

CRE Consulting Corps Offers Solutions to Real Estate Problems

By

Edward S. Hill, Esq., CRE

In 2002, the City of Rockford, Illinois had purchased a former manufacturing site consisting of 26 acres and approximately 800,000 square feet of space in 16 buildings, many over a century old. The acquisition presented a number of challenges. The City needed to devise a feasible redevelopment plan. It also needed to formulate a developer selection process and a strategy for managing the City-developer relationship over the anticipated long-term duration of the project. In 2003, Tougaloo College in Mississippi determined that it needed to assess the potential of its excess land and develop a strategy to realize that potential, taking into account the best interests of both the college and the community.

These two situations are typical of the real estate issues that challenge municipalities and not-for-profit institutions. The issues are not only complex and difficult, but frequently are also novel or unique. Just as frequently, the municipality or institution needs assistance in identifying the skill set needed to address the issues and in finding advisors with those skills. Overlay on that the ever present financial constraints of such owners and the problems start to appear overwhelming.

One answer is The Counselors of Real Estate Consulting Corps, a public service program operated by the Counselors of Real Estate. It is designed to provide municipalities, not-for-profits, government entities, and public/private developers with access to the talent and expertise of professionals of The Counselors of Real Estate (CRE). Each Consulting Corps project is conducted by a team of volunteer CRE members, who are selected after consultation with the client to provide the experience and skill set that meets the client's needs. Counselors on the project team volunteer their time and are not compensated for their work. The client pays a modest honorarium to the CRE organization, based on the size and scope of the assignment. The client also reimburses project team members for out-of-pocket expenses. In appropriate cases, assistance may be available to cover the honorarium and expense reimbursement amounts.

I was a member of a three-person team on the Rockford assignment. My colleagues were CRE Richard Stanson and CRE Alice Dutton. We brought to the assignment a combination of Mr. Stanson's experience in the adaptive reuse of historic buildings, Alice Dutton's experience in real estate finance, and my experience with real estate development and finance and, in particular, with urban development projects, such as the Civic Center in Hartford, Connecticut, and the HarborYard development in Bridgeport, Connecticut. Over three days we toured the site and its surroundings, met with City officials, including the mayor, director of planning and others and received input from groups representing different perspectives, including architects and engineers, developers, bankers, and community representatives. The mix of skills and experience enabled us to make a meaningful evaluation and develop informed advice in that short period of time. The culmination of our work was a meeting with senior City policy-makers at which we reported on our recommendations for re-use of the property and warnings on possible pitfalls, what the City should expect and require of the developer of the project and what the City should do to attract and engage a developer for the project. Those recommendations were subsequently incorporated into a comprehensive request for proposals issued by the City.

The experience was not only personally and professionally rewarding but, as we have heard, of value to the City as it pursued its plans.

For members of CRE, Consulting Corps assignments offer an opportunity to use our talent and expertise for ourselves and on behalf of CRE for worthwhile projects and to enjoy the professional stimulation of working with experienced Counselors in other real estate disciplines. For potential clients, the CRE Consulting Corps represents an unparalleled opportunity to draw on the best and most appropriate talent and expertise to deal with complex and important real estate matters. For more information, visit the CRE website at www.cre.org.

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