

December 20, 2002 via e-mail

Note to RCRA Senior Policy Advisors

From: Robert Springer

Subject: Clarifying My Views on RCRA Parceling

Because a recent news story may have caused confusion about my views on parceling at RCRA sites, I want to set the record straight by sharing my experiences in Region 5.

Parceling at RCRA sites is a useful tool that has the potential to make valuable real estate resources available for revitalization, providing benefits to the community sooner, rather than after, final cleanup at the entire facility.

I know that Regional and State project managers are, at times, asked by companies or communities to modify permits or orders to transfer ownership of portions of sites for redevelopment. My initial reaction to such requests a few years ago, was that parceling might reduce a company's incentive to address remaining contamination. My experiences in Region 5 have changed that perspective. Parceling is, in fact, an excellent opportunity through effective negotiation and decision-making, to move cleanups quicker.

Here are some examples of parceling I encouraged in Region 5. They include both permitted sites and sites under corrective action orders.

1. General Motors Pontiac East, Pontiac, MI, is a large facility that had already obtained regional parceling decisions. The facility is under a 3008(h) order with a Federal lead. In this instance, the company provided Region 5 with information related to assessments and cleanup of each parcel and the Region indicated informally when it was comfortable with each section of land being parceled. The informal decisions will be memorialized in the final statement of basis. There are now hotels and stores on land once part of the facility and the Mayor has expressed gratitude for the leadership of the company and EPA in bringing new jobs and revenue to the community.
2. The first "No Further Interest Letter" issued by the Agency was sent by Region 5 in 1997, to Wycoff Steel, Plymouth, MI. This facility is currently under a corrective action order with a State lead. A purchaser wanted to build residences on a portion of the facility that had not been used in the steel operations. The company approached the State of Michigan about parceling the section off and getting documentation from EPA indicating the property did not require corrective action. That request was recognized through a "No Further Interest" letter written by Region 5 in conjunction with the Michigan Department of Environmental Quality. This cleared the way for development of residential units while the rest of the facility is working to meet groundwater cleanup standards.
3. Another example is the Bethlehem Steel facility at Burns Harbor, IN. This facility is under a judicial cleanup order, with a federal lead. The 1200 acre facility contained 350 acres not used for industrial purposes. A "No Further Interest" letter was issued by the Region on the 350 acres. Bethlehem sold the 350 acre parcel for commercial and industrial development.
4. A section of the Northwest Steel and Wire facility in Sterling, IL, was parceled with the intent of keeping part of the facility in use. The company, under permit with the State, was in bankruptcy and potentially going to shut down. A primary customer, Leggett and Platt, Inc., wished to purchase and continue to operate a portion of the facility. Since the parcel in question contained contamination, a prospective purchaser agreement (PPA) was negotiated requiring Leggett and Platt to clean up the property to federal standards. The cleanup is being conducted with State oversight but final approval of PPA requirements will be determined by the Region. Continued operation of the facility helped preserve the value of the property and provided much needed jobs and income for the community.

5. Lastly, this Summer I attended a community celebration at the BP Amoco Wood River, IL site. The refinery, closed and dismantled in 1993, received a set of parceling decisions by the State. This large site is under State lead, covered by two RCRA permits, and has been the focus of attention and long-term planning that will result in a variety of uses. The State issued a " No Further Remediation " letter for the Northeast corner parcel and other parcels are in the works. One parcel has a conservation easement and is now a nature preserve while another parcel is being developed for commercial use.

These are just of few Region 5 experiences with parceling which cover a variety of situations. The RCRA Brownfields Prevention Workgroup has been compiling other examples of parceling from around the country which we will be sending out soon. I encourage you and your State directors to talk about parceling, then use your good judgment to turn questions about parceling into opportunities to move RCRA cleanups forward!

Finally, with regard to the completion guidance, which the news article also discussed, be assured we hope to finish the "completion guide" very soon. This should also prove useful in parceling decisions.