Palouse Producers: Turning liability into asset

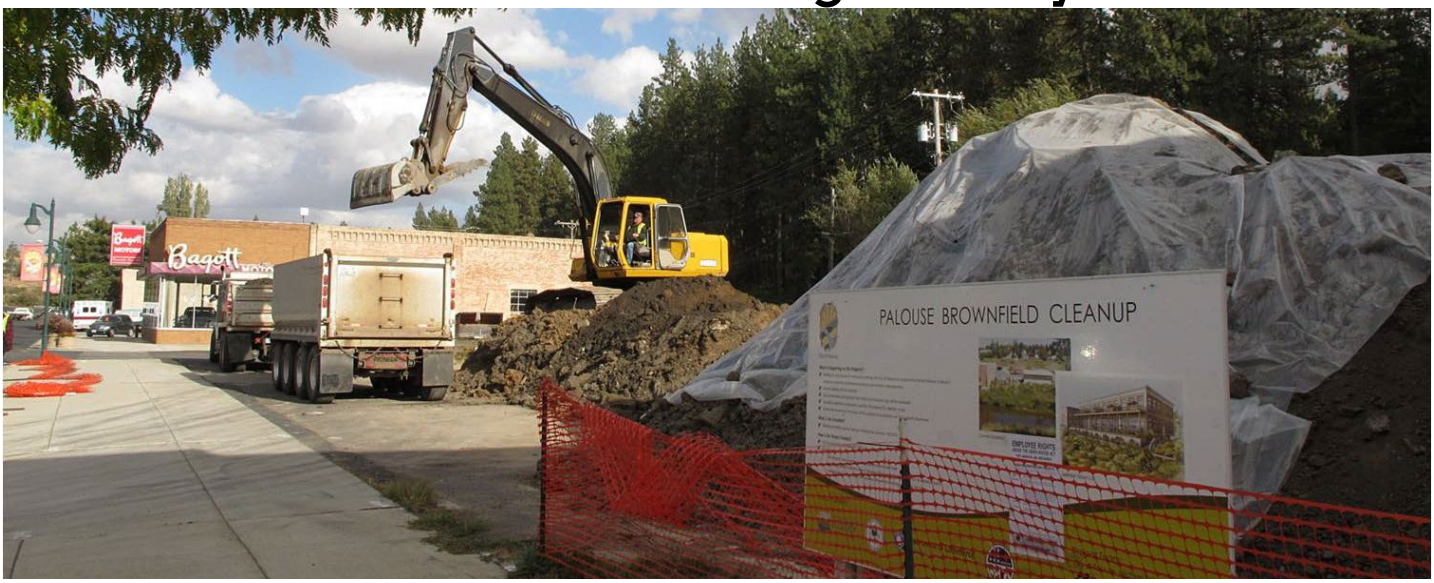


Figure 1. Community engagement spurred cleanup at the former Palouse Producers site in southeastern Washington.

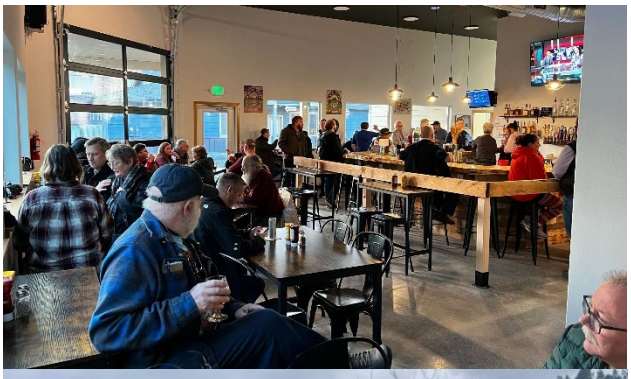
Groundbreaking, award-winning project integral piece of downtown revitalization puzzle

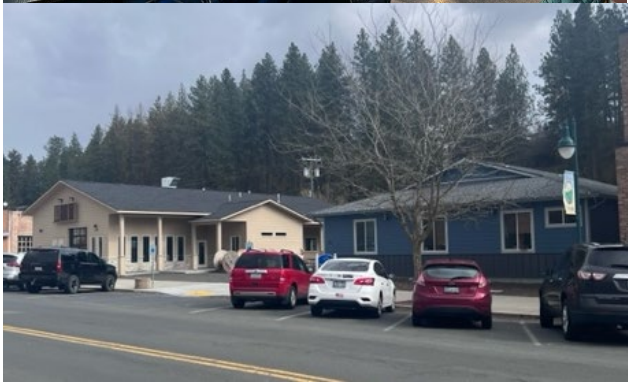
Wide open spaces. Rolling hills. Fields of wheat rippling in a breeze that sweeps up from the Columbia River Plateau, across the Palouse River valley. With such pastoral vistas, the Palouse farming region in southeastern Washington could easily play a starring role in the song, "America the Beautiful." Home to just over 1,000—a mix of farmers and staff from nearby Washington State University—the community of Palouse lies in the heart of grasslands that stretch along the North Fork Palouse River.

The City of Palouse wasn't always so picturesque, however. For decades, economic challenges and a disastrous 500-year flood impacted this small town's commercial district. In 1996, the downtown corridor was severely damaged, and floodwaters distributed petroleum and metals contamination throughout the Palouse Producers site.

Residents worked together to rebuild the ravaged downtown, and the community response laid the foundation for the next 25 years of cooperative work and economic recovery in Palouse. The core volunteer spirit took on an ethos of "There is nothing too big or too complicated that we can't figure out together."

Today, new flood management, a new community center and health center, parks, and upgraded street lights have revived this community's downtown core. Contamination from Palouse Producers was cleaned up, and the property was redeveloped into a local brewery and veterinary office (pictured below).





The project was one of the first recipients of the Washington Department of Ecology's Integrated Planning Grants (IPGs), which support reuse planning, community engagement, and investigation. The IPG doesn't require a local funding match and provides flexibility so the community can incorporate economic and community benefits into the environmental cleanup planning. The Palouse IPG experiment that began in 2009 has now become a well-established program statewide and spurs community revitalization throughout Washington.

Since that devastating flood in 1996, the Palouse project has leveraged more than $1.2 million in state and federal funds to remediate, redevelop, and restore the Palouse Producers site. The level of community involvement, complete downtown restoration, and creativity in securing and effectively using funds from a variety of sources hasn't gone unnoticed: this project won a well-deserved *Small Site & Community Impact Phoenix Award* at the national Brownfields Conference in 2023. Phoenix Awards recognize extraordinary practitioners and brownfield projects.

The Palouse Producers site is a critical part of the City's revitalization. As former Mayor Michael Echanove puts it, "The brownfield project was a puzzle piece, and the puzzle itself is Palouse."

Figure 2. The Palouse Producers site under floodwaters in 1996.

A downtown renaissance today

From the 1990s through the present, Palouse has successfully completed a wide range of related puzzle pieces through community projects that include:

- $2.5-million Downtown Revitalization Project
- $1.5-million reconstruction of Whitman Street, including 1,600 feet of new railroad line
- Constructing public bathrooms one block west of the Palouse Producers site
- Purchasing a dilapidated mobile home park along the Palouse River and creating public walking trails lined with indigenous plants and ecological education projects
- Purchasing railroad land to build a 10-spot RV park for locals and visitors
- Launching a solar farm on the southwest end of town to supply electricity for municipal infrastructure
- Demolishing derelict downtown buildings and constructing a new community center
- Building a new four-bay fire station
- Cleaning up the Palouse Producers site, selling the property, and constructing new community services
- Creating the Palouse Skatepark and Tony Kettel Skate Gardens

Redevelopment and restoration of the Palouse Producers site has helped grow the population base and local economy — a significant achievement for a rural community that was once in decline.

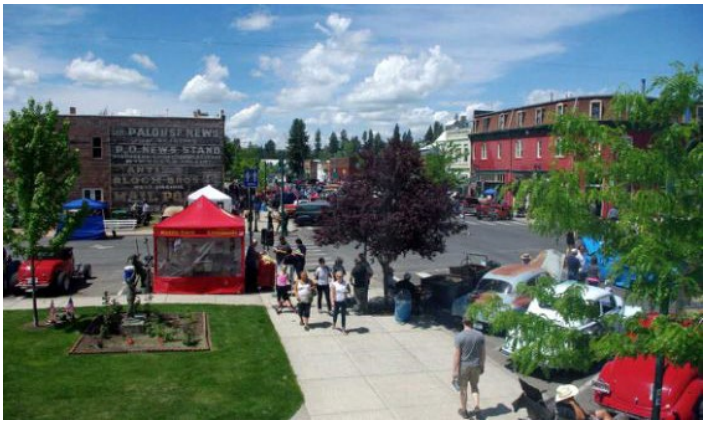


Figure 3. Downtown Palouse, 2022.

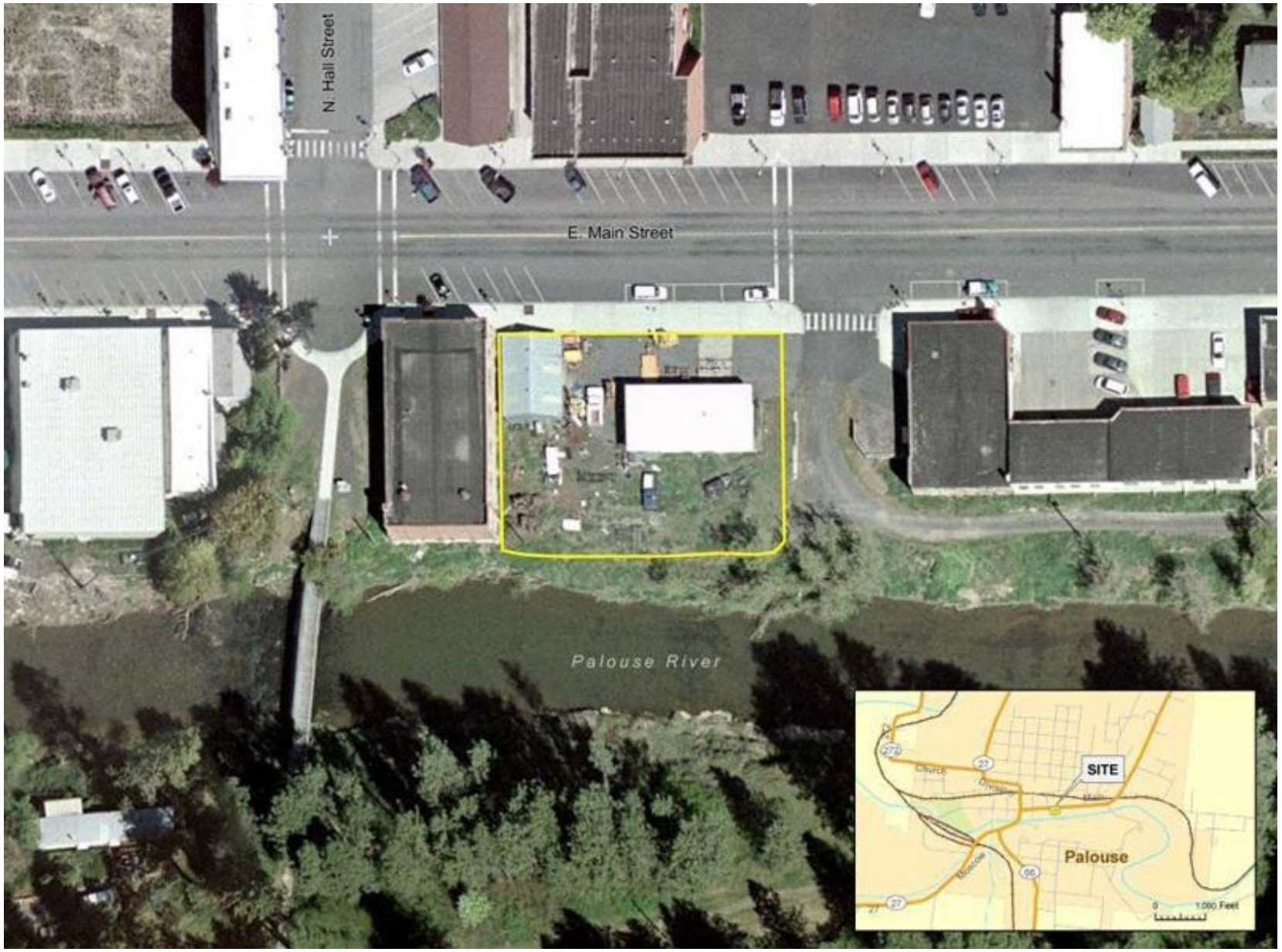


Figure 4. The Palouse Producers site is in a prime location in downtown on the shore of the North Fork of the Palouse River. Photo credit: Maul Foster & Alongi.

Site history: From community pillar to community problem

The City of Palouse was founded in 1874 on the traditional homelands of the Palouse, Walla Walla, Umatilla, and Cayuse nations. Palouse is rural Whitman county's third largest city.

Throughout the City's history, Palouse Producers supported the town and the local agricultural economy as a feedstore, blacksmith, livery stable, welding shop, petroleum distribution facility, and a service station.

Figure 5. Opening day for the service station on the brownfield site (circa 1955).

Palouse Producers went bankrupt in 1985. The bankruptcy was a tear in the fabric of this small community—not only economically but environmentally and socially. Whitman County farmers grow wheat and are the nation's largest producers of edible legumes. Twentieth century agricultural industrialization had an enormous impact on the local economy, and replacing the Palouse Producers business in the small town with another agricultural supply sector business was no longer feasible. Nor would the private sector invest in a contaminated property with unknown potential liability.

Palouse is a prime example of a small, rural community buffeted by the loss of a single critical business and its compounding effects on the community's identity, economy, and environment. Reduced property values rendered nearby vacant industrial and commercial sites unattractive for redevelopment, which created additional distress in the community because of fewer tax revenues.

Creative site cleanup paves the way for new brownfield tools statewide

The site was known to be contaminated since the mid-1980s when Palouse Producers went bankrupt. Petroleum had leached into the Palouse River, and soil was contaminated with petroleum and heavy metals. From 1984 to 1992, all aboveground and underground storage tanks were removed, interceptor trenches were installed to stop contamination from entering the river, and about 4,000 gallons of petroleum and 850 cubic yards of contaminated soil were removed.

To acquire the property, the City of Palouse went to court in Spokane over 60 miles away. The outcome of the court's decision mandated that the former Palouse Producers Site be sold to the City of Palouse for $1, allowing the City to pursue public funding for cleanup and redevelopment.

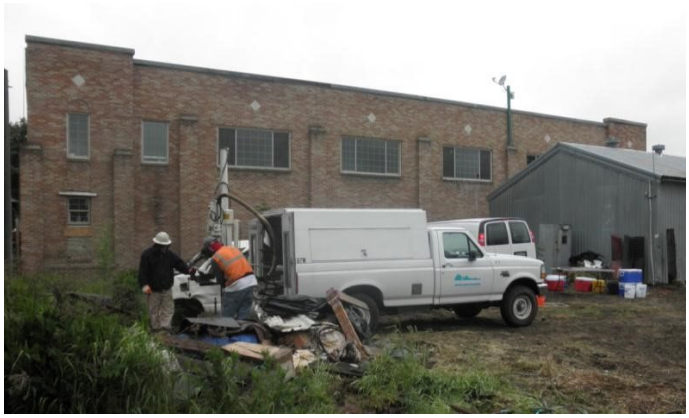


Figure 6. EPA and Ecology grants funded site assessment and characterization activities.

United States Environmental Protection Agency (EPA) and Ecology funding was used to characterize contamination in the 2000s. Two EPA Targeted Brownfield Assessments helped prepare Phase I and Phase II Environmental Site Assessments. These assessments documented soil and groundwater contamination with petroleum, benzene, and

metals at levels requiring cleanup. The City used funds from Ecology's new IPG to complete site characterization.

Ecology selected excavation and consolidation and capping of contaminated soils and monitored natural attenuation of groundwater as the final remedy. Areas with the worst contamination and risk from soil vapor were excavated. Lower levels of contamination were consolidated and capped on the property. An environmental covenant was required to ensure future owners were aware of residual contamination and would comply with the requirements of the remedy.

In 2011, the City entered into a Prospective Purchaser Consent Decree (PPCD) with Ecology to implement the cleanup. At the time, PPCDs had been underused. A PPCD allows a prospective purchaser who wants to clean up and redevelop a site to settle their liability with the state. It guides their work with Ecology to collaboratively ensure cleanup is complete and the redevelopment is safe. Cleanup at this site paved the way for using PPCDs elsewhere in the state, and the PPCD is now commonly used as part of Washington's "Brownfield Toolbox."

Figure 7. Demolishing the buildings on the site included abatement of lead- and asbestos-containing materials.

The City was awarded an Ecology Remedial Action Oversight Grant in 2012, and a grant from Commerce's Brownfields Revolving Loan Fund provided the required 25% match (see table on page 6). All buildings at the Palouse Producers site were demolished, including abatement of lead- and asbestos-containing materials. The final cleanup in 2012 removed all petroleum-contaminated soil down to the water table at a depth of around 8 feet, totaling about 2,800 cubic yards. During excavation, a 500-gallon underground storage tank and associated contamination were discovered and removed. The excavation was backfilled with clean structural fill to support future development.

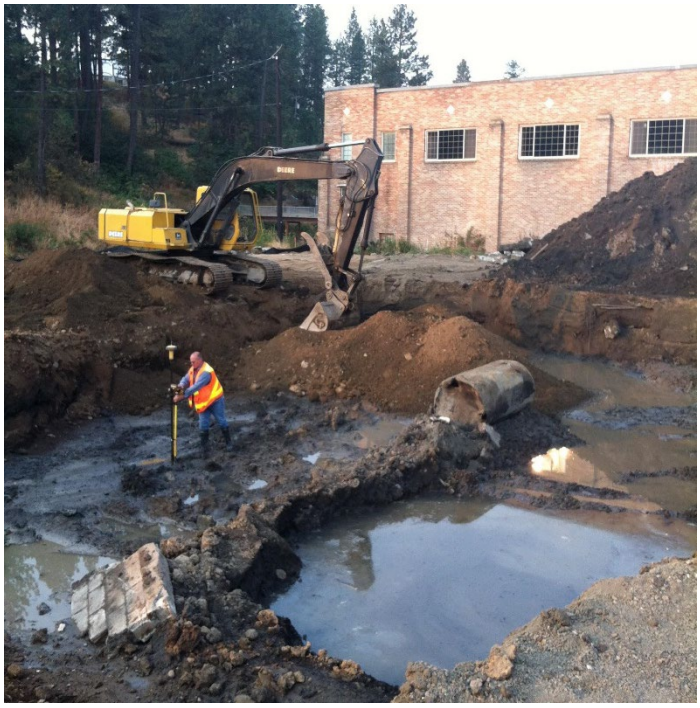


Figure 8. An undocumented underground storage tank was discovered and removed during site excavation.

Three wells were installed to monitor groundwater. Since most of the contaminated soil was removed, groundwater contaminant concentrations are naturally reducing over time. Monitoring shows petroleum and benzene concentrations are decreasing. Until contaminant levels meet state standards, however, groundwater monitoring will continue and Ecology's approval is required to dig deeper than 6 feet.

Community rallies to restore their downtown core

Creative and important partnerships evolved in the community throughout this project. Community engagement meetings funded by their IPG helped residents reimagine the Palouse Producers site and evaluate what was important to them.

High school students researched the site's history to support due diligence, and monitored the Palouse River to aid habitat restoration planning. Architecture class projects at Washington State University improved access between the river and Main Street, city parks, and trails.

Figure 9. Ecology's Integrated Planning Grant funded community engagement meetings in Palouse that helped the residents develop a vision, land use feasibility, and conceptual plans for the Palouse Producers site after cleanup.

In addition to this tight community network, a small but dedicated group of volunteers tirelessly raised funds for more than a decade to support downtown revitalization, leveraging and complementing the redevelopment happening at the former Palouse Producers site.

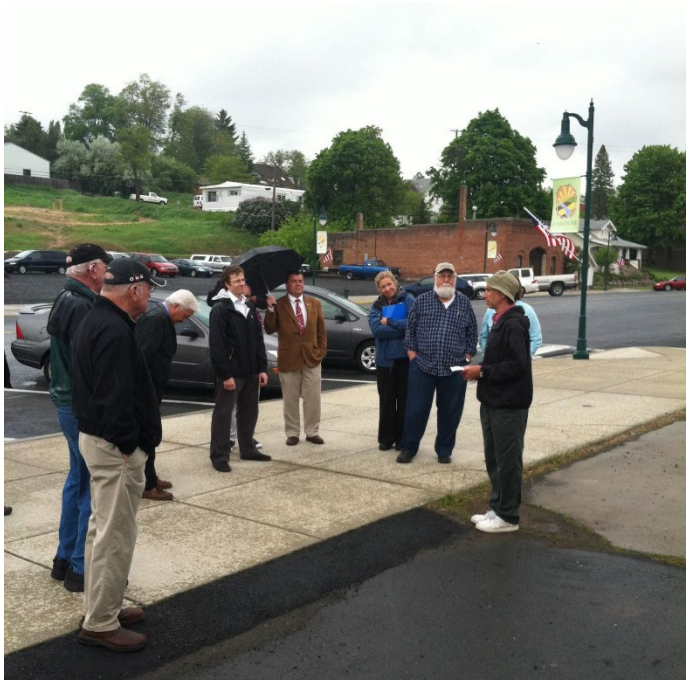


Figure 10. Former Palouse Mayor Michael Echanove talks with local politicians and funding partners about downtown revitalization.

All of these partnerships resulted in a remarkable "brownfield redevelopment success story" for this formerly declining rural community. If volunteers can move mountains, the Palouse volunteers can move entire mountain *ranges*.

Former Mayor Echanove echoed that compliment. Now chair of the Washington State Community Economic Revitalization Board, he encourages others to take on similar challenges because nothing can stop a community from reaching its shared vision when they work together:

> "This story matches the contours of the Palouse [landscape]. You can't see 50 feet in front of you because there's a hill. And when you get over that hill, there's another hill. But we had such a strong partnership with everyone that we never hit a hill we couldn't overcome."

Palouse Producers redevelopment by the numbers

Funding source	Activity	Amount	Year
EPA Targeted Brownfields Assessment	Phase I ESA	$9,160	2006
EPA Targeted Brownfields Assessment	Phase II ESA	$87,371	2008
Ecology Integrated Planning Grant	Site assessment, community outreach, and cleanup/redevelopment planning	$197,926	2009
Ecology Interagency Agreement (EPA Section 128(a) funds)	Supplemental assessment	$48,000	2010
Ecology Oversight Remedial Action Grant	Cleanup	$477,672	2012
American Recovery and Reinvestment Act grant (Washington Dept. of Commerce)	Cleanup	$101,891	2012
Washington Dept. of Commerce Brownfields Revolving Loan Fund grants	Cleanup and monitoring	$199,992	2012 2014
Whitman County	Forgave delinquent taxes and became a project partner	$28,000	2012

Related Information

- Ecology cleanup site name: Palouse Producers[1]
- Property address: 335 E. Main St., Palouse
- Ecology Cleanup Site ID: 4973
- ACRES ID: 58701

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[1] https://apps.ecology.wa.gov/cleanupsearch/site/4973