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## *For Urban Wastelands. Tomatoes and Other Life*



Photographs by Keith Meyers/The New York Times

Mike Kellar tends to some of the more than 100,000 tomato plants at the Village Farm Greenhouse in Buffalo. The greenhouse, left, was built on abandoned industrial land. At right, another site proposed for industry.

# For Urban Wastelands, Tomatoes and Other Life

By ANDREW C. REVKIN

On an industrial strip in Buffalo, where just over a year ago the remains of a steel mill sagged on an oil-soaked lot, bumblebees now dance among the yellow blossoms of 170,000 tomato plants growing in artificial soil in a computer-controlled greenhouse. This month, 125 workers will start picking what the greenhouse company says will be at least seven million pounds of vine-ripened tomatoes each year.

In Trenton, a supermarket, office complex and 70 new apartments for the elderly now occupy a jumble of long-dormant factory buildings where workers once wove cables for suspension bridges — and left traces of toxic metals and industrial chemicals.

And on a patchwork of decontaminated factory sites and empty lots near the waterfront in Bridgeport, Conn., fresh sod was laid last month on the infield of a \$14 million minor-league ball park. The Bridgeport Bluefish are to toss their first pitch in May.

The economic boom, new commitments from local, state and Federal Government agencies, and technical advances have opened the way to aggressive redevelopment of contaminated patches of inner cities, long shunned as environmentally hazardous and financially risky.

The land is desirable for the reasons businesses once favored inner city locations — proximity to transportation and easy access for suppliers and customers. And the reclamation of sites known as “brownfields” is taking root across the urban Northeast, Midwest and almost everywhere else that fenced tracts of tainted soil, rusting iron and falling brick pay tribute to the decline of many manufacturing centers. None of the sites, though, have been deemed hazardous enough to qualify for cleanup money under Federal or state Superfund programs.

With new streams of government money aimed at these projects and demand for urban real estate rising, an entire industry of financial consultants and environmental scientists has grown to attend to them.

In New York, the picture is mixed. New York State has committed \$200 million to clean brownfields in the 1996 bond act, but has so far spent only \$8.4 million. The state also lacks a law protecting prospective developers from unforeseen cleanup costs, prompting many developers to shop elsewhere.

New York City has identified more than 6,500 such tracts, most of them in old industrial areas of Brooklyn, the Bronx and Queens. The city has put together some successful pilot cleanups and has several more in the

## New Laws and Funds Fuel Revival of Land Long Polluted

works. Among the most notable successes is the cleanup of the 96-acre Harlem River Rail Yard, which is also slated to include an industrial and commercial complex.

But some environmental experts in the private sector say the city is taking too long to compile and market a list of usable sites.

“These neighborhoods can’t wait,” said Walter Hang, president of Toxics Targeting, who participated in a New York City task force on brownfields. “Every day, every year you delay, structures are falling apart, the work force is leaving, the community is dying.”

Randy Mastro, the First Deputy Mayor, defended New York City’s record, saying that a wide array of sites, from the Bronx to Staten Island, were being returned to productive use after decades of neglect. “It’s in our interest to do so,” Mr. Mastro said. “It’s both environmentally sound and good planning for the city.”

Elsewhere, redevelopment of polluted sites is becoming a thriving business. Mr. Hang, whose company is based in Ithaca, N.Y., said that more than a third of his work involved sifting data bases of environmental agencies for records of spills before a real estate sale took place.

Sensing a new business in the making, several insurance companies, including American Insurance Group and Kemper Insurance, have created divisions offering policies that protect developers of polluted real estate against unforeseen cleanup costs or lawsuits.

Coopers & Lybrand, the accounting firm, has sharply expanded a division focused on evaluating cleanup costs for brownfields, creating five regional divisions last year to handle the work load, Jennifer Johnson, a manager in the division, said.

“There’s a lot of capital out there looking for the highest rate of return, and brownfields are a source of that,” Ms. Johnson said. “More and more people are finding their way through the muck.”

## Laws, Technology And Attitudes Evolve

Laws and regulations governing cleanup have been changed recently in more than three dozen states. Many of the changes limit the potential liability of new buyers to known cleanup costs — freeing them from the specter of some surprise discovery years down the road.

Some cleanups are being financed through loans by the Federal Department of Housing and Urban Development and pilot grants from the Federal Environmental Protection Agency. The E.P.A. has awarded more than 120 grants to municipalities to identify and fix sites, with \$85 million in this year’s budget for more grants.

In addition, a Federal law enacted last year allows developers of brownfields to write off their cleanup costs in the year they are incurred, instead of stretching the tax break over several decades. The tax breaks are expected to amount to \$2 billion over the next three years.

Adding momentum to the shift, many private environmental groups that once aggressively fought to have all contaminated parcels cleaned to a single high standard now are supporting state and Federal efforts to set different standards of cleanliness depending on the eventual use of each site. In other words, dirt under a new parking lot need not be as clean as dirt in a new playground.

The technology of cleaning spills and other contamination has also improved, lowering costs.

“There was a time when many people saw a leaking underground tank as a half-million-dollar issue,” said Randy Muller, vice president of environmental services at the Bank of America, in Chicago. “We see that as a \$35,000 issue.”

The condition of abandoned industrial sites still varies tremendously from state to state and city to city. Some spots with severe liabilities will never find a market. And even in places where sites are being restored, mainly the most valuable ones — “the low-hanging fruit,” in the words of one Federal environmental official — have been rehabilitated so far.

## A Legacy of Pollution Across the Nation

Since the early 1980’s, when Love Canal and other toxic discoveries spawned strict Federal and state cleanup laws, almost any urban property — whether severely or lightly polluted — has had the potential to become a tangle of costly, time-consuming cleanups and lawsuits.

As a result, an enormous inventory of unused parcels has built up around the United States. As many as 450,000 such tracts have been tallied in various government and private studies.

The properties, now unused, range from 100-acre railyards and even larger steel mills to dry cleaning shops and corner gas stations, but they all share a common legacy: suspected or low-level contamination with harmful metals, chemicals, or petroleum.

Many sites may not be polluted at all. But they remain padlocked and silent, with no investors willing to gamble on cleaning them. In many cases, owners — to avoid taxes and cleanup costs — have gone bankrupt and sometimes literally dropped off the keys at City Hall.

That was how New York City acquired its dubious portfolio of more than 1,300 acres of pollution-stained empty lots or industrial buildings, 40 percent of the total of 3,300 acres of tainted sites in the city.

The stigma surrounding such sites is one factor that helped push industry into the suburbs, according to many urban planners and environmental experts, creating new environmental problems and eating up increasingly rare open space.

Even though there are other costs in building on farmland or woodlands — laying sewers and power lines and the like — they are at least measurable and predictable, developers say, unlike a city lot with a questionable past.

So the urban properties were shunned, weighing down surrounding — mostly poor — neighborhoods that have been trying for decades to revive.

## As Risks Recede, Revival Gains Ground

Now, though, signs of life abound. So far, most of the successes in turning around these sites have come where communities have made a concerted effort to build a package of tax breaks and liability protections big enough to outweigh the risks of a cleanup. Federal environmental officials point to Chicago, Buffalo and Trenton as some of the cities most aggressively pursuing cleanup deals.

New Jersey enacted its brownfields law in January, offering tax breaks and protecting buyers of tainted industrial sites from future cleanup costs once they have followed a state-approved plan to restore a site.

Developers who avoided the state last year, including Ronald B. Bruder, the chairman of Dames & Moore/Brookhill, are already conducting helicopter surveys of possible purchases there.

Progress in New York State is still halting, partly because the \$200 million from the 1996 bond act can only be spent if sites are cleaned to a

standard as stringent as that for Federal Superfund sites. This condition was insisted upon by some private environmental lobbying groups in return for their endorsement of the bond legislation.

Many mayors have said it simply is not worth applying for such restrictive aid, because cleanups could take years.

But other communities are cashing in. Yesterday, Gov. George E. Pataki handed a check for \$2.9 million to the Hudson River village of Irvington to transform two industrial sites into a park.

Mr. Pataki has also proposed brownfields legislation similar to New Jersey's, but he and the Democratic-controlled State Assembly have never agreed on the details of such a law.

Meanwhile, Mr. Pataki used administrative changes to create a "voluntary cleanup program" that protects developers who correctly follow cleanup plans approved by the state.

That program has helped clean some brownfields. But private developers say they still prefer to look for land outside the state, where the protections are firmer and clearer.

Connecticut offers developers the chance to put money into a pool — equal to 3 percent of the value of a property once it is cleaned — that is then used to cover unanticipated cleanup costs.

Like Massachusetts and Ohio, Connecticut also has a new licensing system for private environmental specialists who monitor and certify industrial cleanups. Their work can be audited and there are substantial penalties for cheating, said Michael Freimuth, the director of planning and economic development in Bridgeport.

The biggest benefit of the new state programs, Mr. Freimuth said, is that companies seeking to build in long-suffering downtowns can finally undertake what has always been a given in real estate — a straightforward weighing of risks and rewards.

"Risk is the foundation of investment," Mr. Freimuth said. "We've finally been able to put some risk analysis back into the mathematics of brownfields. Without that, we were in a perpetual Never Neverland."

## Careful Planning And Creativity Sought

No one involved in rehabilitating old urban sites expects all the scars of a century of heavy industry to be erased. And market forces alone cannot do the job, said Alan Mallach, the director of housing and development for Trenton.

The shape of a city will still best be determined through careful planning and creative problem solving, he said. He cited a recent challenge faced in Trenton, which in 1995 lost its biggest employer, Hill Refrigeration, when the company moved to Virginia and sold its 24-acre plant site.

In a negotiated deal with the owners of the property, Trenton received \$200,000 toward a cleanup, subdivided the land and found seven new tenants, including a Canadian company that builds refrigeration equipment.

"They came here specifically because we had this great trained work force," Mr. Mallach said.

In Buffalo, city officials decided to pay part of the costs of digging out the oil-soaked dirt at the old steel mill site, clearing the way for workers to erect the glass panels of the high-technology greenhouse last fall. The tomatoes are isolated from any possible remaining contamination, with their roots growing in bricks of synthetic, wool-like fibers, not in the dirt.

The benefits of that investment quickly became apparent, said Alan H. DeLisle, the president of the Buffalo Enterprise Development Corporation, which owns the land and leases it to the vegetable growers.

"The first day of job interviews, they had 700 people lined up for 175 jobs," Mr. DeLisle said.

Inside the sprawling greenhouse, shielded from the cold rain of a blustery late winter day, workers in shorts and T-shirts tended the fast-growing vines.

Richard Hughes, a 55-year-old security guard at the 18-acre complex, Village Farms of Buffalo, said he had spent 17 years working just up the road at the Shenango Steel mill, which closed in 1982. As he surveyed the still-vacant lots around the greenhouse, he marveled at his new work place, with its drip-irrigated plants and polished panels of greenish glass.

"I grew up a little kid over there on Oak Street," he said, pointing toward downtown, past the windswept spaces where steel furnaces once roared and glowed. "Never thought I'd see a greenhouse in Buffalo. But here it is. It's new blood for an old man."