



Thea Foss Waterway

TACOMA, WA

2007 REGION 10 WINNER

Key Project Lesson: From a city's perspective, environmental leadership makes good economic sense when addressing complex sites.

Overview

The Thea Foss Waterway is a deepwater port with a 100-year history of lumber mills, cement production, and petroleum and chemical processing plants. The overall site includes both land and water, and the 125-acre waterway is part of the Commencement Bay Superfund site that was designated in 1983 due to serious contamination.

After years of planning and community input, the City of Tacoma laid out its vision for the area's revitalization. Given the issues involved, revitalization would be no easy task. Tacoma proposed what it called a "3-C" approach—collaboration, creativity, and cash—to address this complex and difficult site. In practice, this approach involved an innovative Superfund liability solution, creative incentive packaging, and long-term community commitment. The result is a reclaimed waterfront, new downtown economic development, and a substantial number of new residential units. The sustainability of the Thea Foss Waterway redevelopment is tied not only to ecologic restoration and habitat enhancement, but also to the economic benefits generated by the waterway's restored recreational value and ability to attract new residents and tourists.

Featured Partners

- City of Tacoma
- Foss Waterway Development Authority
- Washington State Department of Ecology
- Citizens for a Healthy Bay
- Federal Highway Administration
- Washington State Interagency Committee for Outdoor Recreation, Department of Natural Resources, and Department of Community Trade and Economic Development
- Pierce County Conservation Futures
- Other potentially responsible parties

Primary Reason for Redevelopment

The Thea Foss Waterway is the centerpiece of Tacoma's effort to revitalize its downtown waterfront, and the project demanded the attention that a major brownfield does. Its negative influence and the presence of abandoned and neglected buildings affected all of downtown and tarnished the city's image. This situation had to be corrected before large-scale redevelopment could move forward, and to enable Tacoma to recover use of its valuable waterfront asset.

Approach

Early on, Tacoma made a strategic decision to separate, for development purposes, the Superfund-designated Thea Foss Waterway from the less contaminated shoreline and upland properties. The city purchased 27 acres of upland properties and pledged to clean the properties to make them acceptable to developers. Tacoma issued bonds to raise funds for the upland cleanup. After intense negotiations with EPA and the Washington Department of Ecology, Tacoma crafted the Upland Consent Decree to implement cleanup strategies for the properties above the high water mark that incorporated new improvements, including both capping and paving as containment techniques. Where needed, the city excavated and removed soil for redevelopment. Excavation and removal down to groundwater was conducted in some areas to provide for underground garages and utility trenches. Landscaped areas were covered with a three-foot cap of clean materials.

Superfund issues were addressed via a sediment remediation project. The design called for a combination of dredging where current and planned uses required maintenance of certain navigational depths, and capping where existing depths and planned uses allowed it. The funding for the in-water remediation project was provided primarily by the City of Tacoma through surface water rates charged to utility customers. Significant grant funding was provided by the Washington Department of Ecology, and additional funding was provided by approximately 80 other potentially responsible parties (PRPs) whose operations contributed at some point to the waterway's contamination.

The city made land conservation a high priority in the redevelopment process. The Thea Foss Waterway esplanade is a linear park that combines public access with shoreline cleanup and restoration. The banks of the waterfront have been carefully restored with intertidal benches and vegetation in order to enhance habitat regeneration. The esplanade, along with parks located at the head and mouth of the waterway, allow public access to the waterfront where visitors can enjoy the restored waterfront habitat.

Innovative Techniques

To expedite the process, and as part of the landmark agreements governing the Superfund portion of the site, the City of Tacoma volunteered to enter into an Administrative Order on Consent to further investigate the nature and extent of contamination in the waterway and to develop a remedial design for the waterway. The city facilitated the formation of a PRP-funding-and-participation group to encourage discussion of a more cost-effective remedy within the confines of the agreed-to environmental record of decision. Ultimately, the city and other PRPs entered into an allocation process that used a third-party arbitrator to determine cleanup liability. This effort, supported by U.S. EPA headquarters, helped achieve a timely cleanup.

At the same time, the city put together an innovative development funding package. Tacoma's creative financing techniques leveraged support from a variety of funding sources while upholding the policy intent and needs of each, including recreation, economic development, transportation, environmental cleanup, PRP allocations and settlement agreements, escrows, bonds, local and federal tax incentives, private development, donors, and volunteer labor.

Challenges

Tacoma faced a major urban revitalization challenge—redeveloping an area that included a Superfund-designated polluted waterway, a freeway, and a rail line that separated the city's downtown from its waterfront. Tacoma's waterfront was a potentially significant asset, but one that itself contained many brownfield properties. The greatest challenge to the Thea Foss Waterway redevelopment was negotiating innovative cleanup agreements with state and federal agencies to remove the uncertainty surrounding redevelopment. These agreements now serve as nationwide models.

Marketing these sites was difficult, so a comprehensive package of incentives was developed to help with financing such as a 10-year property tax abatement program, cleaning up limited environmental contamination on upland sites, building the public waterfront esplanade and shielding purchasers from in-water cleanup liabilities.

Benefits

Economic revitalization of Tacoma's urban core was the primary goal of this revitalization effort. Located in the midst of a HUD-designated Renewal Community, the project has spurred \$400 million in private investment to date and about another \$400 million anticipated in the near future. The development activities underway are prompting additional development in the nearby central business district, including a \$20-million Columbia Bank Tower, an \$80-million convention center, and approximately 2,800 new condominium units. Employment projections for the Thea Foss Waterway redevelopment exceed 450 new jobs. Perhaps most importantly, Tacoma's shoreline, which always has been an important asset to the community, is now cleaned up and accessible for the public to use and enjoy.

Before



After



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| Contact Entity Address: | 747 Market Street, Tacoma, WA 98402 |
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| Names of Participants: | City of Tacoma, Foss Waterway Development Authority, U.S. Environmental Protection Agency, Washington State Department of Ecology, Federal Highway Administration, Washington State Recreation and Conservation Office, Washington State Department of Natural Resources, Washington State Department of Community Trade and Economic Development, Pierce County Conservation Futures, other PRPs |
| Number of Acres: | 16 acres upland/109 acres water |
| Former Uses: | cement plant, flour mill, petroleum and chemical processing |
| Current Uses: | mixed-use residential development; leisure |
| Former number/Types of jobs: | 225, classification of jobs unavailable |
| New number/Types of jobs: | 165, administrative/clerical, construction, security, maintenance |
| Regulatory Program: | CERCLA |
| List of Major Contaminants: | petroleum hydrocarbons, carcinogenic HPAH materials, mercury, PCBs, pesticides, phthalates, and other polycyclic aromatic hydrocarbons |
| Greatest Challenges: | negotiating innovative cleanup agreements with state and federal agencies and removing stigma |
| Length of Time to Remediate Site: | 1992 - present |
| Primary Reason for Redevelopment: | negative public image, economic stimulus, Superfund designation |
| Years Abandoned or Challenged: | 20 years |
| Cleaned up under Consent Decree: | yes |
| List of Financial Assistance: | EPA Brownfield Pilot grant; Federal Highway Administration; Washington State Department of Ecology; Washington State Department of Community, Trade and Economic Development; Washington State Recreation and Conservation Office and Pierce County Conservation Futures |
| New Tax Revenues: | TBD |
| Community Outreach Activities: | extensive public outreach efforts |
| Federal Partners: | EPA, Federal Highway Administration |