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# Economic outlook: A look at Superfund economics in Anaconda and Butte

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In Butte and Anaconda, Superfund cleanup is foremost a matter of community health and safety. As agreements are settled and cleanup kicks into high gear, however, the two communities also stand to reap economic benefits.

The 2020 Partial Consent Decree for the Anaconda Smelter NPL Site was entered in the federal district court of Montana on Jan. 28, making it an enforceable order of the court — done and done, in other words.

Completion of the majority of the slag and stormwater remediation is expected by 2025, Anaconda-Deer Lodge Chief Executive Officer Bill Everett said.

With settlement funding secured from Atlantic Richfield, Anaconda is quickly turning its image from that of an old smelter town to a recreational basecamp.

To judge the economic benefits of Superfund in Anaconda, take a gander at the \$10 million Forge Hotel going up, \$3 million of which was paid for by Atlantic Richfield. Then there's the \$2 million paid to renovate the Old Works Golf Course.

To boost economic development, Anaconda-Deer Lodge will also receive \$1 million per year for the next 25 years as result of the consent decree, Everett said.

The details for these projects and other economic development underway in Anaconda will be the focus next week's economic outlook package in the Standard.

The remediation work ahead will also lead to an employment boom, Everett said.

“For the next several years you're going to be seeing literally hundreds of people working throughout our community to help clean up — whether it's the yard reclamation, whether it's up by the smokestack. And this summer, you're going to see a

large team of individuals working the north hills of Anaconda. So all those are great paying jobs, with great benefits, and feed and facilitate a lot of families in our community,” Everett said.

Meanwhile, the Butte Priority Soils Operable Unit Consent Decree became effective this past fall.

Joe Willauer, the executive director of the Butte Local Development Corp., already has his eye on the green to come. With funds from the \$150 cleanup deal, areas of mine waste will be remediated and turned into the Silver Bow Creek Conservation Area (SBCCA), a sprawling midtown creek corridor of ponds, parks, and a planned amphitheater.

“An amazing 'Welcome to Butte!' sign,” said Willauer, envisioning what folks will behold when they turn into town from the interstate.

Construction of the SBCCA is slated to begin in 2022 with the majority of work completed by 2026. With the immense work of remediation attached to the BPSOU consent decree and other Superfund-related projects, Butte stands to shed some of the Superfund stigma and benefit economically as a result.

Though it’s easy to assume cleaning up waste and building parks will raise property values and invite businesses to Butte, it’s difficult to quantify the economic growth to expect from all the restoration plans.

Atlantic Richfield liability manager Josh Bryson points to a 2009 study conducted by the Montana Department of Resources and Conservation and the Montana Department of Labor and Industry titled, “An Estimation of Montana’s Restoration Economy.”

By using labor statistics, property tax information, and extensive interviews with project supervisors, the departments conducted an economic case study of the Silver Bow Creek Streamside Tailings project to determine the likely benefits of similar restoration projects like those taking place at Superfund sites in Butte and Anaconda now.

The study estimated that for every \$1 million put into a restoration project, \$2.59 million in total economic activity is generated, including 31.5 full-time jobs.

"It is a different project, but it's all related to the work we do in environmental reclamation and restoration. I think the underlying message is that there is going to be a return to the local economy, and it's just difficult to quantify. So we tried to find an established, published study that provided some kind of insight to what the return may be," Bryson said.

The study found the top three jobs generated by restoration were construction (highway, water-system, dirt-moving, general construction) at 35%, environmental consulting (environmental or engineering services) at 15%, and government (oversight, research, education) at 10%.

From 2003 to 2008, the compound annual employment growth rate for Montana jobs related to remediation was 10.3% compared to 2.1% for all industries.

More recent data from the U.S. Bureau of Labor and Statistics shows that employment numbers in construction have steadily risen nationwide from 2010 to 2020, increasing by 36% in that time period. After a brief slump during the pandemic, employment in construction is once again on the rise.

According to the EPA's Montana Redevelopment Profile, in 10 Montana Superfund sites surveyed as of 2019, 330 businesses and organizations operating on new-use Superfund land following cleanup accounted for \$785 million in annual sales, with 4,628 employees earning a total of \$228 million annually.

On 13 Montana Superfund sites surveyed by the EPA, property values had improved by a total of \$906 million as of 2018.

The BPSOU consent decree became effective on Nov. 16, 2020, and Atlantic Richfield is now obligated by law to follow through with the cleanup entailed within it.

Two local employers, Pioneer Technical Services and Trec Inc., have provided all engineering support to date, and will continue to work to complete the designs of the SBCCA by early 2022, Bryson said, adding that Land Design Inc. of Billings has provided planning, landscape design and landscape architecture services to coordinate the end land use with remedy, and to develop the SBCCA master plan.

Of the 75 employees supporting the investigation and design phase — technicians, scientists, engineers, architects — 53 reside in Butte and surrounding areas, Bryson said, adding that those numbers don't include Atlantic Richfield employees.

"I was kind of taken aback a little bit when I saw the numbers of how many people have contributed and continue to contribute to this project," Bryson said.

The construction phase will bring on a whole other level of employment —contractors, laborers, health and safety supervisors, traffic control personnel, equipment operators, truck drivers — the list goes on.

Over 800,000 cubic yards of waste will be removed from the center of town, followed by installation of remedial components — subgrade infrastructure, naturalized stormwater basins and channels, and a system to treat groundwater — in addition to the SBCCA's parks.

"I believe it's safe to say that at any given time we will have dozens of personnel actively working in the field," Bryson said.

The bids for the construction phase are expected to be issued to pre-qualified contractors in early summer of 2022, Bryson said, adding that in addition to Trec and Pioneer providing consulting services, Atlantic Richfield also has a longstanding relationship with local contractors including Jordan Contracting and Wasley Excavating.

"There's going to be national interest on this project," Bryson said, adding that it's possible contractors from outside the area would attempt to partner with local contractors. "We'll look to the best qualified, and we consider our local contractors extremely well-qualified."

"We think that the success of the project really lies in utilizing local resources for efficiency purposes and experience purposes," Bryson said.

The long-term operation and maintenance of sites in the SBCCA is still being negotiated in the final Allocation Agreement between Atlantic Richfield and Butte-Silver Bow, Bryson said.

“We (Atlantic Richfield) expect to operate and maintain the sites ourselves for a little bit of time until we can fully determine what the necessary resources in funding are going to be required to do that in the long-term,” Bryson said.

Eric Hassler, director of Butte-Silver Bow’s Superfund Department, said, “Our Allocation Agreement is in place to ensure that the taxpayers aren't covering the costs of the long-term O&M (operations and maintenance) activities associated with remedy.”

A 2015 study by the National Recreation and Parks Association found that Montana parks generated 1,610 jobs annually and \$165.5 million in statewide economic activity.

A \$20.5 million-portion of consent decree funds will be used by the state of Montana to complete remediation of the Blacktail Creek project area, with remaining surplus from that effort going to other restoration action in Butte. Included is \$1 million earmarked for restoration projects in the upper Silver Bow Creek corridor, Bryson said.

The restoration of upper Silver Bow Creek is a major priority for community groups like the Restore Our Creek Coalition.

Atlantic Richfield is looking into ways to quantify the social and economic benefits of the BPSOU consent decree projects to the community, Bryson said.

Butte-Silver Bow has long utilized funds from Allocation Agreements with Atlantic Richfield to run its Superfund Division, now the Superfund Department, and the Residential Metals Abatement Program. The recent expansion of RMAP adds 200 residential properties and schools, designated parks and playgrounds in the new area. In 2011, 8,000 residential properties were added. These properties outside the BPSOU are eligible for assessment of contaminants, and remediation if necessary.

Hassler said the expansion will potentially lead to the hire of four or more RMAP crew members.

Superfund Advisory and Redevelopment Trust Authority (SARTA) grants are funded by Atlantic Richfield and administered by a local volunteer board to programs and projects that redevelop properties affected by past mining activities, provide infrastructure improvements to maintain or improve remedies, and promote growth in re-use land within the BPSOU. Additionally, the funds are used toward local festivals.

Julia Crain, assistant director of the B-SB Superfund Department, said that the SARTA board continues to meet and administer grants from previous years, but has not announced whether there will be a grant cycle for the 2021-2022 fiscal year. In the forthcoming year, the board will decide when the next funding availability will be, Crain said.

Another big restoration effort in Butte, the Parrot Tailings Waste Removal Project, is about to break ground on Phase 2.

The project, which removes heavily contaminated waste material and water from the area around the Civic Center, is funded by damages to natural resources paid to the state of Montana by Atlantic Richfield.

Phase 1 of the removal is complete, and the work continues to put much of the \$36 million budget back into the local economy.

Markovich Construction of Butte was awarded the \$14 million contract to construct new Butte-Silver Bow vehicle and maintenance shops off Beef Trail Road, because the old shops lay atop material that still needs to be removed.

Jim Ford, Montana's Natural Resource Damage Program project manager for the Parrot project, said the new shops should be done by Feb. 8, and demolition of the old shops and subsequent waste removal begins on March 1.

Butte firm Intermountain Construction Services won the Phase 2 contract with the lowest bid of just under \$7 million.

In addition to the local employment gained, when the work is done, Butte Silver-Bow will own two new parcels of land prime for development in the center of town, Ford said.

BLDC's Willauer said one of the great economic benefits to come out of Superfund is the local expertise Butte's achieved in restoration. He's talking about the work of consultant firms like Water and Environmental Technologies (WET) and Pioneer, central to countless restoration efforts like the Parrot project.

“Yeah, we're a Superfund site. But as a result of that we've also created world-class technologies for environmental remediation from both the private sector and then of course the work that's done up at Tech," he said.

On Wednesday, Ford and WET president Josh Vincent virtually updated members of the Butte Natural Resource Damage Restoration Council on the Parrot project. Afterward, technical consultants, various government players, Bryson, and interested community members hashed out a few tiny details in the vast restoration to come. Discussion turned from Parrot to Blacktail Creek, to Northside Tailings, to Diggings East — just a few of the many plots in dire need of remediation.

The long, grueling road ahead reared its ugly face. The complexity of the projects and the many unknowns rose to the surface. But experts committed to cleaning up the daunting mess calmly discussed the best seed mix in waste capping technology, the layers of waste in the geological strata, the paths contaminated groundwater might take.

The future economics of the matter took a back seat to the scheduling of the now. At the end of the meeting, BNRC chair Elizabeth Erickson thanked everyone for their time.

“We’re just ready to get going on this thing,” she said.