



A COLLABORATIVE EFFORT TOWARD SUSTAINABLE REDEVELOPMENT AT THE MONA TERRACE SITE IN MUSKEGON HEIGHTS, MICHIGAN



April 2008

EPA Publication No. 330-F-08-003



Former water treatment plant

Muskegon Heights, Michigan, is poised to enhance its livability by sustainably redeveloping one of its toughest brownfields as part of EPA's Environmentally Responsible Redevelopment and Reuse (ER3) Initiative. Muskegon Heights had a thriving economy during most of the 20th century. However, like many other manufacturing communities of the rust belt, when the industrial jobs left the community went through a transformation from working class homeowners to a larger percentage of underemployed renters. Muskegon Heights saw a corresponding erosion of its tax base. Meanwhile, a county-wide wastewater treatment system was constructed in 1972 and the Muskegon wastewater plant became obsolete. The City was left with a contaminated wastewater treatment plant and minimal funds to clean it up. This disadvantaged

City is working creatively with local developers, the State of Michigan, EPA, and other stakeholders to transform this idle property and adjacent properties into a moderately priced residential development. This project provides an exciting opportunity to showcase sustainable approaches that can be incorporated into a moderately priced residential development.

BACKGROUND

The Mona Terrace Development (MTD) project includes four properties, comprising 51 acres, currently owned by the City of Muskegon Heights. One property was used as a municipal wastewater treatment plant from the 1920s to the 1970s. The City subsequently leased a portion of the wastewater treatment plant property to a series of companies that operated the property under the Resource Conservation and Recovery Act (RCRA) as a hazardous waste treatment facility until 1991. The Michigan Department of Environmental Quality (DEQ) issued a closure certification in 1995 for the active treatment units. The State is working with the City of Muskegon Heights on a plan for corrective action. The proposed development also includes the City's active Department of Public Works (DPW), an adjacent property that has been contaminated by leaking underground storage tanks. The city plans to relocate the DPW to another brownfield site, making the current DPW property available for the MTD project.

The City has been approached by a developer to purchase the property and construct residential homes and a recreation area on the site. The City fully supports the redevelopment proposal, but securing financing for assessment, demolition of existing structures, and cleanup has posed a particular challenge. To gain focus and resources to address the wastewater treatment plant, the City applied to make the project a RCRA Brownfields Prevention Pilot in 2001. Since being selected as a pilot under this program, the pilot team, comprised of the City, State, EPA, and other stakeholders, has been working to complete the assessment, generate interest, and leverage resources for the demolition and cleanup since 2001. In 2007, the DEQ awarded the City of Muskegon Heights a grant of \$1 million and a loan of \$1 million to pay for demolition of the concrete holding tanks and structures on the former RCRA facility and structures at the DPW; implementation of the RCRA Corrective Measures Implementation Plan (CMIP); sampling and removal of contaminated foundry sands; and other investigation and due care activities required for redevelopment of the site.

CONTACTS

EPA REGION 5

Ann Wentz
312-886-8097

Michigan Department of Environmental Quality

Susan Wenzlick-Sandell
231-775-3960 x 6312



Artist's rendering of the Muskegon Heights redevelopment

ENVIRONMENTALLY RESPONSIBLE REDEVELOPMENT AND REUSE (ER3)

The ER3 Initiative is an EPA Office of Enforcement and Compliance Assurance program that recognizes the value of reusing once-contaminated land. The program also recognizes the significant impact that development has on the environment. ER3 provides enforcement and liability relief incentives to encourage developers of contaminated land to redevelop it in a sustainable manner. By incorporating sustainable practices and principles into their projects, developers of contaminated sites can minimize the environmental impact of their projects without sacrificing profitability.

As the developers behind the proposed MTD project would inherit RCRA liability by purchasing the wastewater treatment plant site, they are seeking liability protection for that property. Michigan is authorized to implement the RCRA corrective action program. The Michigan Department of Attorney General has begun discussions with the developers to provide a Covenant Not to Sue, a legal agreement recognized by the EPA as protection against Federal as well as State liability. The State would agree not to sue the developers for any contamination attributable to prior owners or operators of the wastewater treatment plant, provided that the developers contribute to environmental cleanup costs. To address potential concerns about Federal liability, EPA envisions issuing the developers a comfort/status letter.

**For more information on ER3, please visit the Web site at:
<http://www.epa.gov/compliance/cleanup/revitalization/er3>**

SITE CLEANUP

- Contaminated foundry sand was used across the site as fill, and sediments of a creek that bisects the site are contaminated with plating wastes from an upstream Superfund site.
- Despite closures the DEQ approved on the areas used by the RCRA operators some years back, a RCRA Corrective Measures Implementation Plan (CMIP) is required and is currently being completed. The CMIP is subject to a public commenting process.
- Further environmental investigations will be required to ensure the entire site is safe for residential reuse. Further response activities will be required to close the site in compliance with State and Federal regulations.

PROPOSED REDEVELOPMENT

The developers of the MTD project are local business owners and long-time residents of the area who recognize the need for quality housing in the City of Muskegon Heights. The property is located in a predominantly African-American community where the poverty rate is about 33%. To address the need for mixed-income housing, it is anticipated that this project will result in the construction of approximately 95 single and multi-family homes. The City is encouraging the project be constructed using the local workforce.

The developers and the City are interested in incorporating social and environmental sustainability concepts into the plans, including "green" building, enhanced stormwater management, and recycled materials from the demolition. The preliminary design for the site is based on the principles of New Urbanism, and envisions single-family and multi-unit row houses inspired by traditional designs. The neighborhood will be designed to integrate into the surrounding area and will be a pedestrian-friendly, walkable environment with tree-lined streets and rear alleys for garage entrances. The initial plan was developed through a design charrette that included community and local government participants.

Lessons Learned To Date

- Reuse potential can help move an inactive site toward cleanup.
- Using a team approach, difficult regulatory issues can be successfully addressed. A team benefits from strong and committed champions from stakeholder groups and needs their continued support to be successful.
- Creative approaches can be found to address liability concerns and funding needs at RCRA facilities.
- A clear understanding of the reuse and redevelopment plans for a property is useful in focusing sampling, investigation, and cleanup activities.



RCRA Brownfields Pilot Team meeting to discuss cleanup and redevelopment