A Seattle project shows the many benefits—and complications—of brownfield redevelopment.

From Blight to

Can a city grow without sprawl?

Can it do so while also serving a low-income population, removing an environmental hazard, and eliminating the need for new infrastructure? Yes—by redeveloping brownfields.

Redeveloping a brownfield lets a city serve more people without encroaching on surrounding land and paying for expensive new infrastructure. However, brownfields are complicated because of a Catch-22: One needs money to buy, test, and clean up the land before construction can start. Yet few investors want to lend money to clean up a contaminated property.

Rainier Court, now under construction on seven acres of contaminated land, is a multiuse development being built on a brownfield in a poor neighborhood in southeast Seattle. The project will offer affordable housing and help revitalize the neighborhood, but it also illustrates the complexity of such a redevelopment effort. The efforts that finally led to the groundbreaking last October required numerous partners, financial wrangling, and a crash course in environmental cleanup.

Serving the underserved

Seattle’s Rainier Valley is the city’s most diverse neighborhood, with 60 different ethnic and cultural groups reported in the 2000 census. It’s also the city’s poorest area. When compared to the rest of Seattle, the population of 75,000 has the greatest concentration of low- and moderate-income people. In 2001, the median income for a family of four in Southeast Seattle was 60 percent of the median for the city as a whole.

For the past 30 years, the area has suffered from crime and decline. The neighborhood’s lower income meant lower rents and lack of development.

The Rainier Court site is a mix of dilapidated buildings, fenced-off lots, and overgrown weeds. It was used as a garbage dump as far back as the 1930s. This eyesore and environmental hazard suffered contamination from decades of industrial and manufacturing use.

SouthEast Effective Development (SEED), the nonprofit, community-based organization that strives to improve the Rainier Valley, has tackled the problems of inner-city blight since 1975. The area was designated an urban village as part of the city’s 1994 plan for controlling growth. That strategy encourages high-density housing and employment in areas with infrastructure and services already in place.
SEED recognized a need for affordable senior and family housing and realized it could build to the density required by the city’s plan while serving the neighborhood’s lower income population. “Housing prices are getting so high people can’t afford to live here,” says Pat Chemnick, economic development manager for SEED. The group bought the land bit by bit, then tackled the testing, cleanup, and financing challenges unique to brownfields.

Despite the obvious benefits of redeveloping the area, SEED faced three barriers to the project, says Chemnick. “One, it’s this part of town. You can only charge low rents in this poorer area, so investors just aren’t interested.”

Contamination was the second barrier. “Private investors are nervous about how risky this development is economically, and then when they found out it’s contaminated they just run,” says Chemnick. The third barrier was the number of property owners. Acquiring contaminated land from 18 different owners took time and patience.

Finding partners and funds
SEED has worked with multiple organizations to make Rainier Court happen, logistically and financially. Partners include King County, the city of Seattle, and the U.S. Environmental Protection Agency (EPA); the Environmental Coalition of Seattle (ECOSS); the Washington State Department of Community, Trade, and Economic Development (CTED); the Washington State Housing Finance Commission (WSHFC); Pacific Northern Construction; the Senior Housing Assistance Group (SHAG); and U.S. Bank.

The county and city are joined at the hip on this project because together they are a joint EPA Brownfields Showcase Community. They also collaborate through the King County/City of Seattle Brownfields Program, which helps to implement the Washington State Growth Management Act and King County planning policies.

“If it wasn’t a brownfield, the county wouldn’t have been involved at all,” explains Lucy Auster, a senior planner for the county, noting that the site is within the Seattle city limits. The brownfields program typically works on sites one to two acres in size, says Auster. At seven acres, Rainier Court is an immense undertaking.

Through the brownfields program, the county and city applied for an EPA assessment on SEED’s behalf, and helped SEED to apply for a cleanup loan from the state. The county also funds ECOSS, which in turn offers free technical assistance to businesses dealing with contamination. The county pro-
vided $25,500 in EPA funds to remove underground storage tanks as well as money for groundwater sampling.

In addition, the city’s Office of Economic Development and its Office of Housing are providing over $7.6 million in Community Development Block Grant loans and $1.6 million in other federal grants.

“A” is for assessment

Before this project, Chemnick knew nothing about brownfields. She says Emery Bayley, the technical services manager at ECOSS, was a big help. He essentially walked SEED through the assessment and cleanup phases of Rainier Court, including helping SEED apply for the EPA Targeted Brownfield Assessment, valued at over $300,000.

EPA started the assessment in 2000, and the process continued as SEED took ownership of the various parcels. Testing found soil and groundwater contamination, including PCBs, petroleum, solvents, and metals. The last parcel tested was particularly nasty.

CTED, the state’s economic development agency, manages $5.6 million in grants from EPA for the Brownfields Cleanup Revolving Loan Fund program, and works with the county and city as part of a statewide coalition. The program lends developers money to pay for the cleanup that makes the land marketable. Rainier Court was the first recipient of the state’s revolving loan program; SEED received a $440,000 loan for site cleanup.

But SEED needed even more money to move the project forward and had a hard time convincing banks to make loans. Even government organizations were skittish, says Chemnick, and private investors typically turned away.

After the first developer dropped out, Pacific Northern Construction came on board and has played a crucial role as the development partner, according to Chemnick. It supported and endorsed the loan to buy the last critical parcels, says Chemnick, and that opened the door for other funding. Having loans available from the state and city in turn helped sweeten the deal for banks.

Cleanup is a major undertaking at Rainier Court. About $1 million was spent on a particular parcel because 17 feet of soil had to be dug up and removed. Above left: an old diesel tank being removed.

Phase I (above right) includes units for seniors, a few townhouses, and commercial spaces. Future development will include family housing, apartment buildings, and street level shops. A yellow star marks the location of Rainier Court in southeast Seattle.
There the soil was heavily contaminated. An electrical contractor had for years washed off transformers, flushing those chemicals into a cracked drain. It cost $1 million to clean up that one parcel because so much soil had to be dug out—17 feet down in places—and taken off site. "Unless you want to spend months and months sampling to isolate it, which would hold up the project, you have to haul it away," says Bayley, who points out that time and sampling are often at odds.

After testing, the site was enrolled in the state Department of Ecology’s Voluntary Cleanup Program. This program reviews cleanup plans and writes an “opinion letter” stating that if you do what you claim you’ll do, and the contamination is what you think it is, the cleanup should work, explains Bayley. This letter is used to convince investors and banks that the land can be viable for redevelopment.

"Getting a letter from the Department of Ecology saying we were doing okay and we were probably going to be able to clean it up to their satisfaction was a critical piece of the puzzle in getting the financing in line," says Chemnick.

**Finally breaking ground**

SEED started buying land in 1996, but with 18 property owners and dicey financing, it took years to acquire all the land. In fact, the two blighted parcels along Rainier Avenue, the main arterial, never made it into SEED’s possession because of hold-out property owners.

SEED finally broke ground in October 2003. When complete, Rainier Court will be a mixed-use development with about 500 units of affordable senior and family housing, and up to 20,000 square feet of commercial space. SEED will remain the property owner, while the Senior Housing Assistance Group and its subsidiary, Independent Living, will manage the housing. Prospective tenants must meet income guidelines.

Sharon Kophs, manager of the state’s Brownfields Program, says the cleanup approach at Rainier Court requires soil removal when necessary, but the buildings and paving are being designed to cover, or cap, as much of the contaminated soil as possible. This approach reduces cleanup costs, making the brownfields project more economically feasible.

Phase I will place elderly housing on the top floors, with commercial space and a few townhouses on the ground floor. The housing will be rented out as independent living for low- and moderate-income seniors. The first residents will move in by December.

Construction is to start next year on Phase II, which will offer affordable family housing and more commercial space. Phases III and IV will offer affordable family housing with small apartment buildings and townhouses. Phase III will also include some commercial space at street level. Some of the units may be built for home ownership. Construction on these two phases is slated to begin in 2007.

SEED had planned on more retail—meaning more jobs—but the two property owners whose lots front on the main road haven’t been willing to sell. SEED shifted its plan accordingly.

**A neighborhood comeback**

The Courtland, the neighborhood adjacent to the Rainier Court site, was once known as Seattle’s worst drug dealing area, says Chemnick. But the neighborhood has pulled together, and SEED has helped with the comeback.

SEED regularly participates in community meetings such as those held by the Genesee Merchants Association, which represents businesses in the Rainier Valley. Grover Haynes, the association’s president, says SEED “listened very carefully to our recommendations.” He also describes the combination of cleaning up the area and gaining the low-income housing as “a win-win situation.”

Kevin Dour, a resident involved with the Courtland Action Team, a neighborhood association, says SEED has been very good at engaging the neighborhood. Overall, he adds, his group is glad to have the Rainier Court development, but it still has concerns about parking, traffic, and pedestrians.

The Courtland Action Team is also pushing for open space and more home ownership, but both of these are costly because the contaminated soil would have to be hauled away instead of just capped, says Chemnick. SEED is still considering these requests.

**Benefits of brownfields**

“Brownfields are really a community development tool,” says Lucy Auster. And Rainier Court is about affordable housing and economic development as well as cleanup.

Chemnick says other cities have walked away from such large-scale projects. But SEED hopes this project will be a catalyst for other development in this part of Seattle. Rainier Court demonstrates that brownfields make both environmental and economic sense, with the possibility of turning a destitute, crime-ridden eyesore into a thriving neighborhood with affordable housing. Perhaps over time, the process will become easier as more cities, investors, and developers realize the benefits of brownfields.

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