usually takes local public/private partnerships to move plans forward. Any site can be redeveloped; it's just a question of how long it will take to figure out what is needed and how much is needed to pay for it. If the numbers are favorable the private sector will step in, but if the picture is unclear local government or a private foundation must step in to move things forward. Sometimes interim uses are needed to turn the situation around towards an upward trajectory. The driving force is that slum and blight of brownfield properties can pull down the surrounding neighborhood, and government recognizes its obligation to shepherd vacant and underutilized properties down the redevelopment path.

TAB has found that planning and partnerships help move redevelopment efforts forward and the recent efforts by the City and TCEQ to characterize the site has been very helpful. The road ahead, however, is challenging and here are just some of the issues that must be dealt with in the days ahead:

- Ownership
The City does not yet own the site and it has been difficult to move the project along with the current owners. The site would not be eligible for a USEPA cleanup grant unless the city or another eligible entity (e.g. nonprofit) owned it.
- Site Cleanup
Most brownfield sites are cleaned up as part of the redevelopment, but some sites need the government to clean it up first before a new user can be attracted. Characterization has provided us with a \$250,000 asbestos abatement estimate. Various EPA grants programs are currently available, but they are very competitive and only applicants who can show a substantial planning effort backed by their local community, with a clear vision and substantial progress, have a chance to compete successfully.
- Historic Preservation
Any time federal funds touch a project the entire project is subject to section 106 of the National Historic Preservation Act (see 36 CFR 800) and failure to engage in the consultation process can result in a 36 CFR 800.9(b) finding of non-compliance. In general the 106 process is oriented towards trying to avoid adverse impacts on the historic resource. Tax credits (20% federal and 25% state) are available as an inducement to

rehabilitate the structure, but that may not be feasible in this case. There are two perspectives on this. One is that the project would be less competitive with a cloud hanging over it. The other is that the 106 process can be a vehicle for moving the project along by engaging the preservation community in looking for potential developers. Demolition is not an easy path and usually has to be supported by either expert analysis showing extraordinary deterioration of the structure, or by careful documentation of a long history of unsuccessful marketing.

- Proposed Reuse Options

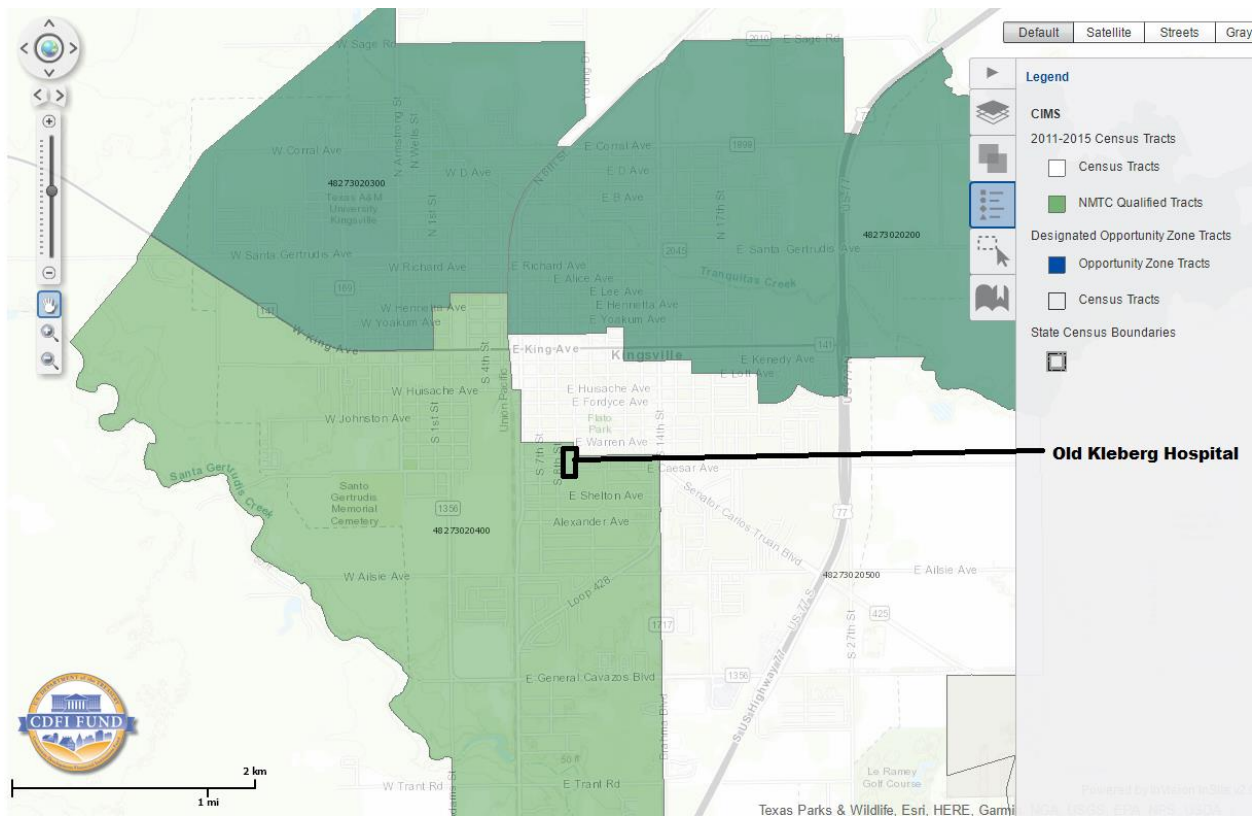
Three reuse options were proposed: assisted living, education, and youth facility. All were well received as potentially meeting a local need and fitting into the existing neighborhood. If the City chooses to compete with other communities for USEPA cleanup funding it will be going up against other proposals with more mature visions including engaged local partners contributing to the effort. Now is the time to think of how to explore each of these visions and build the momentum needed to move them forward. A key first step would be marketing to identify potential partners in the development process.

- Marketing

Often the key to successful redevelopment is a private partner with a viable commercially successful reuse. Government funds are in short supply and are usually targeted to projects that also have a private partner who is putting up most of the funding for redevelopment. Government assistance can take many forms, including providing funds to fill a gap (e.g. site characterization and/or cleanup), or helping to attract (private) financing (e.g. loan guarantees, tax incentives, etc) for the end use. Marketing is an important component of the 106 process (see above). To that end the City should carefully document what has been done in past, should be actively consulting with commercial real estate brokers, and should consider other efforts including:

- Consulting with the Texas Historical Commission's two tax credit specialists (on the "Architecture" staff)². They will be able to point the City towards other projects that have successfully repurposed medical facilities and put them in contact with developers who know how to make adaptive reuse work.
- Listing the property on brownfield databases (see, for example, brownfieldlistings.com) as vacant property available for redevelopment.
- Contacting local (Texas) housing developers to see if there is any interest. The Texas Department of Housing and Community Affairs, for instance, administers the Low-Income Housing Tax Credit program in the State of Texas. They might be able to refer the City to Texas developers familiar with tax credit projects who might welcome a chance to work on a project with opportunities for creative financing.
- Ensuring that prospective partners know about the possibility of special incentives unique to the site, including the historic tax credits and preferential tax treatment (opportunity zone).

² Valerie Magolan at Valerie.Magolan@thc.texas.gov or Caroline Wright at Caroline.Wright@thc.texas.gov



- Partnerships, Planning & Funding

Often it takes the government or a private foundation to fill gaps in the redevelopment process. If (Federal or State) funding is sought, it is important to show that community resources are behind the effort and that the effort will succeed. A clear vision of an end use is key to enlisting stakeholder support. The more stakeholders are committed to the project, the higher the likelihood that the project will be able to overcome challenges (and thus successfully compete for funding). USEPA does not want to fund cleanups that will sit vacant for years; they want to participate in vibrant projects where the new use will benefit the community.

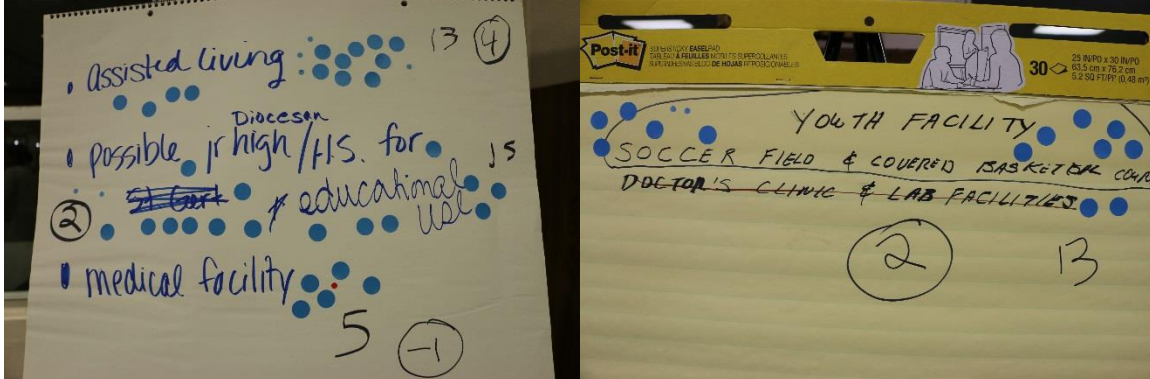
TAB looks forward to working with the City of Kingsville as it moves forward with this site.

Appendix A - Photos

1. Site – Old Kleberg Hospital

2. Visioning Event

3. Visioning Results



Appendix B – Draft ABCA Report

ABCA report prepared by APTIM inserted here.