

PROJECT: **JIMMY JOHN'S FIELD**, Utica, Michigan
DESCRIPTION: 15-acre landfill turned \$15 million ballpark
WITH HELP FROM: State-level redevelopment program

Communities Thrive on Clean Dirt

A NEW PARADIGM
in brownfield remediation
is revitalizing communities.

By **KATHARINE LOGAN**, LEED AP



RIVERSIDE GARBAGE DUMP, an empty lot downtown where a dry cleaner or gas station used to be, an industrial district fallen on hard times. Cleaned up, they could provide green space, housing, or employment, contribute to a community's economy and tax base, and save undeveloped land outside of town. But the presence of contamination (real or perceived) complicates their redevelopment and leaves these opportunities lying in the ground.

Across the country, more than 450,000 of these brownfield properties, by the U.S. Environmental Protection Agency's count, will never reach the top of an environmental priority list. What's driving brownfield cleanups now is economics; and, in a paradigm shift that has been maturing across the country over the last decade or so, regulatory agencies at all levels of government have begun to facilitate redevelopment as these blighted sites' best hope.

"We've now entered into the third generation of brownfield remediation," says Michael Stringer, AICP, a senior planner with

Maul Foster & Alongi, a consulting firm that integrates planning and environmental engineering. The first generation, embodied in the 1981 Comprehensive Emergency Response and Contamination Liability Act (CERCLA, or Superfund), focused on creating legal responsibilities for the cleanup of contaminated properties. A side effect of CERCLA was a chill on brownfield redevelopment as prospective purchasers, leery of incurring liability, steered clear; so the second generation introduced liability protection for white knight developers and financial incentives to entice them forward.

The third generation expands the perspective beyond individual properties to consider their community context. "Redevelopment planning is proving an effective method of turning brownfield properties into catalysts for revitalization," says Stringer.

Here, we look at three redevelopment projects that illustrate some of the policies and programs contributing to this trend, and the kind of outcomes that are increasingly possible: a 15-acre landfill-to-ballpark success in a small Michigan town, a 114-acre brownfield-to-TOD in central New Jersey, and an 850-acre industrial neighborhood in eastern Washington trying to pull itself up by its bootstraps.

High costs, higher returns

In 2016, summer in Utica, Michigan, suddenly got a lot better—not just for the town's 5,000 residents, but for the surrounding region, too. A new baseball minor league opened its first season at the town's brand new riverside ballpark. Even better, the ballpark—with its 20,000-square-foot stadium and community activity complex, whiffle ball park and play structure, new trail connections along the river for hikers and bikers, rehabilitated and stabilized river habitat, canoe and kayak launch, and parking—replaced a 15-acre unlicensed landfill that for 75 years had blighted the town.

"The transformation has been a real boon for the little city," says Michelle Bakun, brownfield redevelopment coordinator with the

Paying for It All

By JOELLE S. GREENLAND, AICP

ONE OF THE unfortunate things about redeveloping polluted industrial land is that such properties are often full of nasty surprises. But planners and collaborators in Adams County, Colorado, were pleasantly surprised by their most recent brownfields experience, a nearly 10-year effort to reclaim a 77-acre parcel whose soil, groundwater, and buildings had been contaminated by its past life as the Globe Plant, a smelting facility owned by ASARCO dealing in metals like gold, silver, lead, bismuth oxide, copper, zinc, and cadmium.

What they uncovered was a brownfields

funding source that few in the Denver region knew about: the U.S. Department of Housing and Urban Development's Brownfields Economic Development Initiative, part of the Section 108 Loan Guarantee Program.

Around the Globe

The Globe Plant, on the border of the city and counties of Denver and Adams, ceased operations in 2005. But for a century, it had been a symbol of prosperity for the working-class Globeville neighborhood. The site is key to the area's identity—and its future.

The land, which is now being redeveloped as a high-tech manufacturing and office park, boasts access to three major Metro Denver

area highways (I-25, I-70 and I-76). That use symbiotically meshed with the Denver Regional Council of Governments *Metro Vision Plan* and the Adams County and Denver comprehensive plans (the site lies partially within the city of Denver).

Section 108 provides financing for economic development, housing rehabilitation, public facilities, and other physical development projects—it typically goes toward "bricks and sticks" projects. This flexible funding mechanism lets state and local governments transform a portion of their Community Development Block Grant funds into federally guaranteed loans that allow projects to go forward—and also give private

Michigan Department of Environmental Quality. “With the whole community pulling together, it has been a hugely successful place-making project.”

Behind the community’s efforts, a suite of grants, loans, and collaborations with all levels of government contributed \$3 million toward the landfill remediation costs of the \$15 million project. The investment is already producing a return, generating more than 200 new full- and part-time jobs, and attracting additional investment in Utica’s downtown as businesses renovate and expand to serve the game-day crowds and increased levels of foot traffic throughout the year.

Michigan’s brownfield redevelopment program is one of the longest running and most effective in the country. The program awarded its first grants for brownfield cleanup in 1992, and now has 26 ongoing grant and loan projects, representing about \$26 million in funding. Funds are currently disbursed at a rate of \$3 million in grants and \$5 million in loans per year.

To questions about the use of tax dollars for redevelopment incentives when surely people should clean up their own messes, Carrie Geyer, chief of Michigan’s brownfield redevelopment program, responds that often (as in the case of Utica’s unlicensed

PROJECT: **CROSSROADS COMMERCE PARK**, Metro Denver
DESCRIPTION: Reclaimed 77-acre industrial park
WITH HELP FROM: Section 108 Loan Guarantee Program



For more than 40 years, HUD’s Section 108 Loan Guarantee Program has helped state and local governments finance economic development across the country, like at this former smelting facility in Metro Denver. Turning the Globe Plant into a high-tech manufacturing and business center could deliver 1,000 new jobs to the surrounding community.

PHOTO COURTESY TRAMMELL CROW COMPANY

investors the confidence they need to buy in.

For the Globe site, the public-private financing package included a \$10 million Section 108 loan from Adams County, \$750,000 in CDBG funding from Denver, \$500,000 in grants from the Colorado Department of Public Health and Environment and the ASARCO National Trust, and \$2.25 million in developer (Globeville I, LLC) equity. Additionally, an ASARCO Custodial Trust provided \$14.5 million toward remediation. The Section 108 loan specifically funded grading, on-site and off-site infrastructure, and other soft costs.

There was risk involved: Adams County provided the Section 108 loan to Globeville I,

LLC, the developer in charge of the remediation and horizontal infrastructure. The loan would, in theory, be paid back through the sale of the property to Trammell Crow, the developer responsible for all vertical development. Should this not happen, then the county would have to use its CDBG funds to pay back the loan. Essentially Section 108 loans are nonrecourse loans that use a grantee’s CDBG funds as collateral.

Trammell Crow made it pencil out by agreeing to purchase the remediated parcels and becoming an essential partner in this endeavor. So far, that company has already bought sufficient parcels so that the county

could pay off over \$7.6 million (more than 75 percent) of the loan, well ahead of schedule.

Today, remediation is complete and vertical infrastructure has begun, with a handful of tenants already moved in. When fully occupied, the site could be home to 1,000 jobs in one million square feet of new industrial space known as Crossroads Commerce Park.

Joelle S. Greenland is the community development manager and brownfields program manager for Adams County. This was adapted from an article written by Greenland and two coauthors, Norman Wright, Adams County’s director of community and economic development, and Kristin Sullivan, the deputy director of community and economic development. A version of this article appeared in the 4th Quarter edition of *Planning Matters*, the newsletter of the Colorado Chapter of APA.

landfill) there's no responsible party to pursue; and, despite a new owner's best intentions, the costs of cleanup can be prohibitive. "Incentives are important because these things wouldn't happen otherwise," she says. "It's a lot easier to go to the greenfields on the edge of town than to do the hard work of trying to turn around properties in our communities."

Since 1992, MDEQ has disbursed about \$155 million, creating about 22,000 jobs and attracting \$4 billion in private investment. "You might have two percent that don't make it," says Geyer. "The overwhelming majority are successful."

In addition to grants and loans, one of the most powerful tools in Michigan's brownfield kit is tax increment financing. Under TIF, the taxes on the increased value of the property (up from nothing or next to it) are captured and used to reimburse the developer for some or all of the cleanup costs incurred. The state and locals realize the increased tax revenue on the redeveloped property once the developer is repaid. Meanwhile, the developer is happy to be getting money back in tax savings. Combine TIF with a grant or low-interest loan, and the power of the incentive compounds.

Compound solutions

It all adds up. Compound solutions from multiple sources are what got a 114-acre brownfield next to a train station in Somerville, New Jersey (pop. 12,200), on the road to remediation. Compound problems were what provided the impetus to do something in the first place: Not only was contamination from the site's former uses as a landfill and rail yard seeping into a stream and adjacent wetland, but it was also smothering much-needed revenue.

With almost 40 percent of the borough's 2.2 square miles occupied by tax-exempt owners such as religious institutions, a major regional hospital, and county government, "it has always been a struggle for the borough to provide the services it is required to

provide," says Colin Driver, Somerville's director of economic development. "Bringing new taxes on-stream in an undeveloped area was one of the few ways we could relieve the tax burden on existing residents."

An award-winning *Vision Plan*, developed in 2007 by the non-governmental, nonprofit group the Regional Plan Association, (see "The Impossible Task of Mapping the Future," January 2017: tinyurl.com/z8lcc8o) concurred: "More than any other part of the municipality," it said, "this place offers the single greatest opportunity to secure Somerville's future for the next several generations." When all nine respondents to a Request for Proposals to develop the site withdrew in the recession of 2008, the borough's development committee took on the initiative.












As well as a transit-oriented, mixed use development, with up to 1,200 residential units at a variety of price points, 45,000 square feet of retail space, and up to 185,000 square feet of commercial and office space, the site's award-winning *Redevelopment Plan*, by Phillips Preiss Shapiro (now Phillips Preiss Grygiel), envisions a 30-acre public green space of remediated wetlands. In the public green space, the development committee saw an opportunity to move the project forward, something they could achieve themselves without waiting for rescue.

Getting the whole site designated a Brownfield Development Area opened a lot of doors, according to Driver. New Jersey's BDA process provides a case manager, framework, and resources, and the EPA and the DEP have created a regional Brownfields Inter-agency Working Group that brings together representatives from more than a dozen federal and state agencies to coordinate solutions.

Working with the DEP and the IAWG, Somerville secured a \$4 million grant to investigate its brownfield's contamination, and to develop a remedial action plan. Another grant, this one to cov-

PROJECT: **THE HUB, HEIGHTS, DOWNTOWN GATEWAY, AND GREEN SEAM**, Somerville, New Jersey
 DESCRIPTION: 114-acre landfill and rail yard turned mixed use development and public green space
 WITH HELP FROM: **Designated Brownfield Development Area program**

Land-Use Plan

-  REDEVELOPMENT AREA BOUNDARY
-  STATION PLAZA AT STATION ROAD & WETLANDS PARKWAY
-  POTENTIAL CIVIC/INSTITUTIONAL USE/MIXED USE
-  HIGHER-DENSITY MIXED USE, RESIDENTIAL, RETAIL & COMMERCIAL AREAS
-  REQUIRED GROUND-FLOOR RETAIL AREAS
-  MODERATE-DENSITY RESIDENTIAL, COMMERCIAL, OFFICE & INDUSTRIAL (Boundary Depends On Phase Boundaries)
-  MODERATE-DENSITY RESIDENTIAL
-  DOWNTOWN GATEWAY OFFICE-COMMERCIAL SIGNATURE USE
-  GREEN SEAM
-  ACTIVE RECREATION AREA
-  OTHER OPEN SPACES



PROJECT: **HILLYARD**, Spokane, Washington

DESCRIPTION: 500-acre industrial zone restoration

WITH HELP FROM: EPA Area Wide Planning Grant and Community Wide Assessment Grant



In the 1950s, the Hillyard railroad terminal brought around 2,400 freight trains through Spokane, Washington. Today, more than 30 years after the rail yard was decommissioned, planners are looking to bring industry back to the community.

er the remediation costs, was capped at 75 percent of the costs, and also capped at \$5 million a year. The estimated cost for the remediation, however, was \$16.2 million. “This is where the partnership really worked,” says Driver. To navigate those two caps, the borough negotiated an agreement under which it could apply for the grant in three consecutive years, and then arranged to borrow the remaining 25 percent from a branch of the DEP.

In testament to the success of the collaborative paradigm and the community’s perseverance, work has begun on the initial phase of the cleanup, an \$8.2 million reconstruction of the stream and streambeds, incorporating flood mitigation and stormwater management. Meanwhile, New Jersey Transit, which owns the 30 brownfield acres nearest to the station, has reached an agreement with a developer to build the first phase of the mixed used development.

Economic drivers

Somerville and Utica illustrate the heights a brownfield redevelopment can achieve, but not all brownfield redevelopments need to be Cinderella stories to unlock value for their communities. The 850-acre Hillyard neighborhood of Spokane, Washington, (pop. 491,000), has a 500-acre industrial zone it wants to stay that way.

In its heyday, between 1900 and 1960, Hillyard’s rail yard and spin-off industries employed 2,000 people. In the second half of the 20th century, changes sent the industry into decline, and in 1982 the rail yard was decommissioned. “More than 30 years later, we’re still looking at a community very impacted by job loss,” says Melissa Owen, a planner with the city of Spokane.

Moreover, the residue of contaminants from some of the lost industries has cast a shadow over the neighborhood. Land vacancy in the area is at 35 percent, and underutilized land is at 60 percent. “Perception is probably the biggest problem,” says Owen. “There is fear and uncertainty around what’s there and what can be done.”

What the community wants from this industrial zone is more industry. A series of city-funded planning exercises making that clear include a community-led neighborhood plan prepared in the early 2000s, which identified family wage jobs as the primary goal. In response, the city constituted a group of community representatives as a Public Development Authority to map out a strategy for that goal and retained a team of planners, engineers, and real estate economists to help.

A significant factor in the flow of resources to Hillyard has been the community’s commitment. Residents are proud and self-sufficient, making it a place where things get done, notes Teri Stripes, a planner with Spokane. “With limited resources, the city of Spokane needs to tackle revitalization where it’s welcome,” she adds.

Building on this foundation, the city is now engaging a wide

range of stakeholders in the development of a master plan that will prioritize infrastructure improvements needed to support the neighborhood’s business opportunities and identify the short-term public investments that can catalyze private development.

Recognizing that these efforts will ultimately result in the remediation of a significant brownfield area, the EPA has provided an Area Wide Planning grant to fund the planning work, and a Community Wide Assessment grant to inventory the contamination. The Yard, as the industrial area is known, is also Washington’s first Redevelopment Opportunity Zone, a designation available to areas in which at least 50 percent of properties are brownfields, which makes it eligible for additional state resources and redevelopment tools, such as expedited purchaser liability protection.

“Initially people’s perception is always that a brownfield is going to be very expensive and very complicated to address,” says MFA’s Michael Stringer, project manager for the planning team. “With this inventory and analysis, we can begin to put it in an appropriate-sized box.” With 25 high-priority acres assessed so far, and another 10 under way, only 16 percent are showing moderate or higher contamination levels.

Even at this early stage, the municipality is seeing interest from the development community, with some property owners using the historical data from the inventory in their preliminary review of options for their sites. As certainty around the Yard’s brownfields and their contamination levels grows, and as the increasingly collaborative regulatory framework makes more tools available to support redevelopment, “it’s economic initiative that’s going to drive future cleanups,” says Stringer. “Taking care of the environment becomes just another piece of the process.” ■

Katharine Logan is an award-winning writer on issues of sustainability, well-being, and the built environment. She holds professional degrees in architecture and law.