

## Cleaning Up Contaminated Sites Adds Jobs, Helps Environment

Brownfields are properties that are abandoned or underused because of real or perceived contamination from past industrial or commercial practices. Investing public dollars to redevelop brownfield sites can:

- Create jobs.
- Leverage investment.
- Revitalize neighborhoods.
- Create new local revenue.
- Clean up environmental problems.

The Washington Department of Ecology (Ecology) invests in brownfield redevelopment through the Toxics Cleanup Program and the Remedial Action Grant Program. During the 2007-09 biennium, Ecology dedicated nearly \$117 million to cleaning up and redeveloping contaminated sites. Those investments created nearly 9,000 jobs during the biennium, according to Ecology estimates.

### Investing in Communities

Investments create jobs:

- The U.S. Environmental Protection Agency's (EPA) Brownfields Program had leveraged 48,238 jobs and \$11.3 billion in new investment since March 2008.
- The 2007 U.S. Conference of Mayors survey shows that 150 cities have redeveloped 1,578 brownfield sites. Eighty of the cities reported creating 115,600 permanent jobs.

**Leveraging investment:** Every \$1 of public investment in brownfields leverages \$8 in total investments, according to studies. Brownfields-related investments in site assessment, cleanup and site preparation leverage total investment at a ratio of \$1 to \$20.

### A Case in Washington State

Brownfields reuse can increase the local tax base, create jobs, revitalize neighborhoods, and clean up environmental problems.

In Spokane, the railroad industry used Kendall Yards as a locomotive repair and servicing complex. Now the Kendall Yards site is being developed as a mixed-use urban village along the Spokane River.

It is estimated that 500 jobs will be created by cleaning up and developing the property. In addition, up to 2,500 permanent jobs could be generated from the development's commercial spaces.

"The projected long-term economic return is astounding – more than \$2 billion," said Jon Eliassen, president and CEO of the Spokane Area Economic Development Council. Some estimates place the economic return as high as \$3 billion (Business Wire, 2006).

State and local governments are estimated to receive over \$32 million during the project's construction, Eliassen says.

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# Focus on Brownfield Investments

**Leveraging employment:** According to federal estimates, it takes \$35,000 of public investment to leverage one job through economic development projects not related to brownfields. But it takes only \$10,000 to \$13,000 of public investment to leverage one job through brownfields redevelopment projects.

Based on those figures, Ecology estimates its 2007-09 investments in brownfield sites created 8,972 jobs in Washington in these categories:

- Engineering and other professional jobs related to cleanup planning.
- Construction jobs to carry out redevelopment work.
- Professional, green collar, industrial, and service jobs based at redeveloped properties.

**Increasing property values:** Cleaning up and redeveloping a brownfields site increases the value of nearby properties by 5 to 15 percent. However, “impact” projects – usually involving a change in land use from industrial to parks or mixed use – can increase values by more than 100 percent.

## Fiscal Impacts

**New local tax money:** Brownfield redevelopment produces tax revenues in two ways:

- It directly produces local and state tax revenue by putting unproductive land back to use.
- It indirectly produces local tax revenue by boosting the property values and related property taxes of nearby properties.

On a local scale, new local tax revenue recoups public investments in a single brownfields project within about five years. (Tax credits may extend this period.) On a large scale, the U.S. Conference of Mayors says redeveloped brownfield sites in 62 cities could produce \$408 million in annual local tax revenue. The group also says redeveloping remaining brownfields could create between \$1.3 billion and \$3.8 billion in local taxes.

**Less spending on infrastructure:** Infrastructure usually is in place at brownfield sites. It’s cheaper to upgrade existing infrastructure than to install new infrastructure at previously undeveloped properties. That creates jobs and cuts costs. Estimates vary, but studies show cost savings can be substantial.

**Catalyst for change:** Brownfield redevelopment can act as a catalyst for new private investments. Such investments can transform entire neighborhoods and districts.