

Commentary

Redevelopment of urban brownfields key to smart growth, sustainable development

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San Diego is among a growing number of cities nationwide that are focusing on urban infill and brownfields redevelopment projects as a means of contributing to smart growth.

Specifically, San Diego developers are approaching projects utilizing many of the "smart growth" principles, including providing mixed land uses, taking advantage of compact building design and creating walkable neighborhoods.

Other smart growth principles are to create a range of housing opportunities and choices; foster distinctive, attractive communities with a strong sense of place; preserve open space, farmland, natural beauty and critical environmental areas; strengthen and direct development toward existing communities; provide a variety of transportation choices; make development decisions predictable, fair and cost effective; and encourage community and stakeholder collaboration in development decisions.

Yet, when it comes to redevelopment, both the community and developers often are faced with many challenges regarding the location of the property. While suburban or urban fringe development may result in less expensive homes, the tendency of developers to build these areas is leading to other quality-of-life issues, such as greater distance to work, severe traffic congestion and loss of open-space land. These urban fringe, open-space lands often developed are called "greenfields."

The implications of greenfields development are enormous: increased sprawl, traffic, resource strain, impediment of neighborhood revitalization efforts and declining quality of life. There exists a notion within the development community that it is easier to invest in and develop greenfields rather than brownfields.

In a recent article by the Environmental Protection Agency, an estimated 4.5 acres of greenfields are saved for every 1 acre of brownfields redeveloped.

Brownfields sites might include an old service station or auto shop, a metal plating shop, a dry cleaner, paint and body shop, railroad yard or a site contaminated with lead from "burn ash," caused by burning trash before refuse collection services.

The challenges faced with brownfields redevelopment typically include reconfiguring legal ownership, demolishing or relocating existing buildings (e.g., capturing parking demand by developing below-grade parking to account for increased densities); investigating and remediating contaminated land; and relocating current prop-

erty owners and tenants. More often than not, addressing these challenges requires uncertain hold times, expense and hassle — not to mention regulatory and financial uncertainty — for developers. Clearly something is needed to help close the gap in affordable housing, and also maintain quality of life.

With urban infill projects, developers might also face community opposition to increased density, infrastructure enhancement and development in older urban areas. This is because communities may have amenities or support development that does not match scale of their existing community.

On the other hand, greenfields development bears its own set of comparable challenges and costs, the difference being that those costs and challenges may be encountered a bit farther down the road. For example, the development of a greenfields in an outlying area inevitably will require the future development of infrastructure, whereas for an urban brownfields site, that is already in: utility systems, sewer systems, individual street systems and major transportation systems. Greenfields development often requires massive public investments (and additional burdens to taxpayers) that have already been allocated to develop and maintain infrastructure in urbanized areas.

The bottom line is that it is simply more feasible — in terms of cost, time and resources — to redevelop and make efficient use of land that already has supporting infrastructure in place. Once the upfront costs and challenges are addressed, redevelopment of brownfields and other urban infill sites can be an extremely fruitful investment for developers.

Furthermore, brownfields are likely to be central to any successful infill project or smart growth plan, largely because brownfields redevelopment and the companion strategy of "land recycling" take advantage of already-existing parcels of land within the city. The objective of land recycling is to help ensure that land development required to meet a municipality's housing and economic needs will clean up contaminated properties; while concurrently stimulating reinvestment in disadvantaged communities, particularly within the urban core.

State and city governments can help

A major challenge that municipalities statewide have had in succeeding with brownfields redevelopment projects is that they face exposure to financial and legal liability. Over the last 25 years, the effects of Proposition 13 (and later

state actions regarding property taxes) have significantly lessened the availability of financial resources to address needs of the public sector. This in turn has arguably reduced the effectiveness of California's redevelopment agencies.

The subsequent lack of funding for brownfields redevelopment unfortunately has resulted in an overabundance of vacant and underutilized land in urban areas that is surrounded by otherwise viable streets (although some may be in varying states of disrepair), highways, utility systems and residential neighborhoods — not to mention a concentrated population of residents who are unable to take advantage of the jobs and services that the land could be providing them.

An overriding goal of redeveloping brownfields in urban and blighted areas is to contribute to smart growth and curtail the shortage of affordable housing. From a policy perspective, it seems clear that developers and redevelopment agencies should be provided with legal tools and incentives to address blighted urban areas in order to help achieve this goal.

Ideally, smart growth principles should be incorporated into the planning processes of both local and state governments. A state-implemented loan or grant program, for example, might encourage local governments to begin addressing smart growth issues in their own communities. As California's population increases, it will become crucial to implement policies, tax credits, or incentives at both the local and state levels to accommodate greater density within urban areas and transit corridors. Otherwise, redevelopment of urban sites for affordable housing projects simply will not be affordable for developers.

Polanco Act: Smart growth tool in California

On the brighter side, California's Polanco Redevelopment Act is a significant piece of legislation that has opened the door for cities across California to pursue remediation of brownfields properties in targeted redevelopment areas. The Polanco Act allows a redevelopment agency to order parties responsible for contaminating property in the redevelopment project area to perform the necessary cleanup. If the responsible party does not cooperate, the redevelopment agency can perform the cleanup itself or arrange for a third party to clean up the property.

It's important to note that the law does not make state funds available for redevelopment agencies to use for the cleanup. Rather, it provides for cost recovery provisions that the redevelopment agency can use to recover its



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cleanup costs from the party or parties responsible for the contamination.

The success of the 25-block investigation/remediation for the new Petco Ballpark and ancillary development, future home of the San Diego Padres, was due in large part to the unprecedented application of the Polanco Act by Centre City Development Corp. The Polanco Act created tremendous leverage when used in combination with eminent domain powers, for property owners to either clean up decades-old contamination, or empower the agency to conduct the cleanup on behalf of the property owner. The Polanco Act relies on the value of each property to pay for cleanup and, except in limited circumstances, does not rely on public funds.

Downtown San Diego's East Village neighborhood and Petco Park have won accolades for the creative use of smart brownfields strategies, including an Alonzo Award from the San Diego Downtown Partnership and "Brownfields Project of the Year" from the California Redevelopment Agency. A new, vibrant East Village would not be possible without these efforts.

The goals of brownfields development, urban revitalization and smart growth overlap. The longer that blighted urban land sits vacant or underutilized, the longer a particular community goes without enjoying the benefits of the economic wealth that the site could be generating. Growth is inevitable, but the strategies used to plan this growth are negotiable. By addressing urban brownfields sites as part of a municipality's smart growth plan, developers and agencies can create more affordable housing opportunities, while also helping their communities and the environment flourish.

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