

[Pierce County Business Examiner](#)

March 15, 2004

Abandoned gas stations need cleaning up

The term "Green Business" used to mean a company that tried to limit pollution and its overall impact on the environment. These days, it also denotes the color of money that can be saved -- and earned -- by being ecologically conscientious.

Take for example, that lot down the street where a thriving business once stood but now stands abandoned, weed-covered and perhaps even environmentally dangerous. Almost every neighborhood in the nation has at least one cleanup spot that could find new commercial life.

The U.S. Department of Ecology estimate there are 200,000 abandon gas stations dotting the national landscape. Federal grants to counties are helping developers clean them up for reuse as everything from coffee shops to office space.

"Pierce County has a quite a number of them," says Washington State Community, Trade and Economic Development program manager Sharon Kophs. "They are generally along the old Highway 99 corridor. A lot of these gas stations were in prime locations."

Such stations didn't require a license or even have to register with the state until the 1980s. Regulatory reform and more fuel-efficient cars thinned the ranks during the in recent decades, particularly in the mid-1980s, when gas stations were required to double-hull their gas tanks. Service stations, which are gas stations that also provide car repairs and services, faced similar troubles with their waste oil and chemicals. Rather than upgrading their tanks, many independents simply closed their doors.

Invisible hazards

Today there are only about 70 gas stations still in operation in Pierce County -- but there may be as many as several hundred buried tanks where competitors once operated that are just waiting to collapse and leak fuel into the soil. Those in urban areas usually easy to identify but the ones in rural areas or on sites that once fueled commercial fleets or farm equipment are largely invisible.

"They don't even come up on the radar of the Department of Ecology," Kophs says.

It is the more highly visible of these that the agency and other environmentalists have set their sights on. They call them "brownfields" and do everything in their power to convince developers to restore them to productive members of the economic society.

Incentives include the fact that these abandon stations dot some of the most highly traveled strips in their communities -- and low-interest loans to pay for the clean up that will restore these sites to prime commercial property. Washington has \$2 million in federal grants while Pierce County has a received word it will receive a separate pool of \$200,000 in DOE grants for clean-up loans.

The federal Brownfields Revitalization Act of 2002 provides an initial \$50 million funding pool for cleanup and redevelopment of abandoned gas stations. Governments seek private partners since just relying on government funds could cost taxpayers billions of dollars. The revolving loan plan stretches

the \$50 million by providing assistance funding to make cleanups pencil out for private developers.

"Banks don't like to issue loans on contaminated sites," Kophs observes, "so what we do is offer gap funding."

Gap funding is banker lingo for the difference between what a bank will loan and what a project will actually cost. Few banks will fully finance a project and either require other funding partners or some up front capital before they will commit to a loan.

Despite such incentives, Kophs confides, many developers and the banks they rely on for financing shy away from what he characterizes as bargain sites.

"The trouble is perception rather than reality," she says.

They're afraid of what might lie just below the surface. Costs associated with cleaning up widespread contaminated soil caused by a leaking fuel tank or other chemical spill can run into the hundreds of thousands of dollars.

But those are extremely rare, Kophs contends. The average clean up of an abandon gas station and removal of the underground fuel tanks is between \$30,000 and \$50,000, she says.

"For smaller properties, it really is a pretty straight forward process," she says.

Factor in the bargain-basement prices that are charged by what typically are absentee landowners and the sub-market financing, she says, and abandoned gas station sites can prove to be profitable business ventures. Former fenced off and overgrown eyesores along main commercial strips are becoming fast food restaurants, latte stands, retail stores and offices as cities seek new uses for blighted parcels as part of their economic development process.

Best guess is that Pierce County had some 250 gas and service stations during the 1930s and '40s, many of them sidelines to fruit stands, grocery stores or car repair shops.

"These weren't gas stations at the same scale as they are today," says Tacoma-Pierce County Health Department Specialist Ryan Kellog.

Old-fashioned research

Kellog and his colleagues at the Health Department have been awarded a \$230,000 federal DOE grant to go through dusty telephone books, business directories and land records in an effort to identify sites where gas stations once stood.

The project also calls for staff to literally drive what once were main thoroughfares in search of buildings that might once have been gas stations -- buildings with features such as covered breeze ways and concrete islands or planters in the middle of small parking lots. The department is using a separate \$200,000 federal grant to explore ways to redevelop the former gas station sites they do identify.

Everyone involved in these efforts feels a sense of urgency because aging tanks have the potential to contaminate underground reservoirs used for drinking water. That's why the department hopes to have its inventory of suspected abandoned gas stations completed by summer, then set about confirming tanks either have been removed or set about finding private partners to handle the task.

"The intent of the brownfields program is to sort of level the playing field so developers can start looking at these properties," Kellog says. "There is a whole sector of the industry who just look at redevelopment opportunities of these brownfields."

Among the best customers are convenience and drug store chains, including RiteAid and Walgreens, which have a history of locating on sites previously occupied by gas stations because of the nearby traffic flow.

Many large-scale convenience and drug stores, for example, are located on former gas station sites because of their high traffic locations and large swaths of property formerly under one owner. Many Rite Aids and Walgreens stores, for example, are on former gas station sites.

At least one site in Tacoma will have a completely different fate. The former site of a service station at 48th and Park streets has sat vacant for decades. Blackberry bushes have shrouded the pumps, and rust cakes the building's metal surfaces. Soon, all of these reminders of the past will be replaced by a city park being developed under the direction of Tacoma's neighborhood district program.

No one expects gas stations to disappear altogether anytime in the foreseeable future, but environmentalists are likely to keep a closer eye on where they are located and how aggressively they are cleaned up when they go out of business so current efforts won't have to be duplicated in the years to come.