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.


Spring 1992. Father DiUlio meets with mayor and chief of police about safety.


Fall 1992. Design of Campus Town begins.


Winter 1992. Campus Circle convinces the Blood Center of Southeastern Wisconsin to build in the neighborhood and swaps real estate with them.


Summer 1993. 13 small housing rehabilitation projects 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.


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.

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 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 of 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
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 latter course as the one most likely to bring success. While the Jesuit tradition of social responsibility played a role in this decision, Father DiUllo 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 DiUllo 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 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 DiUllo 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 DiUllo 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.
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
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 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 pay-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.
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-
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 redounded 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
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 its 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
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

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marquette University</td>
<td>$9,000,000</td>
</tr>
<tr>
<td>Anonymous Donor</td>
<td>9,000,000</td>
</tr>
<tr>
<td>Ameritech</td>
<td>850,000</td>
</tr>
<tr>
<td>Bonds</td>
<td>23,850,000</td>
</tr>
<tr>
<td>TIF Loans</td>
<td>4,170,000</td>
</tr>
<tr>
<td>Mortgages</td>
<td>9,190,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$56,060,000</strong></td>
</tr>
</tbody>
</table>
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.

**Funding Sources**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>$23,850,000</td>
</tr>
<tr>
<td>TIF loan (at 4% interest)</td>
<td>$4,170,000</td>
</tr>
<tr>
<td>Equity</td>
<td>$4,170,000</td>
</tr>
<tr>
<td>Triangle Fraternity (for their frat house)</td>
<td>$1,000,000</td>
</tr>
<tr>
<td><strong>Total Costs/Funding</strong></td>
<td><strong>$33,000,000</strong></td>
</tr>
</tbody>
</table>

**Annual Income (from commercial and residential rents)**

$2,800,000

**Capital Costs**

- **Purchase price**: $550,000
- **Rehabilitation**: $80,000
- **Total Costs**: $630,000

**Funding Sources**

- **Equity**: $150,000
- **Mortgage (20 years at 9%)**: $400,000

**Annual Income (rents)**

$110,000

**Annual Expenses**

- **Taxes, etc.**: $63,000
- **Mortgage**: $43,000
- **Total annual expenses**: $106,000

**Net Annual Cash Flow**

$4,000

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.

**Capital Costs**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Costs</strong></td>
<td>$630,000</td>
</tr>
</tbody>
</table>

**Funding Sources**

- **Equity**: $150,000
- **Mortgage (20 years at 9%)**: $400,000

**Annual Income (rents)**

$110,000

**Annual Expenses**

- **Taxes, etc.**: $63,000
- **Mortgage**: $43,000
- **Total annual expenses**: $106,000

**Net Annual Cash Flow**

$4,000

**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 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

**Net Annual Cash Flow**

$-31,000

(The net is expected to increase to $320,000 when the 15,000 square feet of vacant retail space is leased.)
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
- Total Costs $380,000

**Funding Sources**
- Equity $320,000
- Mortgage (15 years at 9%) $60,000
- Total Funding $380,000

**Annual Income (rents)** $19,200

**Annual Expenses**
- Mortgage payments $7,000
- Taxes, maintenance, etc. $6,600
- Total Annual Costs $13,600

**Net Annual Cash Flow** $5,600

**Trimborn** — was 2 fraternities; rehabilitated into 20 rental units.

**Costs**
- Purchase price (allocated portion of block) $300,000
- Rehabilitation $800,000
- Total Costs $1,100,000

**Funding Sources**
- Equity $300,000
- Mortgage (15 years at 9%) $800,000
- Total Funding $1,100,000

**Annual Income (rents)** $110,000

(Continues)

**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.

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...**

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