

Monday, July 25, 2011

# Brownfields Bloom in Seattle

*Business Corridor Emerges as Old Industrial Sites Are Cleaned Up and Developed*

By JIM CARLTON

Seattle has become a hotbed for cleaning up abandoned—and often contaminated—industrial sites known as brownfields and redeveloping them for office buildings, shopping centers and other uses.

Such large-scale cleanups could be replicated elsewhere as local governments seek ways to attract development and speed their communities' recovery from the recession. But these projects aren't easy, or cheap.

Seattle's brownfield boom is centered around the once-decaying South Lake Union district, where 6.4 million square feet of office, retail and residential space have been built on reclaimed properties since 2004, city officials estimate. Much of the work has been done by Microsoft Corp. co-founder Paul Allen's Vulcan Inc., which says it has redeveloped 21 sites on about 60 acres in the district, including construction of a new headquarters for Amazon.com.

Brian Surratt, Seattle's business-development director, said so much development went into the district that it helped cushion Seattle during the last recession. "This was one of the bright spots," he said.

Once used by paper mills, dry cleaners or other industries, brownfield sites are tainted by the real or potential presence of hazardous substances, such as spilled chemicals, according to the Environmental Protection Agency. Cleanups include removing contaminated soil and replacing it with clean soil, as well as removal of building materials containing contaminated materials, such as asbestos.

The number of brownfield remediations completed, with all permits in place, by states, municipalities and tribal agencies rose about 10% to 12,864 in fiscal 2010, which ended June 30, 2010, from fiscal 2009. The figure, the latest available, marked the highest number of cleanups since the EPA began tracking the work five years ago. The trend appeared to continue in the fiscal year that ended this June 30. Of the nation's 450,000 brownfields, about 60,000 have been cleaned up.

One key selling point of brownfields: Many of the sites are near city centers, with good access to infrastructure such as roads and power, said Tad McGalliard, director of sustainable communities at the International City/County Management Association, a trade group in Washington, D.C.

However, the sites can require a lot more in up-front costs than a traditional development, ex-



A drilling-company worker takes soil for contaminant testing at a brownfield redevelopment site in Seattle.



penses often shared by developers, local governments and the EPA's brownfield program.

First, testing for contamination has to be done, said Eric Williams, chief executive of Frontier Renewal LLC, an Englewood, Colo., redeveloper of brownfield sites. For example, his company has spent \$2 million since last year in advance of cleaning up a former industrial dry cleaner at a site in Seattle, then will need to spend more than \$10 million on the actual cleanup.

Developers often try to offset these costs by acquiring the properties at bargain-basement prices—a tactic that can be risky

because the land can prove harder to clean up than expected, said Mathy Stanislaus, an EPA assistant administrator.

While the EPA's brownfield program has drawn bipartisan support since it was started in 1995, some critics of government spending question the agency's total \$1.9 billion outlay to help fund cleanups. "We should continue to support quality programs like brownfields, but be mindful that we have to do more with less," said Sen. James Inhofe of Oklahoma, the top Republican on the Senate Committee on Environment and Public Works.

He questioned whether the

EPA program should continue to receive its periodic funding increases.

Mr. Stanislaus of the EPA said that for every dollar of federal money given to a brownfield project, \$17 more is generated by private and other public investment.

Seattle is an especially attractive place for brownfield redevelopment for a number of reasons, including that the land-poor Northwestern port city needs to reclaim abandoned properties to grow, said Mr. Williams, whose firm is also redeveloping brownfields in Denver and Parchment, Mich. He said the city also has recovered faster from the recession than many other U.S. cities.

South Lake Union became a nexus of brownfield activity after Mr. Allen in the 1990s began acquiring parcels in the former auto and boat industrial district, said Ada Healey, Vulcan's vice president of real estate.

"Paul Allen did see that South Lake Union did have a lot of strategic advantages, including that it was centrally located, had good access to major highways and had a wonderful lake as an amenity," Ms. Healey said.

The city ended up as a partner with Mr. Allen, launching a series of improvements for the area in 2004 that included upgrading the utilities and adding in a new streetcar line, said the city's Mr. Surratt. City officials say 13,647 jobs had been created in South Lake Union as of 2010.