



# Regional Report:

*By Steve Dwyer*

**T**he Southwest region spreads out over a vast area that is sometimes called the “wide open spaces.” Petroleum has brought the region most of its wealth, as the region consists of large deposits of petroleum and natural gas, as well as various other minerals.

In the 1900s, refineries and petrochemical factories were attracted to the Southwest, and for a long stretch the region has been able to attract oil and gas producers due to the compatibility the region had to push their businesses. Over the years, a number of these oil and gas sites had to be shuttered due to various factors, including contamination. Many of these properties have been viewed as prime parcels for brownfield development projects.

Depending on the state (and Southern California has been folded into the Southwest region within this report), oil and gas operations and the environmental restoration of sites might fall under the authority of an agency that only handles O&G operations, and not covered by environmental protection agencies. These agencies “are old and possibly have outdated cleanup requirements and are very restrictive or very lax standards in which they judge clean up attempts,” said Rick Shean, Brownfields Revolving Loan Fund Coordinator, and remediation oversight project manager, New Mexico Environment Dept., Albuquerque.

“Either way, it takes very motivated entities to take on sites that can be hundreds of acres in size and have several unknown environmental conditions due to absent and or insufficient environmental monitoring,” said Shean. “In New Mexico, the Environment Department works with the state agency that deals with O&G restoration proj-



# Southwest

ects and tries to provide oversight through a ‘voluntary remediation agreement,’” Shean points out.

Like oil and gas, the railroads represent another iconic piece of the Southwest. Many former railroad maintenance yards provide unique opportunities for redevelopment. “Many former railroad maintenance yards are in southwestern brownfields inventories,” said Shean. “They provide unique opportunities for redevelopment, particularly if they are in urban cores or near urban cores. New Mexico has recently started light-rail commuter train service between Belen and Santa Fe, over 200 miles between the two cities, and the city of Santa Fe redeveloped an old railyard as a train stop with several restaurants, retail and office fronts. Albuquerque recently purchased a 27-acre railyard near downtown Albuquerque and wants to redevelop with mixed use housing and retail space.”

Water availability and water rights in the Southwest has always served as an X factor in brownfield projects. Remediation activities requiring the discharge of water, such as “pump and treat” systems, typically include on-site treatment and re-injection of treated water, creating a net zero use of water. “Water rights are very difficult to come by in the West, where most water law regimes are based on the practice of ‘prior appropriation’ to a certain date in respective state laws, and the amount available is based on court and statute determined ‘beneficial uses,’” said Shean.

## Creating ‘new water’

A current controversial attempt by oil and gas operations to create “new water”—water extracted during

the drilling process that’s deep in the ground and has a total dissolved solids content of greater than 1,000 mg/L—is troubling the New Mexico Office State Engineer, which is responsible for administering all waters in the state, said Shean. O&G is now filing for water rights for these created waters, and “attempts to change state law to both include and exclude these deep, turbid waters abound. The waters are typically recycled for onsite drilling activities, but some advocates for this reclaimed water are clamoring for use of this water resource for potable consumption,” said Shean.

Excellent wind and solar resources are indigenous to several Southwest states, and New Mexico is one of them. “New Mexico and the other states in the Southwest have excellent wind and solar resources as determined by the DOE,” said Shean. “In fact, many regional energy companies are supplementing their base loads with renewable sources of energy in advance of federal and/or state-sanctioned greenhouse gas emission standards.”

The Southwest is the fastest growing region in the country and the challenge of providing energy to the population expansion “is a big one, and is hindered by a lack of distribution lines,” Shean said. “The temptation to continue to use coal in the energy production is this region with large coal reserves is great, as is the re-opening of uranium mines in this part of the country, particularly New Mexico, which has a large reserve and growing interest to be exploited by uranium mining companies. Many legacy uranium mining sites exist on federal, private and Indian lands in the Southwest, and the poor restoration of the sites that closed down in the 1980s has created a resistance to the call to open these holes up again,” Shean concludes. **BFN**

# Southwest: People

By Steve Dwyer

## Meet local market makers who are having a positive impact on the world's landscape

### Lynne Birkinbine

*Environmental Manager, city of Tucson Environmental Services*

Birkinbine manages brownfields projects and environmental compliance for the city of Tucson, and has been involved with the Fort Lowell Restoration project since the city acquired the property. She works closely with the historic preservation and parks and recreation communities, in addition to a variety of citizen groups. "I am excited to see the final development of this project, as it will be a huge community asset in the years to come," said Birkinbine.

### Barbara Rauch

*environmental attorney, Office of General Counsel, Oklahoma Dept. of Environmental Quality (DEQ)*



With an emphasis in remediation of contaminated properties in the Superfund and Brownfields programs, Rauch functions as more than a program attorney. Through her deep understanding of the legal issues, she assists program staff iden-

tify innovative measures that help ensure the success of project. Rauch was instrumental in securing the success of the 2008 Oklahoma Brownfields Conference, and functioned as the "speaker wrangler," which ensures seamless transition between speakers and breakout panels. Rauch was involved in drafting Oklahoma's Brownfields Voluntary Redevelopment Act and administrative rules in the late 1990s and has worked with brownfields staff on various issues since. She was part of a DEQ team that solved critical environmental challenges of transforming brownfield sites into productive properties that won the Region 6 Strategic Alliance Award in 2003 and the Region 6 Phoenix Award™ in 2004 and again in 2006.

### Rick Shean

*Brownfields revolving loan fund coordinator and remediation oversight project manager, New Mexico Environment Dept., Albuquerque*



Shean has worked at the local and state level for brownfields programs

for almost eight years in New Mexico, starting his career in transportation research and water resources management. In his role, Shean finds the government's challenge in the re-development of brownfields is "knowing when to guide and when to just help facilitate. We have our cleanup standards and guidelines to assist with site remediation goals, but moving at the pace of commercial real estate decisions usually demands most of the regulatory specialists attention on brownfield projects. Being a part of a cleanup that's finished and immediately followed with construction is the most rewarding work experience."

### Dan Johnson

*vice president, SCS Engineers*



When purchasing tainted properties in southern California, buyers often turn to Johnson, regarded as a nationally-recognized expert in the area of brownfields redevelopment. Educated as an economist and environmental scientist and equipped with significant knowledge of envi-

ronmental law, Johnson is well known for his acumen in real estate risk management, and has developed risk management programs for single assets and one-off transactions, as well for entire portfolios of contaminated properties with market values in excess of \$100 million. More recently, Johnson was the principal strategist behind “SCS Secure,” the SCS program that offers a menu of risk transfer options to clients with environmentally impaired or stranded assets, including guaranteed fixed-price remediation programs. Johnson has worked on no fewer than 100 redevelopment projects, helping clients collect more than \$1 million in brownfields project grants. Johnson has championed the benefits of brownfields redevelopment and the synergy between smart growth and affordable housing. His firm’s most notable project is the Phoenix award-winning Petco Park redevelopment, a 26-block project located in the East Village in downtown San Diego, which won a 2005 Excellence in Smart Growth Award by the ULI San Diego/Tijuana region.

## Ron Morrison

*Mayor, National City, Calif.*

Growing up in National City, San Diego County’s second oldest city, Morrison was elected to the City

Council, where he fought for residential property rights and led political campaigns against outside interests. Elected to the City Council in 1992, Morrison was eventually elected Mayor in 2006. Serving in his 17th year as an elected National City official, Morrison has provided leadership in key position at not only the local level, but also regionally, state, and nationally. Some of the positions that Ron currently serves on include San Diego County Water Authority and president, National Brownfield Association California Chapter. Morrison has been the recipient of numerous civic and humanitarian awards. The one he is most proud of is seeing the positive changes in National City and the quality of life for its residents. He sings the praises of his fellow Council members, noting that they have good chemistry together. “All of us grew up here, we all graduated from Sweetwater High School and we all deeply care about National City.”

## Patricia Beard

*redevelopment manager, city of National City, Calif.*

As manager of redevelopment and the lead staff member overseeing brownfields activities for National City, Beard facilitates project organ-

ization and financing within the city’s 2,040-acre Redevelopment Project Area, with oversight of full project. Beard has 19 years of community development experience and nine years of brownfields experience in California. Earning her Bachelor of Science at Michigan State University, Beard views brownfield redevelopment as a vital approach to curtailing development sprawl and preserving wild spaces. She has accomplished the remediation and redevelopment of approximately 70 acres of properties impacted by hazardous materials since 2000.

## Steve Andrews

*chief, strategic planning, Community Redevelopment Agency of Los Angeles*

Andrews is responsible for developing new strategic directions for addressing economic development and community revitalization strategies and programs, serving as liaison on strategic planning and policy issues with the City Council, Mayor’s Office, and other city departments and agencies. He represents the Redevelopment Agency on the city’s interdepartmental team, developing and managing its Brownfields Revitalization program. Andrews also serves as co-chair of the California Redevelopment Assoc. Brownfields Committee and is a member of the Executive Committee of the California Chapter of the National Brownfields Association. Ten years ago the city of Los Angeles formed an interdepartmental team consisting of the Mayor’s Office of Economic Development, the Environmental Affairs Department, and the Redevelopment Agency to establish policy and direct program activities for the city’s brownfields program. Andrews holds a Master of Arts degree in Political Science from the Eagleton Institute of Public Policy at Rutgers University and a Bachelor of Arts degree in Government from the University of Redlands. **BFN**



# Southwest: Projects

## Skirvin Hilton Hotel

**LOCATION:** 1 Park Ave., Oklahoma City, Okla.

**SIZE:** 1.45 acres, of which 250,600 sq. ft. comprise the building's footprint.

**SITE BACKGROUND:** Hotel opened in 1911 and was one of the first buildings in Oklahoma City to have air conditioning. It had two 10-story towers containing 224 rooms. The hotel was built to be self-sufficient and had its own natural gas pipeline, electric plant, water wells and telephone switchboard. The building stood empty for almost 15 years until Oklahoma City took the lead to preserve and restore the landmark to the city's skyline, thus creating needed hotel space.

**FEATURES:** The 96-year-old Skirvin Hotel recently reopened as the Skirvin Hilton Hotel after 19 years of abandonment and neglect. Re-opened in February 2007, the hotel is widely recognized as one of the most important historic structures remaining in the city. The building is listed on the National Register of Historic Places due to its architectural significance and integrity and past role in the social, political and economic life of Oklahoma City.

**COST:** \$56.4 million, with a private sector share of \$36.4 million.

**PROJECT PARTNERS:** City of Oklahoma City; Oklahoma City of Urban Renewal Authority; Oklahoma Dept. of Environmental Quality; Oklahoma Dept. of Commerce; Oklahoma State Historical Preservation Office; Skirvin Solutions Committee; Skirvin Partners; Marcus Hotels and Resorts; U.S. Housing and Urban Development.

**SYNOPSIS:** Cleanup was completed in July 2005 and the facility re-opened in early 2007. Key accomplishments included the removal of 3,410 linear feet and 124,720 sq. ft. of friable asbestos; creation of capacity to preserve, restore and add needed hotel space to the downtown area and the leveraging of approximately \$66 million for cleanup and redevelopment efforts. The successful revitalization of the hotel (a Phoenix Award applicant) stands to create meaningful and lasting economic benefits, and serve as yet another success story in a decade-long downtown renaissance. Five core benefits of the project include: Use of brownfield money, which made it possible; Historical significance to the state of Oklahoma; Community importance to the city of Oklahoma City; Economic development to benefit the entire state of Oklahoma since it's regarded as the premier hotel in the state; and an innovative financing package. **BFN**

