

# PUGET SOUND Business Journal

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## ▼ OPINION

### Seattle creek initiative has profound implications

Seattle is about to confront an issue that could make the ongoing struggle over transit funding seem tame by comparison: restoring salmon runs to long-buried urban creeks. I-80, the "Save Seattle Creeks" initiative slated to appear on the September ballot, intends to do just that.

The measure is unprecedented in scope. Its costs appear to be as formidable as its environmental mandate. And, it presents a major challenge to the real estate industry, and, indirectly, to business in general — finding a way to capture a seemingly intangible value in tangible ways.

Yet, should it pass, I-80 may herald an historic and welcome extension of nature's benefits into urban life.

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Opening up, or "daylighting," long-buried stream beds can be seen as both a "taking" and a benefit. As an appraiser, I see wide swaths of land condemned and taken off tax rolls. As an urban planner, I see long-term community benefits accruing from an improved environment.

This cost-value conundrum, inherent in I-80, challenges economists, planners, brokers, appraisers and the powerful environmental lobby to fashion a model that captures its future value in real money terms.

Citizens already pay a premium for open space in urban America. From public plazas to habitat preserves, taxpayers fund a wide variety of projects for the common good. In that sense, restoring streams seems merely an extension of well-established urban policy.

Nevertheless, I-80 is a far bolder concept, demanding a responsible economic analysis that borrows from many disciplines.

#### **The case of Thornton Creek**

An example of the critical importance of such analysis is the embattled South Lot Parking area at the Northgate Shopping Mall. This 12-acre parcel plays the pawn in a decadelong struggle between developers, the city of Seattle and an environmental-neighborhood coalition.

The developers plead they were "not creek builders" but home builders — that the cost to

#### **GUEST OPINION**



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tion in housing units. Few developments can take that kind of hit and remain financially viable.

And this is just one instance where redevelopment can compel restoration. I-80 backers have identified at least 35 miles of major creeks traversing the city of Seattle.

#### **An unfunded mandate**

Driving this issue, apart from aesthetic considerations, is the 1999 listing of the native chinook salmon run on the federal Endangered Species List. As a result, federal law now requires local and state governments to improve habitat conditions for local salmon.

Already, Seattle has spent over \$25 million on creek restoration, with a further \$20 million allocated for 2003-04. Yet, as the preliminary Northgate cost estimate suggests, the overall price of restoring major streams may be astronomically higher than anyone had imagined.

Of course, like so many federal mandates, this one is unfunded. It remains Seattle's problem — our problem — to fix. Where will the money come from?

#### **Sharing the costs for shared benefits**

One logical approach to paying for the benefits of I-80 is to spread the cost among all those who benefit.

Developers typically pay for street and sewer extensions to their property, but not for the entire city system. The costs of reservoirs and pumps, treatment plants and the wider network are borne over time by the entire jurisdiction. Likewise, cities operate park systems for the common good, even while most residents only use a local facility.

Should not environmental restoration be funded in the same way? The solution for Thornton Creek at Northgate, for example, might be a combination of density transfers and tax or fee abatement for the developer, in

"daylight" Thornton Creek would top \$15 million, or about \$85 per square foot to create habitat and green space.

The South Lot had been slated for a 1,000-unit, mixed-density residential development, preserving at least 2 acres for wetlands and creek restoration. Thornton Creek advocates insisted on preserving at least 4 acres, requiring a 30 percent to 50 percent reduction

combination with citywide bonds and impact assessments on value increases.

Such a funding approach won't be easy to sell, but it bears strong consideration.

We've burdened the incidental property owner with an unfair share of the cost of such environmental protection and restoration. As the ultimate price of compliance and litigation mounts, sustainable growth and the economic vitality on which our region depends are undermined.

Land stewardship has real dollar value. It's clear that Seattle benefits greatly from the environment's contribution to quality of life — a primary attractant for skilled employees and the companies who hire them. Now, we need to do a better job of creating financial models that capture the general increases in property value that stewardship produces.

Policy-makers would do well to help their constituents understand the intrinsic, as well as the altruistic and scientific, benefits of a strong environmental commitment.

#### **The next step**

Over the past 300 years, civilization has enjoyed a remarkable progression of urban development. The walled forts of Old Europe, built to keep out the wild things (and wild people), gave way to the formal urban gardens of 19th century London and Paris. More recently, America's national parks and wilderness areas have been complemented by city forests, such as Portland's Forest Park and Vancouver, B.C.'s Stanley Park.

Seattle, for all her shoreline, found less need to preserve such large tracts, but perhaps the time has come to consider bold, new opportunities. Enhancing urban space by restoring natural creek beds may be the next innovative Northwest improvement to cityscapes.

A small but important step in the right direction would be to begin quantifying the benefits of salmon spawning grounds on wild creeks, protected by wooded buffers, in densely populated urban neighborhoods.

The broader challenge for all of us will be to find the courage to look at the problems from a new perspective, and to find solutions predicated on a more enlightened approach to assessing true value.

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