



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

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February 26, 2018

David Schumacher, Director
Washington State Office of Financial
Management
PO Box 43113
Olympia, WA 98504-3113

The Honorable Bruce Chandler
House of Representatives
PO Box 40600
Olympia, WA 98504

The Honorable Steve Tharinger
House of Representatives
PO Box 40600
Olympia, WA 98504

The Honorable Christine Rolfes
State Senate
PO Box 40482
Olympia, WA 98504

The Honorable Richard DeBolt
House of Representatives
PO Box 40600
Olympia, WA 98504

The Honorable John Braun
State Senate
PO Box 40482
Olympia, WA 98504

The Honorable Timm Ormsby
House of Representatives
PO Box 40600
Olympia, WA 98504

RE: Brownfield Redevelopment Trust Fund Account: No activity to report for 2017

Dear Director Schumacher, and Members of the Washington State House of Representatives and State Senate:

This letter is in fulfillment of reporting requirements outlined in the Model Toxics Control Act (MTCA), [RCW 70.105D.140](#)(6) and (9). The citation is excerpted below; the full citation is attached.

Per RCW 70.105D.140, MTCA requires the Washington State Department of Ecology (Ecology) to report every odd-numbered year on redevelopment activities funded by the Brownfield Redevelopment Trust Fund (BRTF) Account:

(9) Beginning October 31, 2015, the department must provide a biennial report to the office of financial management and the legislature regarding the activity for each specific redevelopment opportunity zone or specific brownfield renewal authority for which specific legislative appropriation was provided in the previous two fiscal years.

No financial activity to report for 2017

There was no legislative appropriation for this account during the 2015-2017 Biennium, and therefore no activity to report for 2017. However, since the last legislative report for this account was submitted in 2015 (which also reported no activity), three Redevelopment Opportunity Zones (ROZ) and one Brownfield Renewal Authority have been created by local governments. These are tools intended to help local governments clean up and reuse previously developed properties that are currently abandoned or underutilized.

Three ROZs and one Brownfield Renewal Authority developed since 2015

Brownfield Redevelopment Trusts can only fund projects within an established Redevelopment Opportunity Zone (ROZ) or a Brownfield Renewal Authority. A ROZ is a geographic area designated by a city, county, or port district that meets criteria outlined in [RCW 70.105D.150](#). A brownfield renewal authority may be established by a city, county, or port district, for the purpose of guiding and implementing a property's cleanup and reuse within a ROZ ([RCW 70.105D.160](#)). Since 2015, three local governments have developed:

- **Spokane ROZ (2015):** *Hillyard Industrial Area Redevelopment Opportunity Zone*, comprised of four parcels representing about 10 acres in total. All properties within the zone are owned by the City of Spokane.
- **Spokane Brownfield Authority (2015):** *Hillyard Industrial Area Brownfield Renewal Authority*, contained within the larger Northeast Public Development Authority.
- **Bellingham ROZ (2016):** *Bellingham Waterfront Redevelopment Opportunity Zone*, comprised of ten parcels representing about 20 acres. Properties within the zone are owned either by the City of Bellingham or the Port of Bellingham.
- **Seattle ROZ (2017):** *Mount Baker McClellan Street Redevelopment Opportunity Zone*, comprised of five parcels representing approximately one-half acre in the Mount Baker neighborhood.

Ecology's next steps

To date—four years after the passage of amendments to MTCA which created the Brownfield Trust Account tool—no accounts have been established. Ecology has identified several possible reasons for this, which we have outlined in the report, *Redevelopment Opportunity Zones and Brownfield Redevelopment Trust Fund Accounts in Washington State: 2013-2017*, publication no. 18-09-048, available at <https://fortress.wa.gov/ecy/publications/SummaryPages/1809048.html>. Ecology will review these impediments to using the Brownfield Redevelopment Trust Fund approach to clean up contaminated sites with redevelopment potential. Subsequent reports to the Legislature may highlight what regulatory, budgetary, or statutory changes might be needed to enhance use of this funding approach to cleanup and redevelopment.

If you have any questions, please contact me at (360) 407-7177, Jim.Pendowski@ecy.wa.gov.

Sincerely,



James J. Pendowski, Program Manager
Toxics Cleanup Program

Attachment

[RCW 70.105D.140](#)

Brownfield redevelopment trust fund account—Created—Report to the office of financial management and the legislature—Rules.

(1) The brownfield redevelopment trust fund account is created in the state treasury. All receipts from the sources identified in subsection (2) of this section must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only as identified in subsection (4) of this section.

(2) The following receipts must be deposited into the brownfield redevelopment trust fund account:

(a) Moneys appropriated by the legislature to the account for a specific redevelopment opportunity zone established under RCW 70.105D.150 or a specific brownfield renewal authority established under RCW 70.105D.160;

(b) Moneys voluntarily deposited in the account for a specific redevelopment opportunity zone or a specific brownfield renewal authority; and

(c) Receipts from settlements or court orders that direct payment to the account for a specific redevelopment opportunity zone to resolve a person's liability or potential liability under this chapter.

(3) If a settlement or court order does not direct payment of receipts described in subsection (2)(c) of this section into the brownfield redevelopment trust fund account, then the receipts from any payment to the state must be deposited into the state toxics control account established under RCW 70.105D.070.

(4) Expenditures from the brownfield redevelopment trust fund account may only be used for the purposes of remediation and cleanup at the specific redevelopment opportunity zone or specific brownfield renewal authority for which the moneys were deposited in the account.

(5) The department shall track moneys received, interest earned, and moneys expended separately for each facility.

(6) The account must retain its interest earnings in accordance with RCW 43.84.092.

(7) The local government designating the redevelopment opportunity zone under RCW 70.105D.150 or the associated brownfield renewal authority created under RCW 70.105D.160 must be the beneficiary of the deposited moneys.

(8) All expenditures must be used to conduct remediation and cleanup consistent with a plan for the remediation and cleanup of the properties or facilities approved by the department under this chapter. All expenditures must meet the eligibility requirements for the use by local governments

under the rules for remedial action grants adopted by the department under this chapter, including requirements for the expenditure of nonstate match funding.

(9) Beginning October 31, 2015, the department must provide a biennial report to the office of financial management and the legislature regarding the activity for each specific redevelopment opportunity zone or specific brownfield renewal authority for which specific legislative appropriation was provided in the previous two fiscal years.

(10) After the department determines that all remedial actions within the redevelopment opportunity zone identified in the plan approved under subsection (8) of this section are completed, including payment of all cost reasonably attributable to the remedial actions and cleanup, any remaining moneys must be transferred to the state toxics control account established under RCW 70.105D.070.

(11) If the department determines that substantial progress has not been made on the plan approved under subsection (8) of this section for a redevelopment opportunity zone or specific brownfield renewal authority for which moneys were deposited in the account within six years, or that the brownfield renewal authority is no longer a viable entity, then all remaining moneys must be transferred to the state toxics control account established under RCW 70.105D.070.

(12) The department is authorized to adopt rules to implement this section.