Brownfield Redevelopment
Case Studies
The Project Learning Program

CCLR helps those who have the biggest stake in revitalizing their neighborhoods, including community development corporations (CDCs), affordable housing developers, redevelopment agencies and local governments. CCLR does so through its Training and Consulting Program, as well as the Project Learning Program. These case studies document projects that have received assistance through the Project Learning Program.

The objectives of the Project Learning Program are to:

- Study the conditions that contribute to abandonment and underuse of brownfields and document the barriers to their reuse;

- Test innovative solutions on real-world projects to provide examples for other projects to utilize, and to inform the development of public policies; and

- Develop pragmatic approaches to overcoming barriers to brownfield redevelopment that can be applied to help bring other projects to fruition.

The Project Learning Program seeks projects that build on local strengths, that recognize local needs, and that are based on community participation at all stages. Project applicants are considered both as to the merits of the project itself and on the applicant's ability to carry the project to fruition. Selection criteria include:

- Creation of a quality built environment that embraces a diversity of uses, incomes, ages and cultures.

- Application of the principles of environmentally responsible development in its planning, design and construction.

- Stimulation of additional investment in the community.

- Engagement of local government support.

- Commitment to community involvement and demonstrated community benefit.
About the California Center for Land Recycling (CCLR)

CCLR works to create sustainable communities by promoting infill development as an alternative to sprawl. A primary focus of CCLR's work is helping communities to deal effectively with environmentally distressed properties, or brownfields. CCLR provides technical assistance and informational resources, offers practical analyses of public policy trends related to land recycling, and advocates policy reforms to encourage land recycling.

To realize the potential of land recycling to accommodate growth while conserving open space, we must develop effective ways of dealing with brownfield sites on a large scale. By partnering with local communities, CCLR brings the forces of the market place and the skills of the private sector to bear on community-benefiting brownfield redevelopment projects. CCLR's core competencies are in real estate development, investment and finance, brownfield remediation and regulatory facilitation, and community economic development. Applying these skills, together with those of its strategic partners, allows CCLR to assist local governments and redevelopment agencies, non-profit developers, CDC's and community-based organizations to create affordable housing, new businesses, schools and public facilities, and public open space on passed-over sites in urbanized areas.

The California Center for Land Recycling (CCLR, or “see-clear”) was founded in 1996 as a project of the Trust for Public Land with funding from The James Irvine Foundation and is a California public benefit corporation qualified under IRC section 501(c)(3).

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Where will all the people go?

California and the nation face several daunting challenges in the new century, but perhaps none is more urgent than the need to create good places for a growing population to live, work, play and learn. In our state, it is projected that in the next twenty-five years we will add 18 million souls to the 32 million who now live here. To simply continue our current development patterns, while adding more than half again the number of people, evokes a nightmarish scenario for many of us.

In this scenario, our freeways and streets are further choked with traffic, while commute times for many workers stretch toward five hours a day and smog worsens. Our forests and hillsides become fodder for further sprawl, while the habitats of native flora and fauna are destroyed. Our cities’ low and moderate income neighborhoods continue to deteriorate, with communities of color feeling the worst impacts. Those with the means carve out private and ever-smaller, more expensive pieces of the landscape and guard them with gates and private police, while our common civic life becomes more contentious and poisoned by mistrust.

Is the answer to try to shut the door, refusing entry to the next generation of California dream-seekers? In the last decade, moves in that direction served only to divide our increasingly diverse citizenry. In the future, they could also hamper the economic vitality that fuels our prosperity.

The five case studies in this paper offer a happier and achievable alternative. They represent small, sometimes fragile, but hopeful steps toward a new California. They help resolve the terrible tension between our growing population and the preservation of our natural resources and quality of life. In each of these stories, concerned citizens encountered and fought for redevelopment of environmentally impacted sites, or “brownfields.” These are not the large, heavily contaminated industrial sites (often with significant inherent land value) that you may associate with the term. Instead, these cases involve the smaller, less contaminated neighborhood sites, which constitute the majority of brownfield assets.

How can brownfields, those castoffs of a fading industrial era, possibly offer the promise of alleviating the problems associated with California’s rapid growth? After all, toxic substances found on infill, abandoned and underutilized sites can present potential public health hazards and seriously complicate redevelopment. How can sites representing some of the worst abuses of the past be centers of hope for the future?

These studies, drawn from communities as diverse as a quiet former lumber mill town in the Sierra foothills to Venice beach with its funky, artistic, rollerblading intensity, suggest some answers. Fundamentally, if we are to avoid overwhelming the forests, farms, and other open spaces so precious to our quality of life, we must redirect growth to underutilized and abandoned land and buildings within existing urban areas. Drawing on one of the central concepts of modern environmentalism, and of nature itself, we must recycle our lands, converting them to new uses in this cleaner, smarter, more efficiency-driven new economy.
The land is available. A recent study by the Bay Area Alliance for Sustainable Development determined that over 150,000 acres of potentially recyclable land are currently vacant or underutilized in the San Francisco Bay Area. At even moderate levels of density, this much land in already-developed areas could easily accommodate the projected growth in the area for the foreseeable future. However, infill sites are rarely as pristine as the undeveloped land, or greenfields, in outlying areas. Virtually every site in already-developed areas either has, or is suspected to have, some measure of contamination from previous or surrounding uses. Furthermore, the patchwork of regulations and liability laws that have evolved over the last twenty-five years is ill adapted to new needs. Environmental law has traditionally focused on the first, essential step to responsible stewardship of the land: to stop the destruction of habitat and protect rivers and other public resources.

But as we have learned, and as these case studies show, “just say no” is often an inadequate response to the multiple challenges of population growth, economic development and environmental restoration. Even the Superfund law, which is a milestone legislative achievement of the environmental movement, has had severely negative unintended consequences. Perhaps the most difficult of those is the effect of the severe liability provisions of Superfund. Intended to make polluters pay, they have also inhibited the cleanup and development of urban, suburban and rural brownfields. Rather than face potential liability on sites where the nature and extent of contamination is unknown (and where conducting an examination might trigger lawsuits or regulatory action to clean them up) landowners simply mothball the sites.

Although the law treats them as such, not all brownfields are created equal. A neighborhood garden with traces of pesticide in the soil can trigger the same liability as a severely contaminated Superfund site. Fortunately, the United States Environmental Protection Agency and the regulatory agencies of some states have recognized this problem and shifted their focus from the enforcement of anti-pollution laws to encouragement of redevelopment projects. Nevertheless, the problems created by Superfund liability continue to adversely impact all brownfield sites, no matter how minor the contamination.

These regulatory roadblocks are bad for all, but particularly for low-income communities of color, where brownfield sites are often found in abundance. The failure to redevelop these sites means that such neighborhoods may be more exposed to toxics and be deprived of the economic benefits of appropriate development.

The good news, the news these cases bring, is that these problems can be solved with the right combination of private, community, and governmental action — plus one other, frequently missing ingredient. That missing ingredient is the technical expertise to help all the players construct a viable plan, find necessary resources, and navigate the regulatory maze.

The California Center for Land Recycling (CCLR, or “see-clear”) was formed in 1996 to help provide that missing ingredient. The communities reviewed here all participated in our Project Learning Program, which provides technical assistance and
grants to assist brownfield projects move forward. To date, the Project Learning Program has selected sixteen projects from more than a hundred applicants. CCLR is also working to change state brownfield laws to enable more success stories, and to make other communities aware of the opportunities offered by brownfield redevelopment. In each of the five cases presented here, CCLR has provided critical assistance in enabling the redevelopment process. We help the communities involved generate and implement workable plans for recycling land.

Brownfield redevelopment is still in its early stages, but it is maturing rapidly as its benefits become more widely known. We are taking the first steps toward a more promising future, but there is much to learn. The learning curve is steep, and these cases offer some crucial early lessons. While each case is unique, there are four central themes that emerge from the varied experiences.

The process of brownfield redevelopment is not fundamentally different from greenfield* development. The basic issues are the same, particularly the need for effective leadership and community involvement. Kathleen Chan, a project manager for the Los Angeles Department of Recreation and Parks involved with the Damson Oil site on Venice beach, says they held community meetings for a year, once with 300 people under a tent on the beach. “This is an extremely large, colorful and contentious community. For instance, we had quite a lively discussion of whether bricks on the boardwalk are more gentrifying than asphalt,” she says. “But all the studies we did were made public, with adequate time to ask questions. A spirit of trust developed between the city and the community that, coupled with the desire to see that section of the beach opened up, led to success.” Equally important is the need for a viable economic development plan. With the help of an economist and planner, the residents of the Sierra Nevada’s North Fork community successfully put together such a plan for an old lumber mill site.

Cleanup is frequently easier and less expensive than anticipated. A very popular proposal for a waterfront park in one of Oakland’s most undererved neighborhoods was nearly sunk by lack of reliable information about the nature and extent of contamination on the site. With many brownfield projects, community members sometimes assume the worst. An environmental site assessment conducted with CCLR’s support, however, revealed that the contamination was manageable for

"The reuse of brownfield sites is vital to the economic development and community revitalization of Los Angeles. It is also essential to promoting "smart growth" in the region."

Lillian Kawasaki,
General Manager, City of Los Angeles, Environmental Affairs Department
redevelopment and limited to specific areas that could be remediated at a reasonable cost. Similar situations emerged and were resolved in North Fork and Venice beach.

Small amounts of financial and technical assistance often make a big difference. In Oakland, a $10,000 assessment grant and technical assistance in interpreting the results broke a logjam that imperiled the park. In Venice, CCLR helped the park department navigate the complex regulatory maze and develop a remediation plan within their existing budget. In North Fork, where the community development council lacked technical expertise, CCLR helped assemble a professional team appropriate to the needs and interests of the town. In West Los Angeles, CCLR used existing records of nearby groundwater sampling to help a community organization avoid a potentially disastrous mistake.

We urgently need state public policy reform to encourage brownfield redevelopment. Reform to protect innocent parties from Superfund liability would have made the critical difference in a South Central Los Angeles neighborhood, where the community is still working hard to recover from the impact of the destruction wrought by the Los Angeles civil disturbances. Other states have done much more than California. A recent study by the Northeast Midwest Institute showed dramatic results in states that have adopted programs designed to encourage brownfield programs. In Pennsylvania, over 15,000 new jobs have been created and 7,000 acres cleaned up as a result of its 1995 Land Recycling Program. New Jersey saw a 29% increase in voluntary cleanups in the first year after enacting the Industrial Sites Recovery Act. And Michigan’s Natural Resources Environmental Protection Act has generated 7,968 jobs, 1,400 housing units and $1.1 billion in private investment since 1994.

There is little that is more rewarding or hopeful than seeing an underprivileged neighborhood work together to create new homes, businesses and parks in formerly blighted areas. The achievements and the hope they create do not end at the neighborhood boundary but affect all Californians, whose quality of life they help protect and extend.

But neighborhood organizations, hundreds of which have supported efforts to reform California’s brownfields policies, can’t do it alone. With relatively small, but strategically applied, doses of money and expertise, these case studies convincingly demonstrate that community partners can transform brownfields from liabilities into opportunities. With visionary state leadership for reform, much, much more can and will be done.

George B. Brewster, Executive Director
California Center for Land Recycling
Case Studies Synopsis

Abandoned Oil Well Site, Venice Beach

The problem: The Los Angeles Department of Recreation and Parks faced a dilemma when planning improvements for one of the state's most popular urban recreation areas. An oil well on the beach had been abandoned, leaving petrochemical contamination behind. Initial perceptions were that it would cost far more than the city had available to clean up the contaminants.

CCLR assistance: CCLR and its partners reassessed the site and constructed an action plan to remediate the toxics and redevelop the site with existing funds.

Result: The site will be redeveloped for recreational uses at less cost than the City feared it would cost for cleanup alone.

Lessons learned: While brownfield projects can be approached in much the same way as other redevelopment projects, success requires an additional skill set on the development team. The strategic application of financial and technical resources can make the critical difference for under-resourced community developers.

Neighborhood Park, Oakland

The problem: A community-based organization led a drive to convert a former industrial site on the Oakland estuary into a much-needed waterfront park for the low-income, multiethnic Fruitvale neighborhood. A lack of reliable information about the nature and extent of toxic contamination and the cleanup cost threatened to derail the project.

CCLR assistance: CCLR helped fund a site assessment that determined that cleanup was feasible and not costly.

Result: Planning for this much-needed community park is now underway.

Lessons learned: Good information about what is or isn't present on a site enables a reliable estimate of cleanup costs, and consequently helps make the go/no-go decision easier. Even small amounts of financial and technical assistance can provide a factual basis for decision making that can help project proponents prevail over misperceptions.

Lumber Mill Site, North Fork

The problem: When the town's lumber mill permanently closed—one of hundreds in California to do so in recent years—this energetic and determined community organized to convert the site to new uses that would be both appropriate and create new jobs. But the community lacked the experience and expertise needed to evaluate economic development options and create a viable plan for dealing with the contamination left on the site.
**CCLR assistance:** CCLR assembled a project team that conducted a series of community workshops to focus on feasible uses for the site and helped the community secure an EPA grant to perform a targeted site assessment.

**Result:** North Fork now has a detailed redevelopment plan and a new confidence that is being employed in negotiations with several potential end users.

**Lessons learned:** Economic development planning and assessment of the nature and extent of site contamination must precede land use planning and the creation of a master plan. Highly inclusive community planning processes, facilitated by talented and plain-speaking experts, are an excellent way to achieve plans that are appropriate, economically viable, and community-supported, while also securing competitive advantages with potential users.

### Municipal Surplus Property, Pacifica

**The problem:** An older, inner-ring bedroom suburb of San Francisco had an aging waste water treatment plant located on a key site in a residential neighborhood. When the plant was closed, the City of Pacifica had the opportunity to redevelop the site in a way that would reinvigorate the neighborhood, while contributing to the city’s tax base.

**CCLR assistance:** With CCLR’s assistance, the city engaged divergent community interests in a constructive dialogue about reuse options for the site through a series of planning workshops, or charrettes.

**Result:** A hotel developer is now working with the community to redevelop the site.

**Lessons learned:** A planning charrette can be a powerful tool for testing ideas and building consensus, but disinterested intermediaries and strong local leadership are necessary ingredients to ensure success. Even in the absence of financial hardships, the presence of a neutral convenor is often critical to overcoming differences and moving forward.

### Business Incubator Project, South Central Los Angeles

**The problem:** When one of the largest African-American congregations in the west decided to build a new and larger church on Crenshaw Boulevard, community leaders recognized an opportunity to incubate retail businesses and revitalize an area devastated by the civil disturbances of 1992. A community development corporation affiliated with the church negotiated an agreement to purchase a dilapidated strip mall across the street from the new church. But the owner of the site insisted on being indemnified against liability for contamination, and would not allow a site assessment to determine the nature or extent of contamination.

**CCLR assistance:** CCLR and its strategic partners used analyses performed on other nearby parcels to extrapolate the likelihood of contamination on the subject site.
**Result:** It was determined that there was a high probability of significant groundwater contamination originating from the site, which would result in severe liability risks for the community development corporation.

**Lessons learned:** Community-based organizations need to be careful to distinguish between feasible and unfeasible brownfield redevelopment projects. Not all contamination is the same, and groundwater toxicity is much more problematic than that of soil. Particularly for local organizations, the margin of error is narrow. What might be a mistake for a large, well-funded organization could be a disaster for a small, community-based organization.
Project: Damson Oil Company Site
Location: Venice Beach, California
Partner: Los Angeles Department of Recreation and Parks

Project Overview
- Former oil production facility on Venice beach
- Hydrocarbon contamination remaining on site
- Redevelopment plans for surrounding area
- Unreliable site investigation
- Remediation estimates exceed budget
- Lack of City staff experience with brownfields

Key Players:
DRP: The Los Angeles Department of Recreation and Parks
The citizens of Venice Beach
RRM: RRM Design Group, a design and planning firm hired by DRP to develop the Ocean Front Walk Refurbishment Plan
EKL: Eler and Kelinowski, Inc., an environmental consulting firm
The Regional Board: The Regional Water Quality Control Board
CCLR: The California Center for Land Recycling, a San Francisco-based nonprofit organization that provides technical assistance and support for brownfield redevelopment projects
**Project Background**

Venice Beach in Los Angeles, California is one of the most visited urban parks in the country. Attracting over 150,000 visitors per day at the height of the season, it is second only to Disneyland as the most visited site in the Los Angeles metropolitan area. Residents and tourists alike go there to enjoy its legendary Southern California mix of beautiful ocean beach and eclectic, artistic, unbridled street life.

Over the years the area and its famous “boardwalk”—actually a concrete oceanfront walkway that is a perfect venue for roller skating—had become rundown. In 1992 the City of Los Angeles passed a bond measure that included $10 million to revitalize 1.7 miles of the Venice Beach Ocean Front Walk. Adjacent to the boardwalk, on almost an acre of strategically-located City beach, was an abandoned petroleum well and extraction facility surrounded by a concrete wall. The facility was an eyesore, with significant environmental contamination that constituted a potential health hazard. Because the site occupied a prime location along the Ocean Front Walk, it was a high priority location for redevelopment for recreational purposes.

The Damson Oil site has a 22-year history of petroleum extraction. Damson Oil Corporation leased the site from the City in 1976. The lease terms required the deconstruction of all facilities and restoration of the beach to its original condition upon the cessation of production. Oil production stopped in 1989 and Damson began deconstruction of the facility in 1991. However, after removing all the usable equipment and capping the oil wells, Damson filed for bankruptcy and abandoned the site. Left behind were subsurface soils with extensive hydrocarbon contamination, sumps containing oil and potentially contaminated sludge and water from the extraction process, oil well vaults, and 3.2 miles of pipeline leading to an offsite facility. The City
sued Damson to recover $1.8 million through the bankruptcy proceeding in order to complete the cleanup, but was awarded only $800,000. This blighted site has been further impacted during the past eight years by the dumping of debris by trespassers.

Responsibility for both the rehabilitation of Ocean Front Walk and remediation and redevelopment of the Damson site fell to the Los Angeles Department of Recreation and Parks (DRP). DRP is the agency responsible for acquiring, developing, and maintaining park property, and administering park property leases. The DRP staff includes managers, planners, and architects with extensive experience developing and maintaining park property, but none with experience in the specialized field of brownfield remediation and redevelopment.

DRP had contracted with an environmental consultant in 1992 to conduct a preliminary assessment of site conditions and remediation options, hoping to return the site to its original condition as part of the beach. This assessment resulted in estimates for demolition, excavation, and remediation that far exceeded the funds that were recovered from Damson. Remediation estimates alone were $1.3 to $2.2 million. The assessment had not been updated since 1992, nor had it been reviewed by outside consultants. When planning for the Ocean Front Walk project began, cleanup and redevelopment of the Damson Oil site was considered “an unquantifiable expense” because of the presence of toxic contamination. It was specifically excluded from the redevelopment plan, while DRP moved forward with the community participation, entitlement, and permitting process for the balance of the project area.

In 1995, DRP hired RRM Design Group to develop and implement the refurbishment plan for Ocean Front Walk. DRP and RRM conducted a year-long public participation process, which included interviews with citizens and four well-attended design workshops. Through this process citizens expressed their visions for the area and were presented with several economically feasible plans reflecting these preferences. Gentrification was a major concern and there was a consensus that the project should retain the character of Venice Beach: “unique, funky, eclectic, artistic and free…a safe, fun, family place.”

RRM also studied potential uses for the Damson Oil site in these presentations. The community's first preference was to restore the site to sandy beach. But because of the

“We recognized the tremendous opportunity to integrate Damson with the Ocean Front Walk project, but didn’t know how to approach it... How to quickly and effectively direct the DRP's limited staff and financial resources to the heart of the issue.”
LeeAnne Hagmeier
Principal, RRM Design Group
magnitude of the 1992 remediation estimate, and the belief that it was valid, that option was ruled out. However, there was strong public support for the second choice, a state-of-the-art in-line skating facility. A local community leader had organized a program that brings together youth from varied socioeconomic backgrounds to learn and compete in rollerblading events in a supervised setting. A rollerblade park could be created on the Damson Oil site by capping it with concrete, and by combining the remediation costs with the improvements, the park would become economically feasible.

With such a plan, redevelopment of the Damson Oil site could be included as part of the master plan. But one other obstacle remained. DRP staff was already overburdened and did not possess the expertise to undertake the management of a brownfield redevelopment project. RRM recognized that significant cost savings could be achieved if the Damson site could be redeveloped concurrently with the restoration of the Ocean Front Walk. DRP and RRM realized they needed assistance to think through, plan and implement the remediation process on time and within a limited budget.

At the urging of RRM, in the summer of 1998 DRP applied to the California Center for Land Recycling (CCLR) for assistance under its Project Learning Program. The objective was to quickly establish what could be done with the site within the time and budget constraints.

**Major Issues at the Damson site**

- Lack of DRP staff experience with brownfield projects.
- Need to conceive and implement an economically feasible, community supported plan within a short time frame and on a limited budget.
- Limited window of opportunity to save money on construction costs by redeveloping the brownfield site concurrently with other improvements.
- Opportunity to prevent local disruption and negative economic impacts on local businesses through concurrent demolition and construction.

**Strategy and Implementation**

In August of 1998, CCLR met with DRP to discuss the project and its current objectives and obstacles. CCLR staff concluded that a complete review of the 1992 consultant’s report was a necessary first step in reassessing contamination levels and remediation options. CCLR brought in a member of its strategic team, Erler and Kalinowski, Inc. (EKI), to review all documentation and history available on the site and make an inspection of current conditions. EKI determined that there was insufficient information to support the remediation costs suggested by the 1992 study. Additionally, their site inspection suggested that given the current regulatory guidelines and site characteristics, costs for remediation and redevelopment could fall within DRP’s budget, even under the “return to beach” scenario.

By mid-October, CCLR and its team of strategic partners had developed a five step action plan with the goal of having work on the Damson site underway by the end of
1999. Included would be both remediation of the contamination and construction of the recreational facilities, working within the $800,000 budget available from the 1994 bankruptcy court recovery. The components of the plan were:

- An environmental site assessment to precisely establish the nature and extent of hydrocarbon contamination (this had not been done in 1992).
- A waste removal plan to remove all contaminated surface soils, liquid wastes, and contaminated sludges.
- A demolition plan to remove all on-site structures and storage tanks, complete the proper capping of oil wells, and filling of the off-site pipe line.
- A construction plan developed in collaboration with RRM to build either an effective cap that would also serve as an skating venue, or a combination of restored beach and other recreational facilities.
- Negotiation of a risk management plan with the Regional Board that would include remediation goals and technical standards.

CCLR worked with DRP staff to guide them through the daunting process of identifying and engaging with the appropriate regulatory agencies to establish oversight responsibility for the remediation plan. In this case, the Regional Board was the appropriate lead agency because of the nature of the potential contamination. Any proposed remediation plan would have to be approved by the Regional Board. Upon completion of an approved plan, the Regional Board generally will issue a “No Further Action Letter” certifying that the remediation is complete and ending the state’s involvement with the site. The second agency involved was the California Department of Oil and Gas (DOG), with responsibility for ensuring the proper decommissioning of oil wells. DOG issues permits to implement the closing of wells and letters of satisfactory completion of abandonment of production facilities. Had this been a privately developed project, both letters would have been required for a developer to obtain a commitment for financing.

Less than two months after DRP brought in CCLR, a meeting was held with the Regional Board to negotiate a contract for the oversight of the environmental work. CCLR’s team members also coordinated with DOG to verify the status of the oil wells and to ascertain the actions required to properly close the site. The regulatory procedures were now in place to proceed

“CCLR provided the resources which allowed us to look at the Damson Oil site as an opportunity rather than a liability. This reinvigorated our team and even attracted additional funding for the redevelopment of the site.”

Kathleen Chan
Project Manager, DRP
with work on the project. The relationships providing DRP with the technical support they required were also established when DRP engaged EKI to act as lead environmental and demolition consultant to the department. CCLR’s role in removing the obstacles to redeveloping the site was complete.

**Results**

- Site investigation and cost estimates for the beach and skate venue alternatives were completed between November, 1999 and January, 2000.
- DRP will receive additional funding for the project from the City of Los Angeles Brownfield Task Force because of its integration of the brownfield redevelopment with the economic development goals of the Ocean Front Walk restoration project.
- Construction of the boardwalk is expected to begin in February, 2000 and the redevelopment of the Damson site is expected to begin in March, 2000.
- Residents of Venice Beach, its many visitors and local businesses, will have a healthier, more aesthetically pleasing, and economically more vibrant environment.
- A new skating facility, or a combination of restored beach areas and other recreational facilities, will be made available to the community.

**Lessons Learned**

- Brownfield projects can be approached in much the same way as any other redevelopment project. Successful redevelopment, however, requires an additional skill set on the development team.
- The development of an effective scope of work for environmental consultants that ensures the investigation of all relevant issues, and then interprets that information to evaluate costs, risks, and procedures, is a skill requiring both experience and current knowledge of the field.
- The strategic application of relatively small amounts of financial and technical resources can make the critical difference in completion of a project for under-resourced community-oriented developers.
- Brownfield projects need an advocate on the development team, preferably someone with successful brownfield development experience, to help push the project forward.
- Brownfield redevelopment is an evolving field with new solutions emerging. EKI scientist Steve Chambers provides useful guidance in this area: “When cities or developers approach a brownfield problem, they often stop if the first plan doesn’t work. Nine times out of ten there is a viable solution that will protect public health and safety and result in a sustainable and appropriate reuse of the site if you keep looking.”
Engaging the community with realistic, economically feasible alternatives is a critical factor in a successful outcome.

**Conclusions**

DRP's situation is repeated all over the country. Economically and socially beneficial projects, and cleanup of contamination, are stalled, abandoned, or never even attempted because of fears and lack of knowledge about brownfield redevelopment. Most local government agencies, many redevelopment agencies, CDC's, non-profit housing developers, and even some for-profit developers have little or no experience with such projects. Apocryphal stories and the still complex regulatory and liability environment drive them away from brownfields and toward more familiar opportunities.

The Damson case illustrates that brownfield projects can be approached like any other redevelopment project. Brownfield sites simply require an additional skill set on the development team. If we are committed to reinvesting in our urban cores, curbing sprawl, and implementing the goals of smart growth, we must see brownfields as opportunities, rather than as liabilities. This will take education about the potential of brownfields, as well as the provision to under-resourced community-oriented developers of technical and financial resources for dealing with the issues unique to brownfield projects.

“When cities or developers approach a brownfield problem, they often stop if the first plan doesn't work. Nine times out of ten there is a viable solution that will protect public health and safety and result in a sustainable and appropriate reuse of the site if you keep looking.”

Steve Chambers
EKI
Project Overview

- Former industrial site
- Potential site for waterfront urban park
- Previous uses raise concerns about contamination
- Lack of factual data jeopardizes negotiations
- Community-based organization creates strong community support but lacks funding needed for site assessment

Key Players
The Unity Council of Oakland
The Port of Oakland
The City of Oakland and Councilman Ignacio de la Fuente
California State Senator Don Perata
The Coastal Conservancy
Oakland Metropolitan Forum and the UC College of Environmental Design
EDAV: a San Francisco-based landscape architecture and environmental planning firm
TPL: The Trust for Public Land, a San Francisco-based national nonprofit land conservation organization
CCLR: The California Center for Land Recycling, a San Francisco-based nonprofit organization that provides technical assistance and support for brownfield redevelopment projects
Project Background

The Union Point Park project began in 1997 through the Fruitvale Open Space Initiative, a public-private partnership with initial funding from the Lila Wallace Reader's Digest Fund. The Trust for Public Land, a national nonprofit land conservation organization, and the Unity Council of Oakland, a community development corporation, sought to develop a neighborhood park and recreation area for Oakland's Fruitvale and San Antonio neighborhoods. These areas are lower income communities of color, which are underserved by parks and recreational facilities.

The site encompasses 9+ acres of waterfront land and an existing marina along the Oakland Estuary, an inlet from San Francisco Bay that accommodates commercial and recreational boating traffic. Located immediately south of Embarcadero Cove and Coast Guard Island, it borders an area known as the Brooklyn Basin of the Oakland Inner Harbor. The Port of Oakland owns almost all of Union Point, which has been vacant, fenced and underutilized for years. A separate parcel on Union Point's north end, containing abandoned industrial buildings, is known as the Cryer site. The Cryer site is partially owned by the Steamvalve Corporation, which entered into an agreement to sell it to the Port of Oakland.

Historically, Union Point has hosted a variety of uses including a lumber yard, the William Cryer Boat Builder facility, a brass forging shop, a shipping dock, a warehouse, a scrap metal yard, an auto wrecking yard, an engine/machine shop, a pallet factory and the manufacturing facility operated by Steamvalve. The proposal to build a park at Union Point was a by-product of an effort by the Port and the City of Oakland to create a master plan for the Oakland Estuary.

The City and Port of Oakland had begun a process in the early 1990's to create a vision for Oakland's waterfront and a master plan for the Estuary. Mindful of the dearth of recreational facilities and open space in the Fruitvale/San Antonio neighborhoods, the Unity Council was invited to represent these neighborhoods on the Port's Citizens Advisory Board established to facilitate the Estuary planning process. Through its participation on the Advisory Board, the Unity Council learned that the Port had made an agreement with Friends of Cal Crew, an alumni group of the University of California at Berkeley that supports the sport of rowing, that would allow them to use the site for a new boathouse and dock. The Unity Council saw Union Point as a singular chance to create a public park for Fruitvale/San Antonio, since it appeared to be the only remaining opportunity on Oakland's waterfront for a large-scale recreational facility. Reserving it for the use of Cal Crew would be a disservice to the community, so the Unity Council raised its concerns with the Port.

The Unity Council then mobilized neighborhood residents to create political support for a park. A petition drive netted 3000 signatures, and the Unity Council enlisted political allies including State Senator Don Perata and City Councilman Ignacio de la Fuente. The neighborhood became increasingly enthusiastic about the project as a result of its involvement in a conceptual design process facilitated by University of
California design students led by UC professor Randy Hester with a grant from the Coastal Conservancy. With the support of the Estuary Plan Citizens Advisory Board, this conceptual design was incorporated into the final Estuary Plan by ROMA Design, the Port’s planner and designer.

The Trust for Public Land assembled financing for the acquisition of the Cryer parcel, which included $250,000 from a state Environmental Enhancement & Mitigation Program grant, which was combined with $200,000 from City of Oakland Measure K bond funds and $150,000 from the Goldman Environmental Fund. EDAW has completed a Master Plan for the park that includes a waterfront trail, an estuary interpretive center, a wildlife observation area, playing fields, picnic areas and boat docks, a café, a youth center, and public art. The plan has been reviewed by the San Francisco Bay Conservation and Development Commission and is well on its way to final approval. Construction of the eight-acre Phase One is slated to begin this year, at an estimated cost of $2.9 million.

**Union Point Park is well on its way to becoming a reality**

To get to this stage, the project had to overcome significant obstacles, including the perception that Union Point was seriously contaminated from its past uses. The specter of contamination was causing all the parties in the project to have second thoughts. Fears of public health hazards, uncontrollable cleanup costs and regulatory headaches made the seller of the Cryer site reluctant to proceed, the Port dubious about the feasibility of a park on the site, and some community members potentially opposed to recycling the site as a park.

In order to determine the facts and make a responsible decision, the Port needed to perform a Phase II environmental site assessment to determine the nature and extent of contamination on the southern portion of the site. The Port wanted to ensure that the
community was involved in, and informed of the results of the site investigation and remediation planning process. As a way to do that, it asked the Unity Council and other project partners to share the cost of the site assessment. With no funding for the park yet in place, this requirement threatened to derail the park project.

At the request of the Trust for Public Land, CCLR assessed the situation to determine how technical and financial resources might be brought to bear in a way that would move the project forward. CCLR concluded that the combination of a vacant and potentially contaminated site, waterfront location, proximity to a recreationally underserved community and the apparent need for an intermediary to resolve technical issues, presented a very useful and constructive opportunity for CCLR assistance.

**Major Issues at Union Point**

- Past uses of the property created perceptions and fears that the site was so heavily contaminated that it was a potential health risk and would be very costly to clean up. These fears were exacerbated when the cost of cleaning up a Superfund site directly across the street from Union Point hit $1 million.
- Negotiations by the Port to acquire the Steamvalve parcel—an essential component of the project—were jeopardized by a dispute about the allocation of Steamvalve and the Port’s respective liability for contamination, despite the lack of information on the nature and extent of contamination.
- The nature of contamination at Union Point could only be determined by a Phase II environmental site assessment, and the Port insisted that the Unity Council share the $23,000 cost of the assessment—a significant burden for a nonprofit community organization.

**Strategy and Implementation**

Without a carefully planned and implemented Phase II assessment, the Union Point Park Project was effectively blocked by lack of information and the unfounded fears about contamination of both the Port and the community. CCLR made a grant of $10,000 to the Unity Council to pay for the community’s share of the cost of a Phase II environmental site assessment, and made available technical assistance in reviewing the results and planning the remediation. The Port agreed to pay the balance of the site assessment costs, and the fact gathering process began.

The results of the Phase II assessment indicated that the contamination on the site, and the associated remediation costs, were much less than feared and would not delay or imperil the feasibility of the project. The ability of the Unity Council, with CCLR’s assistance, to fund its share of the investigation costs also confirmed its capability as a partner and strengthened its position in negotiating with the Port.

The site assessment found minor amounts of diesel, gasoline and other volatile organic compounds in the soil and groundwater. None were at concentrations exceeding regulatory standards. Traces of lead and arsenic, as well as semi-volatile organic
compounds such as lampblack, pesticides and PCBs were detected in shallow soils (1 to 3 feet below the surface) in a few locations. Although the concentrations of these toxics were above regulatory standards in soil samples, they were not found in the groundwater. The Port and Unity Council’s environmental consultant concluded that, assuming proper safeguards are followed during excavation, these contaminants could be fairly easily remediated by removal or by the use of a less costly cap of pavement or clean soil.

The site assessment concluded that “the chemicals and metals detected in soil and groundwater samples are present at levels of concern but not at concentrations that would present a problem for planned reuse of the site as a park.”

“The success of this project is attributable to the combination of dedicated staff who would not take ‘No’ for an answer. With active community involvement, committed partners, and the assistance of CCLR, a community’s dream of turning an unused brownfield site into a community asset will become a reality.”

Marsha Murrington
Unity Council

Results

- The Phase II assessment broke the logjam so that planning, funding and—after final design and permitting—construction, could move forward. Perhaps as important, the demonstrated support and involvement of CCLR, TPL, the Coastal Conservancy and the UC College of Environmental Design strengthened the Unity Council’s position vis-a-vis the Port.

- The site assessment demonstrated that the quantity, nature and extent of contamination weren’t as serious as feared, that the contaminants wouldn’t jeopardize the Park’s feasibility, and that remediation of the contamination would not add significantly to the Park’s development cost.

- The Port terminated its offer to Friends of Cal Crew for the exclusive use of Union Point by Cal Crew. The skillful advocacy of a community-based organization and a successful grassroots support campaign in the surrounding neighborhoods turned the tide in favor of the park.

Lessons Learned

- Without credible information from a carefully designed and implemented environmental site assessment, all parties tend to assume the worst about contamination and the cost of cleanup. Many otherwise feasible projects never get
started because of a lack of reliable site data. Phase II assessments often prove that the actual contamination and associated cleanup costs are much less than feared.

- The redevelopment of brownfields into parks and recreational facilities can be stalled by invoking the specter of contamination by any party that wants to block such a project. Engaging on an informed and sophisticated level makes it more difficult for parties opposed to such a project to use assumed site contamination as a red herring. Engaging the community around the issues of contamination also helps the community to think about, and become more involved in, land reuse decisions.

- Grassroots mobilization is essential in building neighborhood and governmental support for urban park projects. In the case of Union Point, successful mobilization was possible because of the involvement of the Unity Council, which got the community involved early in the design stage and was tenacious in organizing the community into a powerful—and successful—political force in favor of the Park.

- Community based organizations, while often extremely effective in the roles noted above, often lack the staff expertise and financial resources needed to deal with technical issues on brownfield sites. Access to the resources that are needed to deal effectively with brownfield sites can make the difference between success and failure on inner city land recycling projects.

**Conclusions**

Brownfields are disproportionately located in disinvested and underserved neighborhoods that have neither the financial resources to promote redevelopment, nor the expertise to work through a complex remediation and redevelopment process. Yet the number and location of recyclable sites in inner city neighborhoods offers the opportunity to create parks, open space, housing, schools, businesses and jobs where they are most needed.
Providing technical assistance to community-based organizations can help build capacity and keep projects on track. Community leaders need to be as well informed about the realities of site contamination as other project proponents in order to play an effective role in advocating for their land recycling projects. The recycling of inner city brownfields on a large scale will depend on the ability of intermediary organizations to provide appropriate resources and expertise to community-based organizations and local governments.
Project: South Fork Timber Industries Lumber Mill
Location: North Fork (Madera County), CA
Partner: North Fork Community Development Council

Project Overview
- Abandoned lumber mill
- Potential site contamination
- Need for economically feasible reuse plan
- Community-based organization with limited financing and no brownfield redevelopment experience

Key Players
SFTI: South Fork Timber Industries, a privately owned corporation that owned and operated the 135-acre North Fork lumber mill
NFCDC: North Fork Community Development Council, a nonprofit community-based organization that promotes economic development, the creation and maintenance of social services, and other civic-oriented needs of residents
Swan and Associates, an economic development specialist with practical experience in rural timber communities
RRM: RRM Design Group, a design and planning firm
US EPA: U.S. Environmental Protection Agency
CCLR: The California Center for Land Recycling, a San Francisco-based nonprofit organization that provides technical assistance and support for brownfield redevelopment projects
Project Background

Since 1980, more than 100 California lumber mills have permanently shut down due to competition from foreign and out-of-state firms and a severe shortage of harvestable timber. Most of these mills are located in small, relatively isolated rural communities near the oak, fir, pine and redwood forests that are found in California's mountains and along its north coast. Lumber mills use logs cut from the local forests as the raw material to mill construction lumber, and are often the area's principal employers. When they shut down, the effects can be devastating to the area's economy, with a large percentage of local populations often becoming chronically unemployed.

Lumber mills typically cover a large land area, either naturally flat or graded to store thousands of unmilled logs and piles of finished lumber. Sometimes toxic chemicals are used to treat lumber to prevent decay. This commonly results in soil and/or groundwater contamination. The large size and flat terrain of these abandoned mills also presents an opportunity for local economic development through productive land recycling, if the contamination can be dealt with and economically feasible uses can be attracted. Although the relative isolation of mill sites can be a deterrent to reuse, their attractive coastal and mountain locations provide lifestyle amenities conducive to second and retirement home development. But residential development does little to provide permanent employment. In order to create a significant number of new jobs, the land recycling plan for abandoned lumber mills must market the combination of an attractive location, available labor pool and an already-developed site to users seeking large tracts of easily developed land for manufacturing or assembly operations.

The closure of the lumber mill in North Fork is a typical example. With a
population of 3,500, North Fork lies at an elevation of roughly 1,000-ft. in the oak woodland of the Sierra Nevada foothills. Although North Fork is off the beaten path, the fast-growing retirement and second home communities of Bass Lake and Oakhurst are nearby, as are the recreational and tourist activities of Bass Lake and the southern approaches to Yosemite National Park.

The South Fork Timber Industries (SFTI) lumber mill was the primary employer in unincorporated North Fork since the 1940's. The mill employed more than 400 local residents at its peak, which had dwindled to 125 by the end of its operations in 1994. SFTI, a privately owned corporation, offered to donate the 135-acre mill site to the non-profit North Fork Community Development Council (NFCDC) for redevelopment. With the cooperation of the Madera County Redevelopment Agency, which took title to the property on an interim basis, NFCDC will assume ownership with the objective of encouraging a mix of uses that will help diversify the local economy to avoid future dependence on one industry. Although SFTI may have been aware of contamination caused by operations at the site, it provided no information about the existence or extent of contaminants to NFCDC before the transfer of title. SFTI was liquidated after transferring title to the site.

In the fall of 1997, NFCDC approached the California Center for Land Recycling (CCLR) for help in redeveloping this site. CCLR recognized North Fork as an excellent opportunity to test approaches to recycling the more than one hundred mills sites located throughout California.

When NFCDC approached CCLR for assistance, it controlled the 135-acre site with a number of mill-related structures, and existing water and sewer infrastructure. NFCDC thought the site might be contaminated, but did not have enough information to know whether it was or if it would impede redevelopment. NFCDC had no remediation or reuse strategy, but saw the site as its only opportunity to fill the economic void created by the closure of the mill. North Fork itself was in a state of flux as families whose wage earners were skilled in timber-related trades began to leave the area, being replaced by retirees and workers commuting to Fresno. The community expressed interest in a diverse number of mutually exclusive uses for the site, including a park, value-added wood products manufacturing, an airport and a golf course. There was a strong community consensus against new housing on the site. NFCDC had no resources for examining the feasibility of these or other uses, or for developing a strategy to plan and market the site.

NFCDC hoped to serve in the role of master developer, an arena in which it had no previous experience. After bringing in CCLR to help assess the situation, NFCDC agreed that there were other, less ambitious, but equally important roles that it could play. The community was wary of out-of-town developers, fearing it might find itself becoming a generic, fast food/suburban town. But the development expertise and access to capital were vital in order to recycle the site. The community would need to attract an outside developer who had the vision, expertise and capacity to develop the site successfully, in a way that was compatible with the community's interests.
Major issues at the North Fork mill site

- Assessing the nature, level and extent of contamination on the site, with very limited financial resources and no staff experience with brownfield redevelopment on the part of NFCDC.
- Identifying economically feasible reuse options for a relatively remote community.
- Working with a community-based project sponsor with no previous real estate development experience.
- Developing strategies for meeting these challenges that respect the organization's desire to maintain the community's traditional association with timber products and the forest.

Strategy and Implementation

One of CCLR's goals at North Fork was to develop a model that could be applied to other rural communities with limited resources to effectively identify feasible reuse options, skillfully manage remediation, and position abandoned mill sites for successful redevelopment.

CCLR determined that it could be most effective in providing assistance that would:

- Enable NFCDC to create an economically feasible master plan for the site that would be marketable to qualified developers.
- Serve as a technical advisor to NFCDC to help access US Environmental Protection Agency site assessment programs and to understand state regulatory agency remediation requirements.
- Help NFCDC define a useful but manageable role for itself over the long-term as the site is developed.

North Fork's previous experience attempting to identify reuse options for the site wasn't particularly good. The community hired an economist with a US Forest Service grant in 1992 to put together a community-wide land use plan. But the resulting plan wasn't responsive to concerns raised by the community and was gathering dust on NFCDC's shelves. NFCDC wanted to make sure that the process for evaluating the site's potential end uses was as inclusive as possible.

CCLR assembled a project team that included an economic development specialist with expert facilitation skills, the capacity to work closely with a rural community, experience with timber dependent economies, and the ability to identify and evaluate potential end-uses. Pamela Swan, principal of Swan and Associates, facilitated three well-attended town meetings, with 100 to 200 residents participating in each meeting. As a follow-up, the NFCDC Board and planning committee held nearly a dozen smaller community meetings at which Swan described her analysis and shared preliminary results. Swan was effective in describing the process and in demonstrating the economic reasons why some proposed uses could be successful, while others could not. She documented the analysis in detail in a 130-page report. This democratic and respectful
approach gave the community a sense of buy-in and ownership of both the process and the recommendations.

With CCLR’s assistance, NFCDC then applied to US EPA under its Targeted Site Assessment Program. EPA completed a Phase I assessment that reviewed historical information concerning the use of possible contaminants while the mill was operating. During normal operations, logs were delivered to the site and stacked in two log decks, then sprayed with water pumped from collection ponds located on the lowest part of the site. Logs were then sent through the sawmill, after which the milled lumber was dipped in tanks of pentachlorophenol (PCP). PCP is used to retard fungal growth that can discolor the milled lumber. There was also an energy cogeneration system located on site that burned wood waste generated by the milling process. Ash from the cogeneration burners was stockpiled on site before off site disposal. The site operations also included underground fuel storage tanks, a fuel dispensing island and a waste oil collection tank.

The Phase I report suggested a number of sampling locations across the site. The major concerns included the need to sample for petroleum contamination around the fuel and waste oil operations due to evidence of previous leaks, and the need to sample for PCP around the dip tank, the log decks and the cogeneration ash piles. Dioxin, a carcinogen, can be present in PCP solutions at low concentrations. This was a concern because, if dioxin were present, it would have been concentrated in the wood waste ash produced by the cogeneration process. Consequently, the ash piles and surface soils around the entire site were to be sampled and analyzed for dioxin.

In Phase II, EPA performed two rounds of site sampling. The first round included sampling surface soil, surface water, sediments and groundwater. The results indicated no dioxin at the site and petroleum contamination that was slight and limited to a very small area. The second round of sampling focused on soils near the dip tank operations. The PCP contamination near the dip tank operations exceeded regulatory action levels in an area totaling about 10,000 square feet. The regulatory agencies are currently considering the need to either excavate and dispose of the contaminated soil, or to place asphalt over the soils, as in the case of a parking area, to prevent further intrusion of rainwater which might lead to PCP migration beyond its current extent. During these rounds of sampling US EPA also collected and individually sampled approximately 170 unlabeled and leaking

“The community’s participation was key in moving forward, but the community learned that its participation had to be based on sound economic information. CCLR played an essential role in keeping the community on track with pragmatic development information”

Barry Vesser
Executive Director, North Fork Community Development Council, Inc.
drums and containers that had been left on the site by the mill operator. The containers were found to contain a variety of industrial chemicals including paints, solvents, pesticides, fungicides, acids and bases. At the request of US EPA, the California Department of Toxic Substances Control conducted a removal action in February 1999, during which all the drums and containers were removed from the site and the chemicals properly disposed of.

With good information in hand on contamination, NFCDC engaged CCLR team member RRM Design Group to create a site master plan and architectural rendering depicting the potential uses recommended by the Swan and Associates report. These included an RV park and light industrial uses targeted to capture some forest product enterprises. The proceeds from sale or lease of the site would be used to underwrite community facilities such as a recreational center, a Mono Indian cultural center and a community park.

**Results**

- Site contamination turned out to be less significant than anticipated. Determination of the nature, level and location of contamination was made possible by tapping into existing public programs, and made possible the most efficient placement of uses in the land planning process.
- NFCDC now has a plan for redeveloping the timber mill site that is feasible and community-supported, though far different from its original concept. It can now operate on a more level playing field with potential developers and end users, and it can effectively manage the redevelopment of the mill site to completion.
- The first new business to locate at the site—a wood recycling company—will arrive in February 2000. There have been serious inquiries from a high-end RV park developer, a tile manufacturer, and a hotel-spa resort developer. The larger scale potential development must be deferred until infrastructure development, principally the expansion of the sanitary sewer system and its associated water treatment facilities, is completed.
- NFCDC enhanced its existing strengths, and gained new skills, confidence and perspective as a result of CCLR’s involvement. Its board members interacted effectively with a variety of technical consultants and regulators. NFCDC came to understand the gaps in its capacity, where to obtain the resources needed to fill those gaps and, in the many areas where it needed help, which firms and organizations were responsive and could be depended upon to meet its needs. With CCLR’s help, NFCDC learned how to assess potential consultants and then hire and manage them.
- NFCDC has also increased its skills in development planning, navigating regulatory bureaucracies, and balancing and integrating diverse community perspectives.
Lessons Learned

- Although the highly inclusive, participatory planning process as used in North Fork can be cumbersome, the result is more likely be a plan that reflects feasible uses and has the support of the community. Establishing both feasibility and community support up front gives a competitive advantage because it makes the candidate site more attractive to potential developers.

- An economic development specialist who is respectful of local concerns, and who can communicate technical information in plain English, is essential in a community-based planning effort.

- Economic development planning and assessment of the nature and extent of site contamination must precede land use planning and the creation of a master plan.

- The ability to implement local land use preferences is limited by their economic feasibility, not by contamination. The resolution of site contamination depends on its cost relative to land value and the ability of the land use to pay for the remediation as part of the redevelopment.

- The relatively large size of lumber mill sites is a benefit, since they can accommodate a wider variety of uses, thereby making community consensus easier to achieve.

Conclusions

The success of North Fork Community Development Council in achieving its goal was the result of a coordinated team approach to the various issues presented by the redevelopment of a rural lumber mill. Land reuse options rested largely on the economic feasibility of potential end uses rather than on limitations imposed by contamination. Rather than view the site in isolation, the citizens of North Fork carefully considered the economic
development challenges and realities of the community. Only then could specific uses for the site be tested against the yardsticks of community values and financial feasibility.

The issue of site contamination ultimately became one of accessing the resources and expertise to develop sound conclusions about the nature and extent of contamination. Given the nature and extent of contamination, the costs of cleanup can be reliably estimated. When the nature, location and extent of toxics are known, the site planning process can incorporate this information into the design. Uses that can be remediated to lower levels of cleanup, such as warehouses and light industrial buildings, can be located in the areas of relatively higher contamination. Uses that require a higher level of cleanup, such as residential or parks, can be located in the least contaminated areas. Parking can be designed to cap locations that are too contaminated or expensive to redevelop. In this way, the overall cost of remediation can be minimized, while remediation expenses can be made a part of the redevelopment budget.
Project: Sharp Park Sewage Treatment Plant  
Location: Pacifica (San Francisco Bay Area), CA  
Partner: City of Pacifica

Project Overview
- Decommissioned sewage treatment plant
- Ocean front location in residential neighborhood
- Need for economically feasible reuse plan
- Potential for stimulating neighborhood redevelopment
- Public opinion divided over reuse alternatives

Key Players
PAC: The City of Pacifica and its Economic Development/Redevelopment Project Area Committee
The citizens of Pacifica
EDAV: a planning firm with expertise in redevelopment issues
RRM: RRM Design Group, a design and planning firm
CCLR: The California Center for Land Recycling, a San Francisco-based nonprofit organization that provides technical assistance and support for brownfield redevelopment projects
Project Background

Pacifica is an attractive coastal suburb in San Mateo County, about 20 miles south of downtown San Francisco. Its 40,000 residents live in an area abounding in recreational opportunities, and have easy access to the jobs, shopping and entertainment of San Francisco, as well as to Silicon Valley to the south. An often-foggy and windy summertime climate somewhat offsets these locational advantages, keeping real estate prices relatively moderate. Pacifica is predominately inhabited by middle- and lower-middle income families seeking affordable market rate housing within reasonable commuting distance to jobs.

Pacifica is an older, inner-ring bedroom suburb, with almost no industry or other employment other than neighborhood shopping and convenience outlets. Its tax base is almost totally dependent on its aging residential stock. The situation is exacerbated by a combination of relatively low assessed valuations and low turnover, with a high proportion of residents having lived there for two or three decades. Pacifica's weak tax revenues and rising expenses had seriously strained its budget. In 1997, the City was forced to cut $1.2 million of planned spending from its budget, resulting in reductions in services including reducing the police force and closing a fire station. Pacifica was understandably seeking ways to increase revenues through economic development, and in particular the reuse of underutilized or abandoned properties.

Pacifica's residents have a history of environmental activism, which has sometimes been used to thwart new development. To make any progress on economic development, the City Council realized it had to engage local anti-development forces in a constructive dialogue. It therefore approached redevelopment of underutilized sites as an opportunity for consensus building between business and environmental interests. The primary goal of Pacifica's redevelopment agency Project Area Committee (PAC) therefore became a
search for agreement on the agency’s redevelopment plans.

In 1997, Pacifica was nearly finished with construction of a new water recycling facility that would make its old sewage treatment plant obsolete. The old plant, which was built in the 1970’s, is located on 3.15 acres of oceanfront land, bordered by a community golf course on the south and a residential neighborhood on the north. Because of its direct access and views of the ocean, Pacifica’s soon-to-be decommissioned Sharp Park sewage treatment plant site quickly became the most prominent—and controversial—of the properties that the PAC would consider.

If the PAC could find an economically feasible and self-sustaining use for the site, its redevelopment would contribute much-needed revenues to the City and help prevent deterioration of the surrounding neighborhood. The City then applied to CCLR’s Project Learning Program for technical assistance in evaluating alternative uses for the site and structuring terms that would attract a qualified developer.

CCLR saw the opportunity to help the City evaluate alternative uses for the site as the beginning of a planning process for the entire neighborhood. What seemed to be needed was a process that would arrive at a community-supported plan for the plant’s reuse that combined economic feasibility with accommodation of citizen concerns about new development. Achieving a consensus on the project could help defuse anti-development sentiment, spur additional investment in the area, and help get the City on a stronger financial footing.

**Major Issues at the Sharp Park site**

- The decommissioning of the old sewage treatment plant on a potentially valuable site presented an opportunity to reuse an underutilized and potentially valuable site in a strategic location.
- Successful redevelopment of the site could not only add revenues to the City’s coffers, but could also spark redevelopment of the surrounding neighborhood. The key was finding the most economically beneficial, financially feasible reuse that the community would support.
- There were already strong disagreements within the community about potential reuses for the site. The climate for compromise among the disagreeing parties was made more difficult because of a vocal minority who was skillful in advocating for a popular project. By advocating a reuse plan that had popular support but lacked financial feasibility, they could unintentionally delay the redevelopment of the site for any use.
- To reach a consensus on a reuse plan for the site, the PAC needed professional help in evaluating alternatives and enlisting community support. Yet the city had no funds available for the technical assistance the PAC would require.

**Strategy and Implementation**

CCLR’s Project Learning Program could supply the technical expertise and funding that
could make successful reuse of the site a reality. After consultations with the City, CCLR decided to provide technical and financial resources for community involvement, planning and economic evaluation. By assembling a team with specialized skills, CCLR would organize and support an intensive, participative planning process, or “charrette,” that would examine alternatives, provide economic data, test the feasibility of alternatives, and make recommendations to the City Council for reuse of the site. It was thought that a community participation process had the best chance to build cohesive support for the recommended project. In addition, CCLR would help the City create a marketing strategy for the site that would attract qualified developers.

With announcements in the local newspaper and in utility bill inserts, and letters to key businesses and neighborhood organizations, the PAC invited Pacifica residents to participate in three charrette workshops. The charrettes would begin with community brainstorming and end with a PAC recommendation to the City Council. The ground rules of the charrette were simple. All options were valid for discussion but, in the end, the recommended reuses had to meet three threshold criteria:

1. Financial feasibility (that the use would attract private investment);
2. Economic benefit (that the use would create a sustainable economic benefit to the City, not require a subsidy); and
3. Community acceptability (that the use would have popular support).

**Site Re-use Considerations and Proposals Prior to CCLR Involvement**

Prior to CCLR’s involvement, The Urban Land Institute, a national organization concerned with land use issues, was asked by the City to review and critique the City’s Economic Development Plan and Strategy. The City’s plan focused on developing tourism as the city’s primary economic base. ULI concluded that Pacifica’s prospects for attracting tourists and the business traveler were weak, although “one or two small (well situated) and moderately priced hotel/motel facilities” might be feasible, especially in light of the then-abundance of hotel/motel investment capital.

As an alternative, ULI recommended the “repositioning of [neighborhood serving] retail facilities and attraction of new resident-serving retail.” This recommendation tied in with CCLR’s evaluation that the real need was a plan for the revitalization of the neighborhood as a whole, and that potential reuses for the sewage treatment plant site should be considered in the context of the surrounding neighborhood.

The PAC had previously heard informal presentations regarding reuse of the site, including one by the representatives of a small group of local residents who advocated the construction of a $40 million aquarium and science center. The “Ocean Discovery Center” (ODC) proposal had no funding and would require subsidization of its operations, but the concept symbolized the essence and aspirations of Pacifica, and therefore had a strong emotional appeal. The PAC hoped that the charrette process would provide the information necessary to realistically evaluate this and other potential reuse options.
The Charette

CCLR proposed and funded a planning charette, an intensive citizen involvement process facilitated by planning and economic development experts including RRM Design Group and EDAW for economic development consulting. The process included brainstorming ideas for possible land uses, sketching conceptual designs of the ideas and evaluating the ideas with market, financial and economic data. The goal was a consensus recommendation to the City Council for an end use that met all three criteria, in time to begin marketing of the site before the plant was decommissioned. CCLR developed the scope of the process with input from residents, and worked with the PAC to select representatives of Pacifica's many constituencies to participate in the charette.

Workshop #1: Brainstorming

The first session was designed to allow brainstorming of issues and ideas by the more than 100 citizens who attended. The goal was to get everyone's ideas out on the table, start thinking about how different concepts might fit together, and start eliminating the obviously unfeasible and incompatible uses. Issues raised included traffic impacts, economic feasibility and preserving the “essence” of Pacifica. Generic ideas included a microbrewery, skating rink, hotel and a conference facility.

Workshop #2: Conceptual Design

The second session was intended to flesh out the feasibility of the ideas generated at the first session in order to better understand the implications and chances for success of different options. However, prior to the workshop, proponents of several projects requested an opportunity to present their specific and mutually exclusive uses to the charette participants. With the PAC's support, the format of the workshop was altered to allow presentations by the ODC, an underwater film studio, and a residential project. This departure from the intended focus on generic uses resulted in three formal presentations that took most of the allotted time for the workshop. The presentations varied a great deal in quality and elaborateness, and tended to emphasize the desirability of each proposed use for the site, rather than its market and economic feasibility. This diversion to a focus on specific projects, rather than on the feasibility of generic types of uses, limited the time available for discussion and analysis of alternative uses.

“By engaging the community up front, we wound up with a process that was much improved over business-as-usual. Not a perfect process, but a fair one.”

David Carmany
City Manager
Workshop #3: Recommending a Use

Because of the time consumed in the second session by presentations, it was decided to use the third workshop to fully examine the feasibility of generic uses, rather than focus consensus building around one or two uses as was originally planned. Participants were briefed on EDAW’s evaluation of the economic feasibility of a hotel/mixed use project, as well as a supplemental analysis of the Ocean Discovery Center’s fundraising plan. The conclusion of EDAW was that, other than a multi-family residential project, the hotel/mixed use had the best prospect of feasibility without City subsidy. The concept of a small hotel, possibly with a retail component, met two of the three threshold criteria. But such a use did not have a great deal of popular support, and the Ocean Discovery Center proponents continued to press their case.

The charrette participants were reluctant to reject the ODC project outright, or to acknowledge that it was financially infeasible without City subsidies. The recommendation to the City Council, therefore, was to give the ODC proponents an opportunity to demonstrate their fundraising ability by deferring issuance of a Request for Proposals to develop the site. If, after a reasonable time, the ODC proponents had not succeeded, the City would then issue the RFP to developers for the hotel/mixed use project.

Results

After several months of attempts by the ODC proponents to raise seed money, it became clear that such a project could not be financed in the near future. The City then went ahead with the issuance of the Request for Proposals. Three viable proposals were received (plus one from the ODC proponents), including residential and hotel uses. By the fall of 1999, the City had entered into an exclusive right to negotiate for the site with a hotel developer.

Lessons Learned

- The charrette process can be a powerful educational and consensus building tool. Most of the participants in the Pacifica charrette felt that the process was useful and that it succeeded in raising their awareness of the issues involved in land recycling.
- In order for a charrette process to be most useful in providing information needed for
a realistic assessment of alternatives, it should focus on generic uses and their
economic feasibility in the specific market, rather than project proposals from
their sponsors.

- The charrette process can be sidetracked by participants who have a preconceived
  opinion of what the outcome should be, especially when that outcome engenders
depth passions. Such tactics can also be used by anti-development forces to thwart
redevelopment, although that was not the case here.

- Though a popular consensus on a reuse plan for the sewage treatment plant site was
  not reached, the charrette process affirmed the need for disinterested intermediary
organizations that can provide resources to under-funded local governments and
community groups. Even in the absence of financial hardships, the presence of a
neutral convenor is critical to overcoming differences and moving forward with land
recycling projects.

Conclusions

Providing funding, high quality information and technical assistance is necessary to
achieve a successful outcome for a charrette process, but such assistance is only one of
several factors that contribute to change. Emotion can trump reason when the appeal of
a proposed use is very strong related to the perceived character of
an area. In such a case, facts can be seen as interesting and helpful,
but may be ultimately treated as peripheral rather than central to
the decision making process. The political calendar can also
influence decision-making. Upcoming elections can diminish the
elected officials’ political will to make a
decision that is viewed as politically unpopular.

The purpose of the charrette process is to
generate ideas about possible uses, raise
awareness about choices, test economic feasibility, and decide on end uses that meet the community's criteria, while simultaneously educating the community and building support for redevelopment. While the charrette process may assume that everyone is equally knowledgeable and free from political agendas, land recycling projects occur in the real world. But even if a charrette process results in popular support for a use that is less feasible than other alternatives, the good news is that the community won't have to start from the beginning in reconsidering alternatives. The time, faith and effort devoted to a charrette process by the citizens participating in it is not lost, regardless of the outcome, and serves to make those involved in future planning decisions better informed. Awareness about the tradeoffs between feasibility and popularity can be brought to bear in considering later proposals, and the time previously invested in considering the issues becomes a resource to be tapped in the future.
Project Overview
- Business incubator project
- Faith-based project sponsor with no brownfields experience
- Recalcitrant property owner demands indemnification
- No on-site assessment possible
- Managing risk through information gathering

Key Players
West Angeles Community Development Corporation, established in 1994 to provide affordable housing, new jobs, community dispute resolution, and family support services for low- and moderate-income households in Crenshaw and surrounding communities of South Los Angeles

EKL: Erler and Kalinowski, Inc, an environmental consulting firm

Washington Advisors, a firm providing financing-related services for brownfield-related real estate projects. Washington Advisors has a history of providing pro bono financial services to churches and other nonprofits

The owner of the subject property

CCLR: The California Center for Land Recycling, a San Francisco-based nonprofit organization that provides technical assistance and support for brownfield redevelopment projects
Project Background

In 1992, civil disturbances rocked many inner city communities in Los Angeles, including the predominantly African-American Crenshaw neighborhood. In addition to the businesses and homes that were destroyed in the violence, the disturbances left the private sector reluctant to invest in the rebuilding of these areas. In recent years, some investment has started to return, but many inner city Los Angeles neighborhoods still lack jobs, business opportunities and basic services such as neighborhood-serving retail.

One organization working to improve the quality of life in Crenshaw and surrounding neighborhoods is the West Angeles Community Development Corporation (WACDC). WACDC is affiliated with the West Angeles Church of God in Christ, one of the largest African-American congregations west of the Mississippi River. In the mid-1990s, the church decided to build a new, larger facility at the intersection of Crenshaw and Exposition Boulevards, which is expected to attract some 20,000 congregants per week. WACDC recognized an opportunity to use the increased pedestrian traffic from the church to support a retail business incubator in an underutilized and dilapidated strip mall located across the street. This presented a great opportunity for the CDC to improve the physical infrastructure in the neighborhood, provide retail services and jobs for its residents, and cultivate business skills among members of the community. According to Sam Hughes, Commercial Development Manager of West Angeles CDC: “It was in the CDC’s and the community’s best interest to control their economic destiny by controlling retail development in their community. And this site was everything that we wanted. We knew it would be a success because of its redevelopment potential and proximity to the Church.”

In mid-1997, WACDC entered into negotiations for the purchase of the property with its owner. The current owner had bought the site in the late 1980s without conducting environmental due diligence, and was prepared to sell at a loss. Then WACDC ran into a major obstacle. WACDC believed the site might have some contamination, but as the negotiations were nearly concluded, it learned that the site could be the source of major groundwater contamination. WACDC could not confirm or dispel this fear unless they were allowed to conduct a Phase I and on-site Phase II environmental assessment, but the owner refused. The owner demanded to be indemnified for future liabilities stemming from any type of contamination that might be present, as a condition of the sale. The location of the property was critical to WACDC’s plan, but wisely, and despite their overwhelming desire to purchase the site, WACDC recognized the property owner’s position as unreasonable. The situation reached an impasse. According to Grant Power, the former Policy and Planning Director of WACDC, his organization became “…very frustrated that, after having researched and packaged financing for this project, we could not open escrow at the very last minute.”

At this point, WACDC applied to the California Center for Land Recycling (CCLR) for help. They asked CCLR to help them develop a risk management strategy that would allow them to purchase the site while still protecting them against
unnecessary costs or liabilities. The project was attractive to CCLR because of the opportunity to support a community-oriented developer in its effort to recycle an unproductive inner city site into a community-benefiting asset.

Together, CCLR and its project team provided the skill set required to help WACDC devise a strategy. On the other side of the table was the property owner. Once he learned that the prospective purchaser suspected his site was contaminated, the owner wanted to be indemnified against future liability for the cost of cleaning up the contamination. He also wanted to be protected from future claims that could be made by other property owners if groundwater on his site adversely affected other sites. Further, he would not allow WACDC or its team members to conduct an on-site environmental assessment. This sort of standoff is a common situation when prospective purchasers are trying to investigate brownfield sites prior to acquisition.

**Major Issues at the Incubator Project site**

- If successful, the project would serve local entrepreneurs who desired to grow local businesses, help job seekers with little access to employment opportunities, and community members who must travel several miles for retail services.

- The prospective purchaser believes the site may be a source of groundwater contamination.

- The current owner refuses permission to perform testing to determine the nature and extent of contamination.

- The owner insists on indemnification for cleanup costs and liabilities related to contamination caused by tenants or previous owners.

- The location of the site is critical to the purchaser.

The primary issue was the owner's desire to sell the site as-is, with contamination in place, and be protected against liabilities arising in the future for the contamination that occurred during, or prior to, his ownership. He did not want any information developed from a site assessment that might lead to an enforcement action against him if the sale fell through.

It can make perfect sense for a purchaser to buy a contaminated property and perform the cleanup, provided the price fairly reflects the potential costs. But in order to accurately gauge those costs, accurate testing and remediation planning must be undertaken. Without the ability to do so, there is no way to quantify the cleanup cost.

And there was the issue of liability. Although WACDC could offer to indemnify—or contractually protect—the owner from potential liabilities, an indemnity is only as good as the financial strength of the entity signing it. A community organization cannot offer the financial strength that a major oil company, for instance, could offer a reluctant seller. In such cases, a seller can be protected by providing environmental insurance that protects against the possibility of governmental cleanup actions as well as third party damage claims.
Strategy and Implementation

Before CCLR and its team could develop a strategy to move WACDC through the impasse, it needed to try to characterize the extent and nature of groundwater contamination flowing from the site, estimate cleanup costs, and evaluate the financial feasibility of the project in light of those costs.

CCLR obtained environmental information on the site from existing records and asked EKI to help estimate the extent of the contamination. One document EKI reviewed was an environmental assessment of WACDC’s parent organization’s church property, across the street from the subject property. EKI discovered that groundwater had been sampled both up and down gradient of the strip mall. This key piece of information revealed that the concentration of chlorinated solvents, which are commonly used in dry cleaning, increased as they passed under the strip mall. This led the team to suspect that a dry cleaning business, which leased a shop at the mall between 1989 and 1993, may have been the source of the contaminated groundwater. EKI also found that the Regional Water Quality Control Board was looking into groundwater contamination in the vicinity of the strip mall and that an environmental remediation action may be undertaken.

Even though they were prevented from going onto the property, the team had uncovered information strongly suggesting that the site was a source of chlorinated solvent groundwater contamination. Although this contamination had apparently been caused by prior users, if WACDC purchased the property they would become a responsible party and be potentially liable for cleanup and third party claims, just as if they had caused the problem.

Concurrent with the environmental analysis, CCLR’s strategic partner Washington Advisors began to evaluate the financial feasibility of the project, with and without contamination. After reviewing WACDC’s pro forma and discussing the implications of contamination, the project team concluded that the strip mall would be a net financial liability to WACDC, especially if it had to indemnify the current owner. If the seller was indemnified, WACDC could have to bear the entire cost of remediation, with no redress against the parties who actually caused it. Given the fact that groundwater contamination is often very costly to remediate, it was determined that remediation costs could easily exceed the value of the property. The high costs and open-ended liabilities of the project could harm the financial stability of WACDC, or even force them into bankruptcy.

Results

- The decision was made to terminate negotiations and look for another site on which to develop a business incubator. With no change in position by the owner, WACDC could prudently purchase this site only if laws were in place to protect innocent parties from liability for pollution that occurred prior to acquiring the property.
- Despite the risks, WACDC still views the location of this property as a rare opportunity and, according to Sam Hughes, “Even with the pollution we were still
really, really interested in the property.” WACDC kept searching for a way to purchase the site.

- CCLR and the project team then explored the possibility of structuring the transaction as a long-term ground lease. Under this scenario, WACDC would lease the property from the owner, and build the business incubator as originally planned. By keeping ownership in the name of the current owner, WACDC would reduce the liability risk and avoid having to indemnify the seller. Despite the benefits, it was concluded that a ground lease would still present unacceptable risks. The underlying problem, that the level of contamination could not be determined with enough accuracy to reliably estimate the remediation costs, remained as an obstacle.

- At this time the property is still an underutilized asset that may be oozing chlorinated solvents into the groundwater. WACDC is hopeful that the Regional Board will compel the owner to remediate the site at his expense. Such an action could reopen the door for WACDC to purchase the property with far fewer risks.

- Despite the fact that the property is not currently contributing to economic development in the Crenshaw neighborhood, CCLR’s involvement will allow WACDC to “…spend their money on enhancing the community rather than cleaning up someone else’s environmental mess,” according to Sam Hughes.

Lessons Learned

- Most community development organizations do not have the staff expertise or financial resources to evaluate brownfield redevelopment projects. Training and consulting resources are needed if community-based organizations are to be effective in recycling sites in their neighborhoods.

- Developers need to understand the potential impact of purchasing property with different types of contamination and should know how to explore environmental issues early on in the process.

- Potential brownfield redevelopers need to understand that not all contamination is created equal. According to Elizabeth Ward, “If only the soil was contaminated, the project probably would have been feasible. But when the groundwater is contaminated, it’s likely to be very expensive.” In this situation, CCLR provided a valuable education for WACDC.
Conclusions

In one sense this project was not a success, since the property has not yet been remediated or redeveloped. In another sense, however, this project did provide valuable lessons in brownfield remediation practice and policy.

In the absence of environmental liability protections, well-intentioned community organizations such as WACDC will continue to be stymied in their efforts to redevelop inner city brownfield sites in ways that could significantly benefit their communities.

This project strongly points to the need to overhaul existing laws relating to brownfield redevelopment so that innocent parties are not made liable for existing environmental contamination.

This case is not an isolated incident. Hundreds of other nonprofit organizations across the country are effectively discouraged from revitalizing their communities through land recycling due to these very real liability concerns. If public policy reforms are successful, hundreds of thousands of acres of brownfields could be redeveloped without the fear of environmental liability. But until such reforms are enacted, developers will continue to shy away from purchasing property that may be contaminated. According to Project Advisor Clay Carter of CCLR, “It is very disappointing that West Angeles CDC was prevented from doing some good in the community as a result of liability concerns that could be alleviated through coordinated state policies.”

This project also highlights the need for, and importance of, educating private and nonprofit developers on brownfield issues. Developers need to be educated about the potential impact of different types of contamination on the redevelopment process and how to effectively explore environmental issues early on in the process.