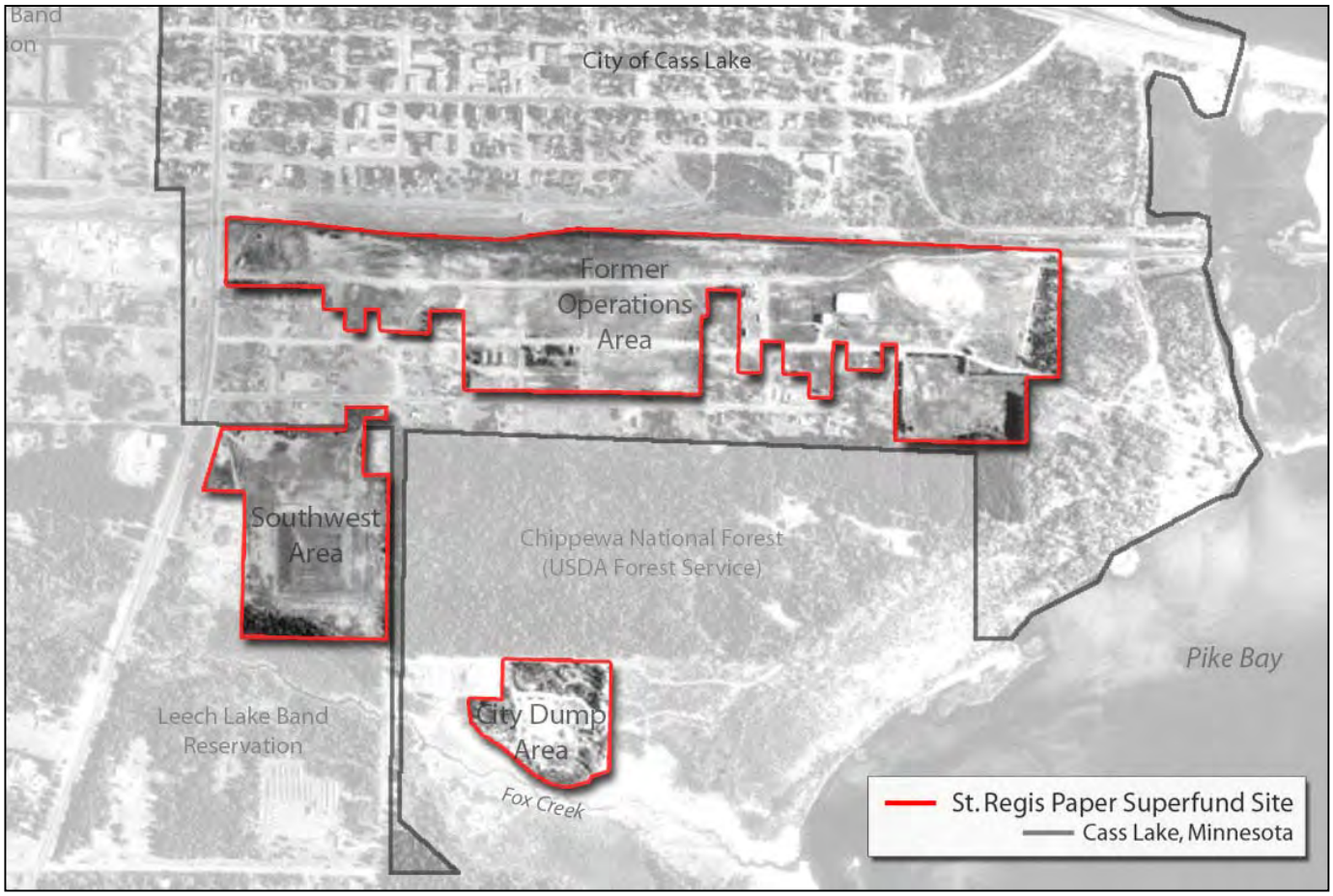
ST. REGIS PAPER COMPANY SUPERFUND SITE

City of Cass Lake, Minnesota



Project Summary Report
November 2005

EPA Region 5
Superfund Redevelopment Initiative

funded by
United States Environmental Protection Agency

prepared for
The Leech Lake Band of Ojibwe
The City of Cass Lake
Cass Lake Land Use Committee Members

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I. INTRODUCTION

The U.S. Environmental Protection Agency (EPA)'s primary responsibility at Superfund sites is the protection of human health and the environment. Since 1995, it has also been EPA policy to consider reasonably anticipated future land uses when making remedy decisions at Superfund sites, so that the remediation of Superfund sites can allow the safe reuse of a site for commercial, recreational, ecological, or other purposes.

With forethought and planning, communities can return sites to productive use without jeopardizing the effectiveness of the remedy put into place to protect human health and the environment. Across the nation, more than 400 former NPL sites are either in productive reuse or have reuse plans under development. The commercial and industrial use of these sites supports 15,000 jobs and a half-a-billion dollar increase in annual incomes. Other sites are providing more than 60,000 acres for ecological and recreational uses.

The City of Cass Lake and the Leech Lake Band of Ojibwe received assistance from EPA's Superfund Redevelopment Initiative and EPA Region 5 in 2004 to undertake a community-based planning process to develop future land use recommendations for the 126-acre St. Regis Paper Company Superfund site. During the reuse planning process, the community worked closely with environmental consultants E^2 Inc. (the project's consultant team), with support from EPA Region 5, to develop reasonably anticipated future land use recommendations and a conceptual reuse strategy for the site. The recommendations and site reuse strategy were intended to inform the site's remedial design and implementation as well as future community planning efforts.

The project was managed by a 35-member, community-based Land Use Committee, which met in Cass Lake on March 17 and May 22, 2005. The Committee comprised a diverse range of interests, including:

- Residents and property owners adjacent to the site and across the city;
- Residents and property owners from surrounding jurisdictions;
- Site owners and the site's potentially responsible party;
- Local government and Leech Lake Band of Ojibwe officials; and
- Local community organizations.

Following the Committee's two meetings, the project's sponsors – the City of Cass Lake and the Leech Lake Band of Ojibwe – indicated that other local concerns merited additional attention and that the timing of the reuse planning process needed further consideration. Accordingly, EPA Region 5 and the project's consultant team determined that the reuse planning process would be concluded in October 2005, with the opportunity extended to continue the process in the future.

This summary report provides copies of all project-related materials developed to date. Opening sections of the report describe the site reuse guidelines developed by the project's Land Use Committee, as well as the community's history and the history of the St. Regis Paper Company Superfund site. Later sections of the report provide copies of all reuse research developed by the project's consultant team, including a regional approach to economic revitalization, specific site reuse opportunities identified by Committee members, and a draft site reuse strategy developed based on the Committee's goals and project research completed to date. The report's appendices also provide detailed information on the project's initial situation assessment findings and the project's Committee meetings.

While the project's findings – future land use recommendations and a conceptual reuse strategy for the St. Regis Paper Company Superfund site – are in draft-form, the project materials contained in this report will provide a foundation for future planning efforts by the City of Cass Lake and the Leech Lake Band of Ojibwe.

II. PROJECT REUSE GUIDELINES

The following guidelines document the Land Use Committee's reuse priorities and site-related concerns and highlight community considerations that will need to be kept in mind during future reuse planning efforts and as the St. Regis Paper Company Superfund site is remediated and returned to use.

- The long-term protection of human health and the environment should be the top priority at the St. Regis Paper Company Superfund site.

- Commercial and industrial land uses at the site could provide jobs, generate tax revenues, and help sustain the community.

- Civic and recreational land uses at the site could provide community residents with needed amenities, attract visitors, and link the site and Cass Lake with regional resources.

- Future site uses could include a mix of commercial and industrial, civic, cultural, and recreational land uses to meet multiple community needs.

- Future commercial and industrial land uses could include light industry, manufacturing, and commercial retail land uses that can utilize existing infrastructure at the site.

- Future commercial and industrial land uses could include a business incubator, value-added wood products operation, shared manufacturing facilities, commercial retail businesses, or eco-industrial park facility.

- Civic land uses could include additional green space, improved access to Pike Bay, a multi-use community stage, and a regional recreational trail hub with connections to Bemidji.

- Recreational facilities might include tennis courts, a skate park, trails, little league fields, and other types of sports fields.

- Treated groundwater could be used to support horticultural/agricultural land uses or to maintain new recreational facilities at the site.

- Reuse planning for the site should incorporate all relevant planning documents from the City of Cass Lake and the Leech Lake Band of Ojibwe as well as an understanding of regional considerations and connections.

III. COMMUNITY HISTORY

The human history of Cass Lake and surrounding areas dates back more than 600 years; the Ojibwe have a centuries-old relationship with the land in northern Minnesota. Around 1400, the Ojibwe moved south from the Hudson Bay area into what is now Michigan. By 1800, the Ojibwe inhabited areas from Ontario to Ohio and from Michigan to Montana. According to historian Lee Sultzman, the Ojibwe were the largest and most powerful Great Lakes tribe and one of the most powerful tribes in North America. The Ojibwe pursued a way of life that revolved around the seasons and the land. The Ojibwe picked berries, hunted game, made maple sugar, picked wild rice, traded, and fished on the land that today includes the 864,158-acre Leech Lake Reservation and the City of Cass Lake.

The natural resources that continue to sustain the Ojibwe also drew settlers to the area in the late eighteenth century, with a trading post and fort established by French settlers in the 1760s. U.S. General Lewis Cass, for whom Cass Lake – previously called Upper Red Cedar Lake – was named, reached Ojibwe territory in 1819 following a half-century of exploration by whites. By 1821, the area's trading post was owned by the Hudson Bay Company and sold to the American Fur Company, leading to additional white settlements in the area. By the mid-nineteenth century, significant populations of Ojibwe and white settlers lived in the area, with schools, missions, and soldiers accompanying the continued arrival of white settlers. The first printing press arrived in 1848, followed by the telegraph and railroad in 1898. The first edition of the *Cass Lake Voice* newspaper was published in 1900.

The area's rich natural resources and the arrival of the Great Northern Railway spurred the creation of the City of Cass Lake, which was incorporated in 1899 and consisted of 80 acres. The first local census, taken in 1900, counted 546 residents in Cass Lake. By 1910, the city's population had grown to 2,109 and Cass Lake had evolved into an important regional center, hosting the Tedford, Scandia, and Northern hotels and several dozen merchants and commercial businesses. During the early 20th century, Cass Lake was the largest rail center in northern Minnesota.

Lumbering, milling, and agriculture were the area's first major industries. Early industries and businesses included the Scanlon-Gipson mill, Neils mill, box factory, and railroad roundhouse. Recognizing Cass Lake's importance as a regional lumbering hub, the headquarters of the Chippewa National Forest (then the Minnesota National Forest) were located in the city in 1908. Timber processing has continued as an important component of the local economy over the past century. For almost thirty years, for example, between 1957 and 1985, the St. Regis Paper Company operated a wood treating and preserving facility on 125 acres of land within Cass Lake that was one of the town's major employers. This area, now a Superfund site, is the focus of this community-based reuse planning project.

Over the past hundred years, the City of Cass Lake and Leech Lake Reservation have both changed over time and retained a strong sense of community and tribal heritage. Lumbering and agriculture, for example, remain integral parts of the local economy. At the same time, the area's natural resources have also spurred the creation of new economies like tourism, with Cass Lake located in close proximity to Chippewa National Forest and area networks of bike paths, hiking trails, canoe routes, and snowmobile trails as well as to bird watching areas, camping, and regional historical resources. Additional areas of economic growth in recent decades include retail trade, service sector industries, including entertainment and recreation, local government, educational services, and construction. In Cass County in 2003, the area's economy sustained 10,463 workers and 906 employers.

Today, the City of Cass Lake encompasses 610 acres and hosts quality neighborhoods, a central downtown district, and a diverse range of small businesses. The Leech Lake Reservation hosts 3,725 tribal members, with a total reservation enrollment of 7,085. Reservation resources include two tribally owned casinos; the Bureau of Indian Affairs, the Minnesota Chippewa Tribe, and the Leech Lake Reservation Tribal Offices are all located in Cass Lake. Residents enjoy access to good local schools, a network of community and state and federal parks and recreation opportunities, and are surrounded by areas of unparalleled natural beauty.[1]

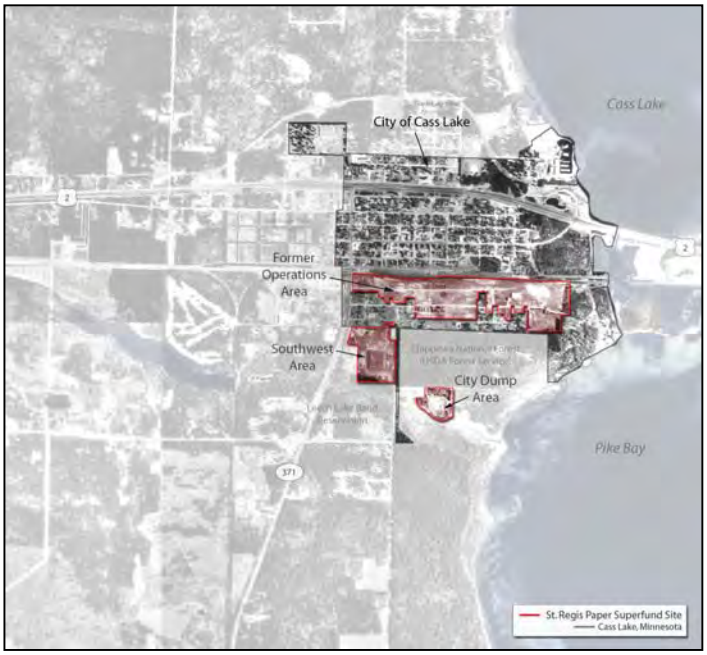
[1] Community history information obtained from City and Leech Lake Band officials, *The Permanent Home of the Pine, This Is Cass Lake* by the League of Women Voters of Cass Lake, the City of Cass Lake's 1998 *Comprehensive Plan*, *Ojibwe History* by Lee Sultzman, and the 2004 RFDC *Comprehensive Economic Development Strategy*.

The next sections of this information packet provide a closer look at the history and current status of the St. Regis Paper Company Superfund site and present the site within the context of the City of Cass Lake, the Leech Lake Reservation, and the larger region.

IV. SITE CHARACTERISTICS AND REMEDIATION ACTIVITIES

Site Location and History

The 126-acre St. Regis Paper Company Superfund site is located within a larger industrial and manufacturing complex that once included a railroad roundhouse, a wooden box factory, and a wood treating facility. Buildings and foundations of these former facilities are located across the site and surrounding areas. The only industry presently operating at the industrial complex is Cass Forest Products, a sawmill operation located south of the Burlington Northern and Santa Fe (BNSF) rail line east and west of Hwy 371.



City of Cass Lake, Minnesota
St Regis Paper Company Site in Red

Between 1957 and 1985, the St. Regis Paper Company site operated as a wood treating and preserving facility, with wood pilings and poles pressure-treated for construction and utility purposes. Timber was treated in the northern central portion of the site, in pressure cylinders using hazardous substances, which contaminated the site's soils, sediments, ground water and surface water. Facility operations employed creosote constituents beginning in 1957, pentachlorophenol constituents beginning in 1960, and copper-chromium-arsenate constituents from 1969 to 1973.

Wastewater generated from the wood-treating and preserving cylinders was initially discharged into on-site disposal ponds A, B, and C. Wastewater and sludge were also disposed into a pit in the Cass Lake city dump. After 1980, wastewater was either evaporated in tanks designed for that purpose, disposed of in a manhole within Chippewa National Forest that lead to the City of Cass Lake sewage treatment plant, or was reused in the wood treating process.

Current site owners include the City of Cass Lake, International Paper, the Burlington Northern and Santa Fe Railroad, Cass Forest Products, and the residential property owners located within the site's boundaries. The City owns approximately 50 acres of the site and is the site's largest landowner. International Paper owns the water extraction and treatment plant located on-site. Former site owners include the St. Regis Paper Company, which operated a wood treatment facility at the site between 1957 and 1985. In 1985, St. Regis Paper Company merged with Champion International. In 1988, Champion International transferred 24 acres of the site to the City of Cass Lake. In 2000, International Paper bought Champion International Corporation, acquiring the company's acreage at the site. Today, International Paper remains one of the site's owners. The potentially responsible party (PRP) identified at the site is International Paper.

Site Characteristics

The 126-acre site is currently divided into three non-contiguous operable units (OUs): OU1, the location of the former wood treating and storage facilities; OU2, the on-site containment vault for hazardous waste sludges and excavated site soils; and OU3, the Former City Dump (see aerial images on page 8.) All three site OUs are located within three blocks of the City's downtown district and are wholly situated within the Leech Lake Reservation.

OU1 is the largest of the site's operable units. OU1 is located south of the BNSF rail line and north of adjacent Chippewa National Forest acreage and extends west from Hwy 371 to the former Box Factory site that borders Pike Bay. Site owner and PRP International Paper has installed fencing around the majority of its property, including the former wood-treatment facility and ground water extraction and treatment plant. Residential areas exist within OU1 and are unfenced. Some locations of recent Removal Actions in the central portion of OU1 have temporary fencing in place. Other structures in OU1 include several smaller buildings, including former facility operation buildings that have been converted into residences. OU1's topography is flat, with a slight slope (five percent or less) towards the east and southeastern areas of the site. Surface water in OU1 flows west to east toward Pike Bay, Cass Lake, and the channel that connects the two lakes, similar to ground water flows in the upper unconfined aquifer located 10-15 feet below the site's surface. Vegetation in OU1 varies depending on the land use. Former wood-treating areas are currently grassy and open, while the fenced areas of the International Paper property contain stands of young red, jack, and white pine. Residential properties located in OU1 include northern hardwood species such as white birch and maples. The site's wetland area and the former Box Factory site located adjacent to the site's eastern boundary include northern hardwood trees and wetland shrubs and grasses.

OU2, the on-site containment vault, is located southwest of OU1, between Hwy 371 and Rte.147. Grasses are growing on the approximately twenty-foot-high capped structure. Two fences have been installed around the containment vault. Stands of red, jack, and white pine are located between the two fences. The Leech Lake Band fish hatchery, Division of Resource Management Office, and tribal courts complex are also located adjacent to the western boundary of OU2.

OU3, the Former City Dump, is located southeast of the containment vault and east of Rte. 147 and is currently fenced, gated, and open only to City personnel. Area ground water and surface water flows south to Fox Creek and east to the wetland area contiguous to Fox Creek and Pike Bay. OU3 is surrounded by Chippewa National Forest to the north, state forest land to the east, and the Fox Creek floodplain to the west and south.

Wildlife across the entire site includes a variety of songbirds in summer months. Common animals seen in the area throughout the year include white-tail deer, raccoon, muskrat, beaver, red fox, porcupines, and bald eagles. Amphibians and reptiles such as salamanders and turtles may also live in the wetland areas in the eastern end of OU1 and in the Fox Creek Floodplain. Other animals in the area that may access the site include weasels, beavers, black bears, minks, bobcats, and spot coyotes.

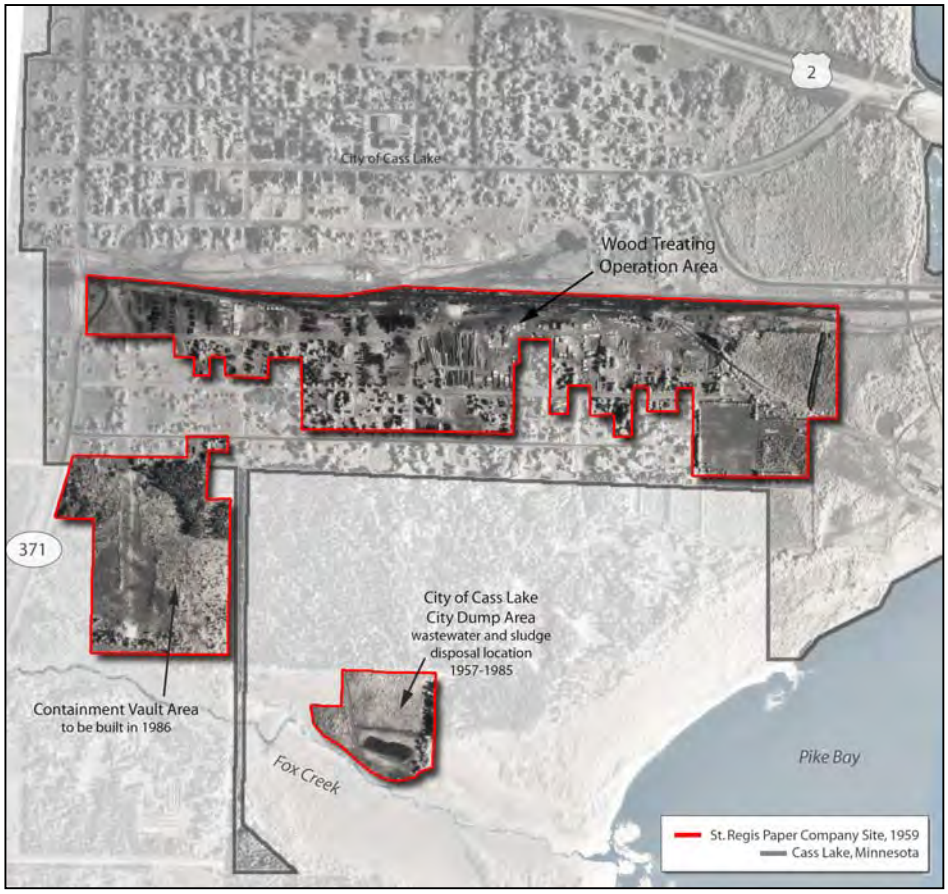
The former Box Factory site located adjacent to the eastern boundary of OU1 is owned by the City of Cass Lake. EPA Region 5 is conducting an enhanced Phase 1 assessment of the site (a Targeted Brownfield Assessment). The assessment is projected for completion by Summer 2005.

Site Contamination and Remediation

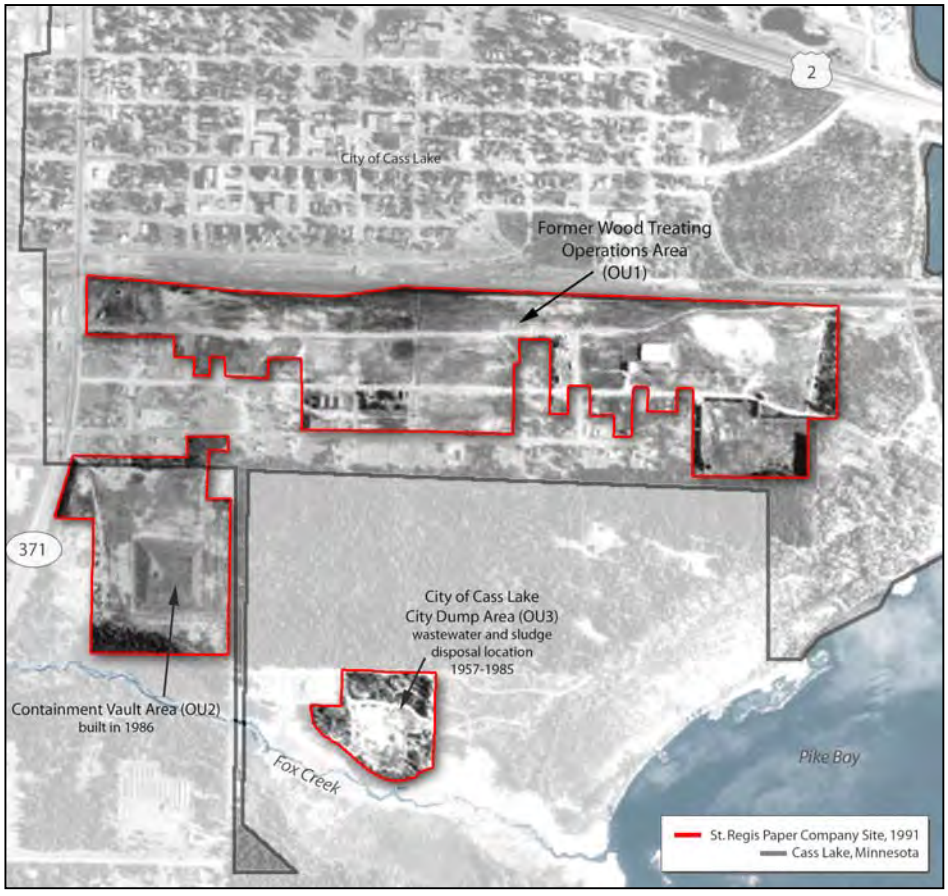
Remedial Actions to date: The St. Regis Paper Company site was placed on EPA's National Priorities List in September 1984, with the Minnesota Pollution Control Agency (MPCA) assigned lead agency responsibility. In 1986, MPCA issued two Minnesota Enforcement Decision Documents (MEDDs) for the site. Response Actions included the installation of a ground water extraction and treatment system, the construction of a containment vault for contaminated soils and sludge from the on-site wastewater ponds and the Cass Lake city dump pit, and the extension of the City's municipal water system for local residents. The site is currently in the Operations and Maintenance stage of EPA's pipeline of activities.

Five-year reviews in 1995 and 2000 indicated a need for additional soil and ground water investigations including additional monitoring wells, surface and subsurface soils sampling, and evaluation of current water quality standards. Soil, sediment, and water sampling was conducted in 2001 and 2003. In 2004, site owner and PRP International Paper performed a time-critical Removal Action of dioxin-contaminated soil in several former operations areas. Additional removal actions may occur during 2005.

In September 2004, International Paper began human health and ecological risk assessments, ordered by EPA Region 5, to determine the need for additional remediation at the St. Regis Paper Company Superfund site. The assessment's findings will then determine the need for potential future remedial activities at the site.



St. Regis Paper Company Site: in operation in 1959 *(above)* and in 1991 *(below)*



V. COMMUNITY PLANNING CONSIDERATIONS

Planning for the future use of the St. Regis Paper Company Superfund site requires that the community look beyond the site's boundaries to consider larger local and regional tools and approaches that can help foster the site's return to use. Communities across the country have used a range of different strategies to revitalize their downtowns, improve local quality of life, and create new opportunities for social, economic, and environmental stewardship. The project's consultant team shared this information with the project's Land Use Committee at the project's first Committee meeting, held March 22 at Cass Lake City Hall.

In Cass Lake, three particular strategies – thinking regionally, thinking comprehensively, and thinking of local natural and historical resources – could help inform the community's approach to reuse planning for the St. Regis Paper Superfund site. Below, this section of this information packet describes each of these strategies in greater detail and provides examples of similar community strategies in action across Minnesota and the Upper Midwest.

Downtown Cass Lake, 2004

Thinking Regionally

As the economy of the United States changes over time, it is more important than ever that communities work together at a regional level to develop economic and community development strategies. By working together — rather than competing — communities can identify shared resources, address shared challenges, and develop approaches that benefit everyone.

Resources are also available to help small communities like Cass Lake work regionally with other localities. The Northwest Foundation's *Horizons* program, for example, is a community leadership program designed to meet the needs and build on the strengths of communities with populations of less than 5,000 with poverty levels of at least 10 percent.

Headquartered in St. Paul, the *Horizons* program has worked with 36 communities to date, with populations ranging from 100 to 775, across an eight-state region, which includes Minnesota, Iowa, North Dakota, South Dakota, Montana, Idaho, Washington, and Oregon. These states were served by the Great Northern Railway, which was extended through the Cass Lake Area in 1898. In 1934, Hill's son, Louis W. Hill established the Northwest Foundation. Today, the Foundation has approximately $435 million in assets.

According to Jean Burkhardt, the *Horizons* program's director, the program's goal is to support communities in building their leadership systems so that men, women, and youths can emerge to help guide community efforts. The program does this through an 18-month, on-site program that provides:

- Leadership training available to all community members;
- Community coaches who supply support, training, and momentum;
- Partnerships and connections with other organizations and communities; and
- Planning processes to set goals and strategies.

The *Horizons* program emphasizes the importance of regional coordination by requiring that localities apply and participate in clusters of three. In Minnesota, the communities of Red Lake Falls and Bagley have teamed up with the City of Grafton, North Dakota. Project activities in Red Lake Falls in early 2005 include a series of community seminars and discussions focusing on online business development, regional economic development, and customer service improvements.

Turning to Cass Lake, how might the community work with surrounding localities and Tribes to develop regional approaches to shared social, economic, and environmental challenges? The City of Cass Lake is located within 20 miles of the cities of Walker, Bena, and Bemidji, within one hundred miles of Grand Rapids, Hibbing, and Virginia, and within a three-hour drive of regional population centers Duluth and Fargo. As the reuse planning process progresses, consider how regional strategies might be able to provide Cass Lake with new ideas and place the reuse of the St. Regis Paper Superfund site within a broader regional context of new opportunities.

Northwest Area Foundation
***Horizons* Program**

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Thinking Comprehensively

Kelliher, Minnesota (pop. 302) is located 45 miles north of Bemidji in Beltrami County, Minnesota. Facing a range of economic issues, including declining main street businesses and a shrinking local population, the community met with staff from the Headwaters Regional Development Commission (HRDC) beginning in 1999 to address these challenges. While initial interest focused on finding a user for a vacant school building in the community, the community soon realized that it was difficult to discuss the building's reuse without considering the community's larger needs and priorities over the long-term.

What did the community of Kelliher want to look like in the future, and how could it get there?

Between 1999 and 2002, the local community worked with HRDC to comprehensively evaluate community conditions, amenities and challenges. The end result was a four-part strategy focusing on:

- The rehabilitation of the community's vacant school facility;
- The reuse of the vacant school facility as a community center and medical clinic;
- The development of new housing in the community; and
- The creation of a Big Bog Recreation Area in nearby Waskish.

Conceptual View of the Big Bog Recreation Area

Today, thanks to sustained community involvement, local leadership, and the identification of partnerships and resources, the community's vacant school building has been renovated. The former school building now houses community meeting rooms, a new medical clinic, and a combination theatre / gymnasium / gathering center. The Big Bog Recreation Area has received designation and state funding for its design and construction.

The community's comprehensive evaluation of community needs and priorities not only addressed the community's initial concern—the vacant school building—but also identified and explored larger community needs and priorities, leading to the creation of new community amenities that meet multiple community needs.

Reuse of the Kelliher School District Building

Similarly, as the reuse planning process considers reuse opportunities for the St. Regis Paper Superfund site, it is important that Committee members consider the site within its surrounding community context. What are the community's social, economic, and environmental priorities? How can the site's reuse help to address these priorities? What challenges and opportunities will need to be addressed?

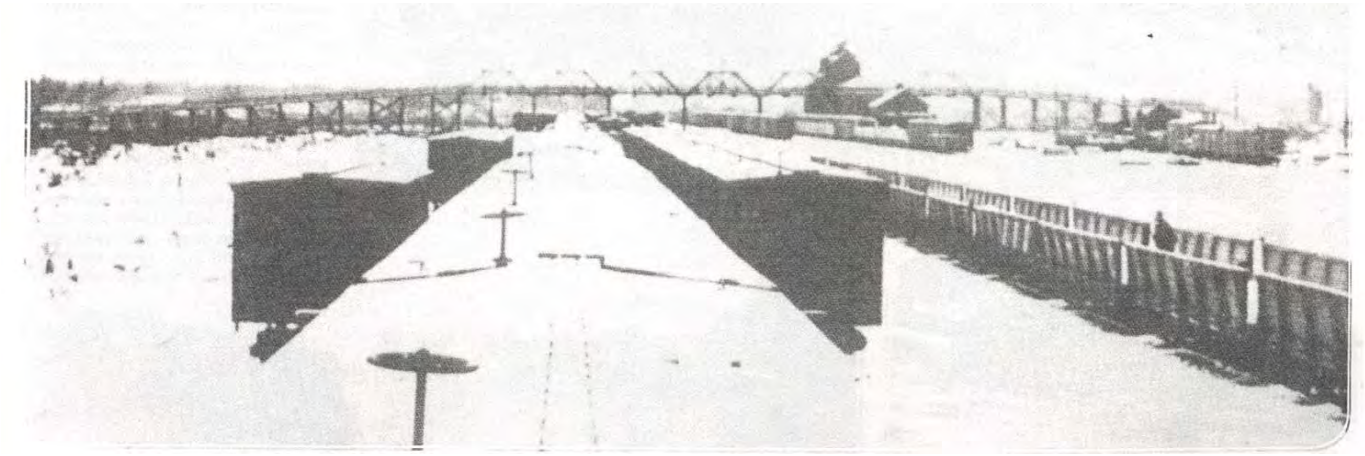
Thinking of Natural and Historic Resources

When it comes to the third strategy that can help inform reuse planning for the St. Regis Paper Superfund site, the City of Cass Lake, the Leech Lake Band, and surrounding communities already serve as a national example.

Pike Bay, Looking South from Highway 2

With the beauty of the Northwoods Lakes area as a backdrop, community residents, business owners, and government and Tribal officials have long recognized the vital social, economic, and environmental importance of the region's natural resources and multicultural history.

From the Cass Lake Chain of Lakes to Chippewa National Forest, from the Mi-gi-zi, Heartland, and Paul Bunyan trails to the area's snowmobile trail network, the region's natural resources provide recreational and educational opportunities for both local residents and visitors. Similarly, local historic resources like Lyle's Logging Camp, the Cass Lake Museum, and Leech Lake Band cultural events attract visitors and bring the community together to learn about the region's rich multicultural heritage.



Viaduct, Pedestrian Bridge, and Railroad Yards at the St. Regis Paper Superfund Site in the Late 1920s (photo courtesy of The Permanent Home of the Pine)

Planning for the reuse of the St. Regis Paper Superfund site can also take place within the context of the area's natural resources and multicultural history. In terms of natural resources, the site's eastern edge is located adjacent to the former box factory site, now owned by the City of Cass Lake, which provides direct access to Pike Bay. How might the reuse of the St. Regis Paper Superfund site provide an opportunity to link the site with the area's natural resources and create new recreational opportunities?

In terms of historical resources, the site was once the location of rail lines that made Cass Lake the largest rail center in northern Minnesota. Wood-treating operations at the site employed community residents for almost three decades. How might the reuse of the St. Regis Paper Superfund site provide an opportunity to recognize the site's history and importance as part of the community's heritage?

VI. Draft Findings Summary: Committee Site Reuse Opportunities

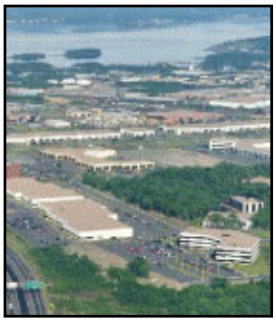
Introduction

The Land Use Committee's initial reuse discussions on March 22 highlighted a range of potential future land use opportunities at the St. Regis Paper Company Superfund site. Committee members indicated interest in industrial and manufacturing land uses that could create jobs and generate tax revenues, as well as take advantage of available infrastructure at the site. Committee members also indicated interest in civic and recreational land uses that could reintegrate the site with the surrounding community, as well as link the site with regional trails and the area's natural resources, including Pike Bay. Committee members requested additional information on several specific land uses, including:

- Business Incubator/Training Facilities
- Shared Manufacturing/Equipment Facilities
- Eco-Industrial Parks
- Pump-and-Treat Graywater Reuse Options
- Hemp Production
- Golf Course Development

The project's consultant team a compiled a summary, provided below, that provides additional information on each of these land uses to inform the Committee's ongoing discussions. The graphic below provides a general overview of the potential compatibility of these land uses at the St. Regis Paper Company Superfund site.



Findings Summary #1: Integrated Business Incubator/Training Facilities

Background:

Business incubation is a business support process that accelerates the successful development of start-up and young companies by providing targeted resources, services, and space. Primary resources include management guidance, technical assistance, and consulting that will assist young and growing companies in becoming successful firms that graduate from the program as financially viable and freestanding businesses. Incubator graduates have the potential to create jobs, revitalize neighborhoods, commercialize new technologies, and strengthen local and national economies.

Historically, incubators have targeted the technology industry and mixed-uses of light industry, technology, and service firms. More recently, incubators have supported food processing, medical technology, space and ceramics technologies, arts and crafts, and software development. Other areas of business incubation have included microenterprise creation, the needs of women and minorities, environmental endeavors, and telecommunication.

Effective business incubators generally seek to integrate the incubator program and activities into the fabric of the community and its broader economic development goals and strategies. They often develop stakeholder support, including a resource network that helps the incubation program's client companies and supports the incubator's mission and operations. Prior to establishing a business incubator, a feasibility study is necessary to determine whether a project has a solid market, sound financial base, and strong community support. A successful project will be tailored to the local entrepreneurial climate and will be only part of a larger economic development plan.

Incubator clients can fall into three categories. *Regular clients* are start-up companies that rent space within a facility and make use of the services offered. *Affiliate clients* access the same services but are located outside the facility. *Anchor tenants* are more mature firms that have sufficient as well as established companies whose presence adds value or stability to an incubator. These tenants pay market rates for space and services, and income generated is used to offset the costs of providing services at below-market rates to regular and affiliate firms. The average number of regular clients in an incubator is 17, and the average number of affiliate clients is 18.

Business Incubator Quick Facts:

- Ninety percent of North American business incubators are non-profit organizations focused on economic development. The remaining ten percent are for-profit entities organized to obtain returns on shareholder investments.
- Approximately 25 percent of North American business incubators are sponsored by academic institutions, while other sponsors include government entities, economic development organizations, for-profit entities, multiple sponsors, and others. Nineteen percent of incubators have no sponsor or host organization.
- The average client will require support from a business incubator for a period of 3 years.

Business incubators generate revenue through:

- Rental income from companies
- Fees charged for business services
- Fees (both current in the form of cash and deferred in the form of royalties and equities) from incubator companies for management assistance
- Financial support or "investments" from one or more sponsors

Costs of operation include:

- Real-estate related costs, such as rent paid to a landlord or, if the facility is owned by the incubator or its sponsor, costs associated with amortization of debt incurred for acquisition and renovation

- Costs related to providing shared services
- Staff salaries
- Capital expenditures
- General and administrative costs, such as office supplies, marketing materials, and professional fees

Case Study: Center for Emerging Technologies (www.emergingtech.org)

Located in St. Louis, Missouri, the Center for Emerging Technologies was founded in 1996 and backed by the University of Missouri-St. Louis, Missouri Department of Economic Development, St. Louis Development Corp., Missouri Development Finance Board, U.S. Economic Development Administration, and corporations. Considered a public-private-academic partnership, the center works regionally and statewide to create an environment that supports and facilitates interactions among businesses, universities, community organizations, and public agencies dedicated to scaling up targeted industries, which include life science and research companies.

Business Incubators at the St. Regis Paper Company Superfund Site

The successful development of a business incubator at the St. Regis Paper Company Superfund site would require the identification of an interested and financially viable sponsor. As the example above illustrates, an incubator could be a partnership between several public and private entities. Upfront work would also be required among community groups and local government to identify the incubator's target audience, which would ultimately dictate the type of incubator (office space or manufacturing facility) and the types of resources necessary to support the facility. In turn, the facility's success would depend on the number and types of small/start-up companies in the surrounding region that could be attracted to the facility.

Resources:

National Business Incubation Association: www.nbia.org/resource_center/bus_inc_facts/index.php

Venture Capital Journal: www.ventureeconomics.com/vcj/protected/1110465972777.html

US Small Business Administration: Office of Native American Affairs (www.sba.gov/naa)

The Office's mission is to ensure that American Indians, Native Alaskans and Native Hawaiians seeking to create, develop, and expand small businesses have full access to the necessary business development and expansion tools available through the Agency's entrepreneurial development, lending, and procurement programs.

National Center for American Indian Enterprise Development (www.ncaied.org)

The Center is a business management organization with a mission to: Develop and expand an American Indian private sector which employs Indian labor, increases the number of viable tribal and individual Indian businesses, and positively impacts and involves reservation communities, by establishing business relationships between Indian enterprises and private industry.

Findings Summary #2: Shared Manufacturing / Equipment Manufacturing

Background:

Shared manufacturing involves the sharing of modern manufacturing equipment, facilities, technologies, and management systems by different manufacturers with similar needs. This approach enables small and mid-sized organizations to invest in and benefit from new manufacturing processes, technologies, equipment, and prototypes without large up-front costs. Many of these facilities, especially those with manufacturing and medical equipment, are affiliated with universities. Such partnerships expand the number and variety of services available to participants. Equipment sharing programs are also common in the arts community and between municipalities that share heavy equipment associated with road construction and maintenance.

Case Study #1: University of Pittsburgh Manufacturing Assistance Center (MAC)
(www.engr.pitt.edu/mac/shared_manufacturing.htm)

The University of Pittsburgh Manufacturing Assistance Center (MAC) provides a state-of-the-art manufacturing systems facility for research, development, education, and training for the Western Pennsylvania manufacturing community. The MAC includes a set of Computerized Numerical Control (CNC) machining tools for traditional machining operations, Electrical Discharge Machine tools (EDM), laser metalworking machine tools, automated material handling equipment, and robots. Affiliation with the university means that MAC also has access to support from several laboratories including the machine tool laboratory, the metrology laboratory, the material tracking and automatic identification laboratory, human issues laboratory, and the computer aided design (CAD) laboratory. The facility is funded by a grant from the U.S. Department of Commerce. Additional support is provided directly to the laboratories from institutions including the National Science Foundation and the Air Force's Armstrong Laboratory.

Case Study #2: Robert C. Byrd Institute for Advanced Flexible Manufacturing (RCBI)
(www.rcbi.org/content/technology.asp)

RCBI, operated out of Marshall University, has established four strategically located shared manufacturing facilities to meet the needs of West Virginia manufacturers. Services and equipment include state of the art computer labs, videoconferencing facilities, access to CNC equipment and affordable training initiatives. Through shared manufacturing services and equipment for prototypes, production and short runs of product are shared among several companies at one time. RCBI personnel assist customers in programming, setup, and operation of the equipment. Companies supply the operator and perishable tooling. RCBI personnel provide demonstrations and technical training.

Shared Manufacturing / Equipment Manufacturing at the St. Regis Paper Company Superfund Site

The majority of shared equipment/manufacturing facilities are affiliated with universities or colleges, largely due to the capacity of these institutions to secure diverse funding resources and to provide a centrally located, third-party venue for collaboration/cooperation. These facilities are also typically built on a foundation of regional cooperation among local governments, universities, and local businesses.

At the St. Regis Paper Company Superfund site, the four institutions of higher education – Leech Lake Tribal College, Bemidji State University, Oak Hills Christian College, and Northwest Technical College-Bemidji – located in or near Cass Lake could work with the City of Cass Lake and serve as the host of a shared manufacturing facility at the site, with regional cooperation from surrounding localities and industries. In particular, Northwest Technical College-Bemidji (bemidji.ntcmn.edu/programs/), which is located 13 miles northwest of Cass Lake, may provide the best potential linkages through programs of study. Relevant programs of study include automotive machining technology, automotive service technology, industrial mechanical maintenance, and manufacturing engineering technology.

Findings Summary #3: Eco-Industrial Parks

Background:

Over the past five to ten years, communities have created innovative approaches to industrial development that enable economic growth *and* reduce the environmental impacts typically associated with industrial development. One of the most innovative approaches has been the development of so-called "ecological industrial parks." According to the President's Council on Sustainable Development (1996), an eco-industrial park is a "community of businesses that cooperate with each other and with the local community to efficiently share resources (information, materials, water, energy, infrastructure, and natural habitat), leading to economic gains, gains in environmental quality, and equitable enhancement of human resources for the business and local community." Businesses located in eco-industrial parks reduce or eliminate some form of waste associated with their industrial processes (e.g., heat, steam, carbon dioxide, and various chemical and material byproducts) by selling it to other businesses in the park or community for use in their production processes. Often, one core industrial business, such as a power plant or processing company, serves as an anchor tenant that attracts other businesses interested in utilizing/sharing their waste products.

Eco-Industrial Parks at the St. Regis Paper Company Superfund Site

Opportunities may exist in Cass Lake to develop an eco-industrial park at the St. Regis Paper Company Superfund site, based around existing regional industries or new industries attracted to the area. However, the successful redevelopment of portions of the site as an eco-industrial park would require concurrent investments from multiple large-scale companies and coordinated, collaborative efforts by local governments.

Eco-industrial parks offer several potential opportunities and challenges. Opportunities associated with eco-industrial parks include increased profit and cost saving for local businesses; increased job growth associated with new business development and new opportunities to invest in training employees and hiring new ones; increased community development opportunities, including revitalizing existing businesses and attracting new businesses to the area; and increased environmental stewardship associated with decreased pollution, improved energy efficiency, and reduced waste production. In spite of these opportunities, several major challenges exist to the successful development of an eco-industrial park. These challenges include increased financial risk associated with longer returns on initial development investment; need for the cost of waste materials to be less than the cost of new materials; and the need to guarantee the quality and amount of exchanged materials between partnered businesses.

Eco-Industrial Development & Superfund Sites:

Eco-industrial development is currently occurring at one Superfund site: the Fort Devens Army Base. The former military installation encompasses 9,310 acres in four towns in central Massachusetts and was slated for closure in 1993. Following the closure announcement, a coalition of citizens and government officials developed a comprehensive reuse plan, which included the creation of an environmental business zone. Key to this endeavor is the Industrial Ecology Project, a collaborative study by business community leaders, plant managers, and government officials to assess material, energy, and water flows from businesses at the base and in surrounding communities. Based on this information, efforts are being made to match companies that can share resource and waste streams for their production activities.

Sources:

- "A Planner's Overview of Eco-Industrial Development," presentation at the American Planning Association (APA) National Conference (2000)
- *Eco-Industrial Development: A Strategy for Building Sustainable Communities*, U.S. Economic Development Administration (2001)
- "Making Sustainable Industrial Parks," *Urban Land* (February 1996)

Findings Summary #4: Pump-and-Treat Graywater Reuse

Background:

Graywater reuse systems are found in a variety of localities, and have proven particularly successful in states like Florida, California, and Arizona, where rapid population growth and limited groundwater resources are placing a premium on available water supplies. Graywater is commonly defined as uncontaminated water that has been previously used for commercial, industrial, or residential purposes and is made available for secondary uses (see below). Depending on the system, graywater may require treatment prior to its use.

Graywater reuse has a number of associated benefits, including:

- Reduction in the amount of potable water drawn from groundwater sources;
- Lower demands on water treatment plants and water storage;
- A drought resistant source of water (uses water already in the system rather than from precipitation); and
- Lower operating costs for companies that use graywater rather than paying for clean water from a municipal source.

Potential graywater reuses include:

- Irrigation of residential lots, golf courses, playgrounds, and orange groves;
- Industrial cooling and process water;
- Car washing;
- Fire protection;
- Environmental restoration; and
- Dust control on construction sites.

Case Study #1: Whittier Narrows Water Reclamation Plant, California

This $9 million project is funded by the Upper San Gabriel Valley Municipal Water District, the U.S. Bureau of Reclamation, and the Metropolitan Water District of Southern California. The project entails construction of four miles of pipeline to pump billions of gallons of recycled water to irrigate the Whittier Narrows Recreation Area and golf course, South El Monte High School, another new golf course, and nurseries along the San Gabriel River. The project is expected to reduce water discharge, wastewater-disposal costs, and save energy. Projections estimate a savings of $14 million in operating expenses and approximately 65 billion gallons of drinking water over the life cycle of the project.

Case Study #2: Hampton Roads Sanitation District, Virginia

This project is a public-private partnership between Hampton Roads Sanitation District and Giant Industries, Inc. The York River Treatment Plant began delivering 500,000 gallons per day of highly treated wastewater to Giant's adjacent Yorktown Refinery in 2002, allowing Giant to reduce potable water consumption by using recycled water for cooling and other industrial purposes. The project included installing filtration equipment at the water treatment facility, building a pipeline to Giant Industries, and installing a backup biological treatment system. Total project costs were $3 million, which will be recovered through fees paid by Giant Industries, fees that are lower than the company would pay for potable water (agreements include a cost cap that limits recycled water costs to no more than 60 percent of potable water costs). Giant Industries currently consumes reclaimed water at a rate of 0.5 million gallons per day.

Pump-and-Treat Graywater Reuse at the St. Regis Paper Company Superfund Site

At the St. Regis Paper Company Superfund site, the reuse of local graywater resources could provide significant benefits, depending on the potential land uses located at the site in the future, i.e., industries or parks and recreational facilities requiring significant water resources. The viability of a graywater system at the site would also depend on the willingness and ability of relevant parties to build necessary infrastructure (pipelines, etc.). Graywater system costs could be shared by the City of Cass Lake and end users at the site, who would benefit over the long-term from a reduced-cost water resource.

Case Study Sources:

San Gabriel Fact Sheet:
www.whittierch.org/pdfs/DHSFactSheet7-2003.pdf
www.uswaternews.com/archives/arcquality/6groundclean.html

Hampton Roads Sanitation District:
66.102.7.104/search?q=cache:dPHAnSZ5uDYJ:www.hrsd.state.va.us/waterreuse.htm+pump+and+treat+water+reuse&hl=en

Findings Summary #5: Hemp Production

Background:

Historically, hemp fiber has been cultivated as a source of strong stem fibers that were used to produce cordage, textiles, paper, and composite wood products. The introduction of synthetic fibers has decreased the demand for hemp. However, environmental concerns and recent shortages of wood fiber have renewed interest in using hemp fibers as a raw material for a wide range of industrial products including textiles, paper, and composite wood products. The woody core from hemp stems is highly absorbent material, and has been marketed as animal bedding and as an absorbent for oil and waste spill cleanup. Hemp is also used in mixtures with lime and cement as a lightweight building material.

Growing Conditions:

Hemp is well-adapted to the temperate climatic zone, which encompasses most of North America and is characterized by having roughly equally long winters and summers. While northern Minnesota is located in the temperate climatic zone, and hemp will grow under varied environmental conditions, several limiting environmental factors make hemp production an unlikely reuse opportunity for the St. Regis Paper Company Superfund site. For highest yield and quality, hemp production generally requires:

- *Warm growing conditions (60-80 degrees F)* - The best fiber producing hemp varieties require about 4 months without killing frost to produce fiber and about 5.5 months to mature seed.

- *Extended frost-free season* – Hemp is tolerant of light spring frosts.

- *Highly productive and well-drained agricultural soils* – Fertile clay loam or silt loam soils, neutral or slightly alkaline, are best. [Commercial hemp fields grown in Iowa, Illinois, Minnesota, and Wisconsin had uneven growth and lower yields in slow-draining soils, and hemp plantings often failed or were abandoned in poorly drained fields.]

- *Abundant moisture throughout the growing season* - Abundant moisture throughout the growing season is important, particularly while young plants are becoming established during the first six weeks of growth.

- Cultural requirements and production costs are quite similar to those of corn. Reported hemp yields range from 2.5 to 8.7 tons of dry stems per acre.

- Since large-scale hemp production has generally been centered in areas with significant rainfall during the growing season, very little information is available regarding hemp irrigation.

Hemp Production at the St. Regis Paper Company Superfund Site

Based on hemp's optimal growing requirements and the region's climate, it appears that hemp production at the St. Regis Paper Company Superfund site is not likely to be feasible. In Cass Lake, first frost comes as early as A
ugust 30 and last frost may be as late as May 30. Annual minimum temps range from –35 to –40 degrees fahrenheit.

Hemp Production Resources:

Manitoba: www.gov.mb.ca/agriculture/crops/hemp/bko01s01.html
Pacific Northwest: eesc.orst.edu/AgComWebFile/EdMat/SB681/text.html

Findings Summary #6: Golf Course Development

Background:

Over the past ten years, golf has experienced a rapid growth in popularity, with a corresponding increase in golf course development across the country. Golf courses vary greatly in size and cost based on their design, physical features, green size, number of holes, on-site amenities, and whether they are public or private developments. In general, a regulation 18-hole golf course requires a minimum of 150 acres of land, which includes space for a clubhouse, practice green, maintenance facilities, and other on-site structures. On average, the cost of constructing a golf course ranges between $1.6 and $4.5 million, while the total cost of bringing a course on-line can easily exceed $10 million. Smaller, non-regulation course configurations, such as Executive and Par-3 Courses, require between 50 and 95 acres for 18 holes and can, depending on their design and location, cost less to develop and maintain than regulation courses.

Golf Course Development at the St. Regis Paper Company Superfund Site

Golf courses can offer both significant benefits and drawbacks. At the St. Regis Paper Company Superfund site, potential benefits include the provision of a revenue-generating recreational amenity for local residents and visitors; increases in adjacent property values; and an expansion of local green space and wildlife habitat. Potential drawbacks include the course's maintenance and upgrade costs; a shorter playing (revenue-generating) season for courses in the northern portion of the United States; the challenge of developing a well-designed course in an already urbanized area; and Cass Lake's existing 9-hole Sand Trap golf course.

An additional challenge is posed by existing market conditions in the United States, which indicate that interest in golf has peaked and that golf-related developments may be competing for a shrinking or flattening number of potential players. According to Rossi Associates, a golf and real estate consulting firm, golf course development in the U.S. declined from a high of 375 courses in 2000 to 127 courses in 2003—a decline of 195 percent and the lowest level of development since the early 1990s. This decline in development has been coupled with a nearly five percent decline in total demand nationwide (based on total number of rounds played) and a "stable" number of total golfers. Rossi Associates expects the golf market to remain "uncertain" through 2005 due to a general over supply of facilities. They also expect market conditions to drive increases in the number of facilities put up for sale, as well as increased competition for players and members at existing clubs.

Golf Courses & Superfund Sites:

Golf courses have been successfully integrated into the reuse of Superfund sites across the United States. There are approximately 13 Superfund sites in actual or planned reuse as golf courses or golf-related facilities, such as driving ranges. While none of these sites include a former wood treating facility, they do include former military installations, landfills, mining sites, and industrial facilities.

Sources:

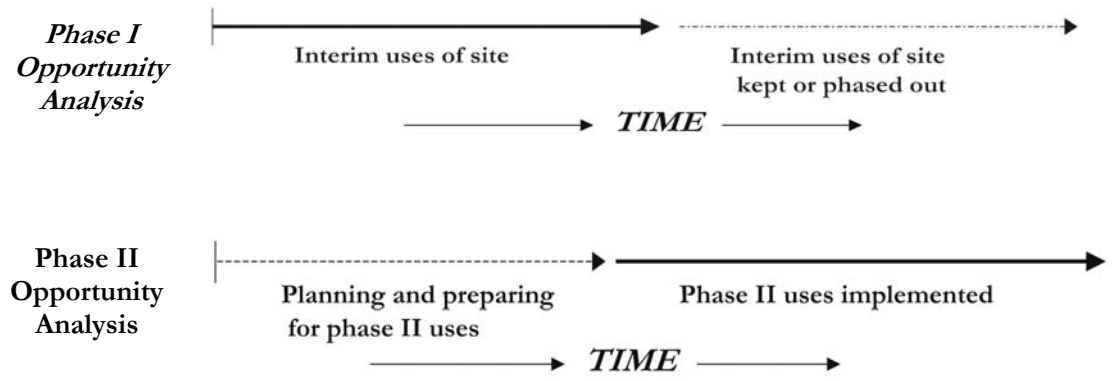
- *Golf Courses and Real Estate Development*, Urban Land Institute (1994)
- *Reusing Cleaned Up Superfund Sites: Golf Facilities Where Waste is Left on Site*, U.S. Environmental Protection Agency
- "Building and Maintaining the Truly Affordable Gold Course," United States Golf Association (USGA) website
- "Golf Course 1," an introductory golf course development site from the American Society of Golf Course Architects
- "Golf Course Homes Hit the Rough," *The Wall Street Journal* (Friday, March 4, 2005)

VII. DRAFT SITE REUSE FRAMEWORK

A Site Reuse Strategy: A Conceptual Reuse Framework for the St. Regis Paper Superfund Site

Based on the Land Use Committee's reuse guidelines, as well as ongoing analysis of the site's physical characteristics, contamination and remediation options, and land use and market conditions in the City of Cass Lake and Cass County. the project's consultant team developed a draft site reuse strategy, called a Conceptual Reuse Framework.

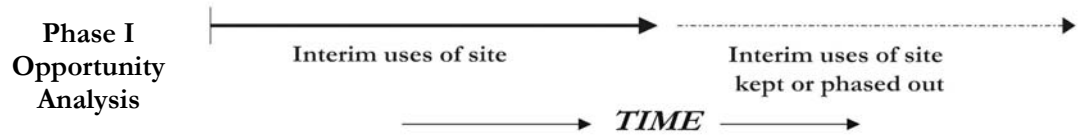
The resulting document, which incorporates the goals and guidelines above, is called a "conceptual reuse framework" because it represents an early plan that is a flexible structure able to incorporate additional detail and information. The framework is also designed to allow the phasing of reuses on different portions of the site over time, starting from today, so that site reuses can benefit the community as soon as possible. The proposed uses represented in the St. Regis Paper Company Superfund site draft reuse framework could be phased over time as resources are identified. Phase I uses include activities that could take place in the near term with effective planning and minimal resources, such as outdoor recreation, designation of wildlife areas, environmental education, and creation of site connections and pathways (see Phase I Opportunity Analysis diagram below.) These uses could either be interim uses or could provide a foundation for the expansion of future site uses. Phase II uses, which include a range of community and economic development land uses as well as site access improvements, would require longer-term resource gathering and planning. (see Phase II Opportunity Analysis diagram below.)



As the reuse planning process has concluded early, the reuse framework presented in this report remains in draft form – additional community discussions will be needed to revise and update the draft site reuse strategy. The various components of the draft reuse framework are described on subsequent pages of the report.

Draft Site Reuse Framework: Phase 1

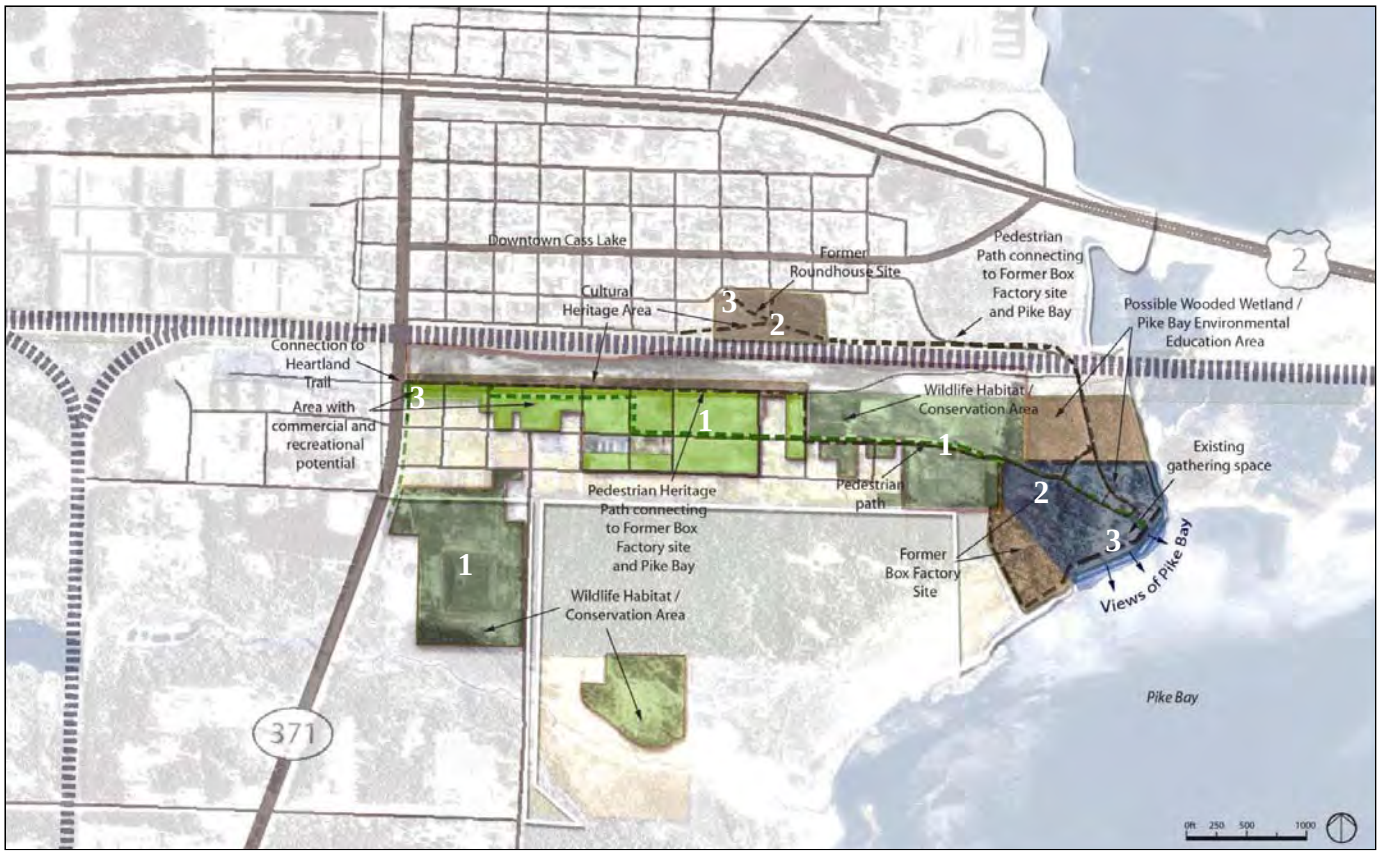
The first phase of the draft Conceptual Reuse Framework for the St. Regis Paper Superfund Site is divided into three areas: community land uses and environmental conservation, environmental education, and connections and linkages between the site, other parts of Cass Lake, and Pike Bay. These areas were laid out according to the site's existing physical and environmental conditions, including existing built features, topography, hydrology, and vegetation.



1 Community Land Uses and Environmental Conservation:
Recreation, Beautification, Conservation, Preservation, and Wildlife Habitat Enhancements
Areas of the site could provide space for recreational activities, including sports fields and trails, a tree nursery, and wildlife habitat conservation.

2 Educational Resources:
Cultural Heritage and Environmental Education
Areas of the site could host educational and interpretive programs, which could highlight the community's industrial history and abundant natural resources.

3 Site Connections – Linking the Site with the City of Cass Lake and Pike Bay:
Cultural and Natural Resource Connections
Areas of the site could improve connections between the site and other parts of the City of Cass Lake, as well as adjacent educational and natural resources, including the former Roundhouse site, Box Factory site, and Pike Bay.



Potential Area for Community Land Uses and Environmental Conservation:
Views of the St. Regis Paper Superfund Site looking east at the Intersection of First Street and Basswood Avenue in December 2004 (*top*) and March 2005 (*below*.) This area could potentially be used for recreation or for a municipal plant nursery.

Potential Area for Environmental Education, Outdoor Recreation, and Improved Community Access to Pike Bay:
Views of the Pike Bay Recreational Area in December 2004 (*top*) and March 2005 (*below*.) This area could provide expanded waterfront opportunities, such as a boat launch, waterfront trails, and waterfront picnic area.

Phase I: Community Land Uses and Environmental Conservation

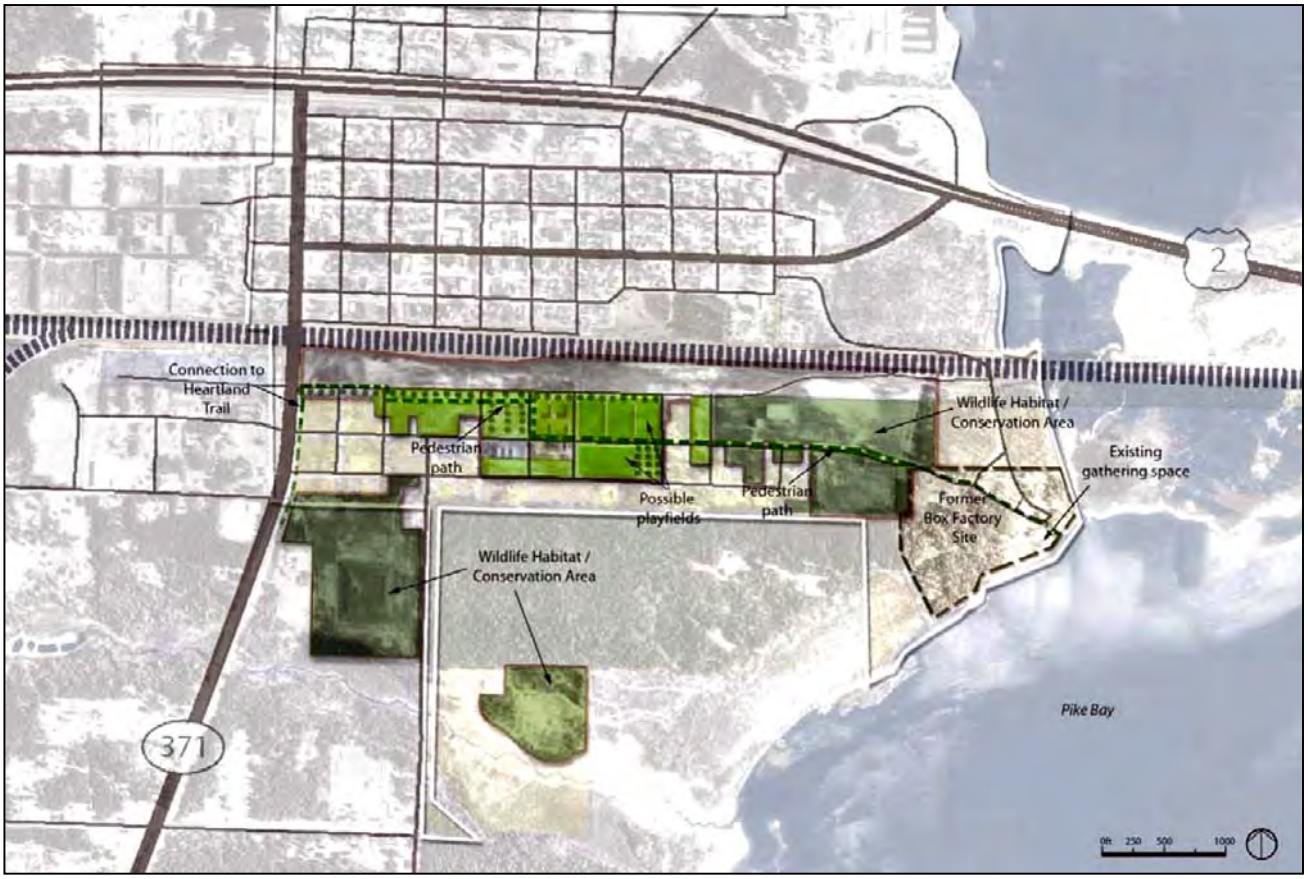
Recreation, Beautification, Conservation, Preservation, and Wildlife Habitat Enhancements

Land Use Committee Members indicated that the site's central flat, open areas could provide an area for both active and passive recreation, such as playfields, tennis courts, a skate park, and walking trails. Walking trails at the site could be easily accessed from nearby roads. These trails could serve as an amenity for surrounding neighborhoods as well as visitors. A municipal plant nursery could also be located on these portions of the site.

In addition to the reuse of open fields for community uses, woods and wetlands account for approximately fifty-five percent of the site's acreage. This area currently serves as prime wildlife habitat for a variety of animals, including white-tail deer, raccoon, muskrat, beaver, red fox, porcupines, and bald eagles. Viewing areas for wildlife and birds present potential educational and stewardship opportunities that could be situated at key locations.

Left: Images of potential types of activities that could take place on the site in the near term. Examples include play fields, an ice rink, a municipal tree nursery, and biking and walking trails.

Below: Map highlighting potential locations for community land use and environmental conservation opportunities.



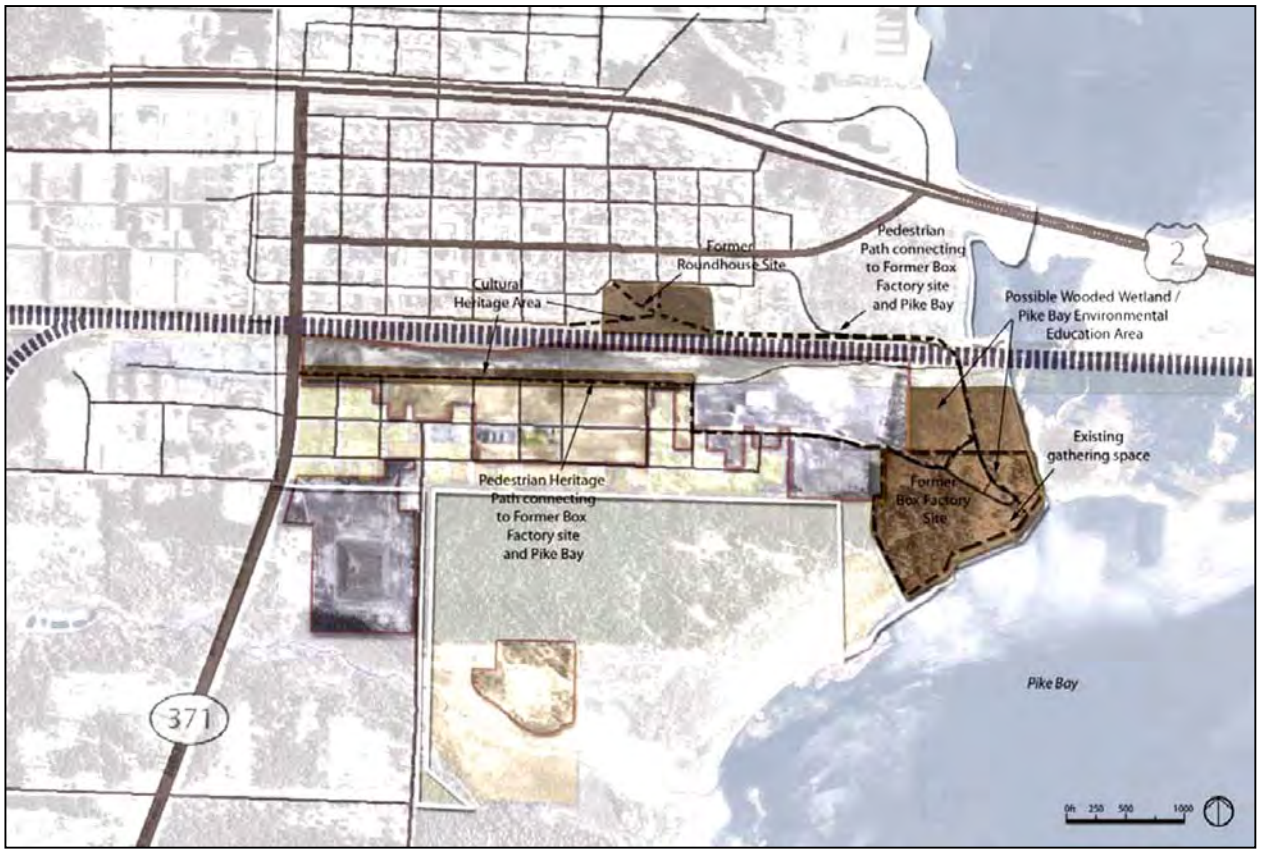
Phase I: Educational Resources
Cultural Heritage and Environmental Education

The project's Land Use Committee prioritized cultural heritage and environmental education as part of the reuse of the St. Regis Paper Company Superfund site. The site's history creates a unique opportunity for both youth and adult education. An outdoor classroom could provide an ideal space and hub for gathering and learning broadly about the importance of Cass Lake's history, its woodlands and wetlands, as well as more specifically about the natural history of wooded wetlands in the surrounding region.

The eastern portion of the site includes areas of rich biodiversity and wildlife habitat set within high-quality wooded wetlands. The various elements of the site reuse framework are intended to co-exist with these areas. The expectation is that a detailed ecological site investigation will need to be undertaken at a later date to ensure that site reuses do not negatively impact sensitive habitats. Furthermore, it is also possible that keeping the woodlands and wetlands intact will help to diminish the effects of on-site groundwater contamination through natural attenuation.

Left: Images of potential types of educational activities that could take place on the site in the near term. Examples include cultural heritage interpretation, birdnesting areas, nature trails, and environmental quality testing and monitoring.

Below: Map highlighting the potential sites and trails for cultural heritage and environmental education opportunities.



Phase I: Site Connections – Linking the Site with the City of Cass Lake and Pike Bay

Cultural and Natural Resource Connections

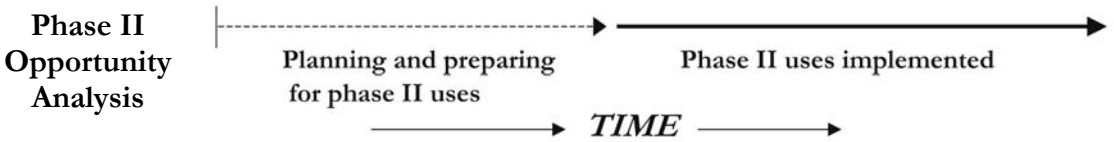
Land Use Committee members expressed interest in preserving and enhancing the natural character of the eastern part of the site, adjacent to Pike Bay. Near-term uses that could also connect this part of the site with downtown Cass Lake and local neighborhoods include nature trails, increased waterfront-viewing opportunities, and designated wildlife habitat areas.

Left: Images of potential uses of the site's eastern natural areas, including the development of trails, designated wildlife habitat, and visual connections to Pike Bay.

Below: Map highlighting the location of natural areas that could be connected with the community as an area for active and passive land-based and water-based recreation.

Draft Site Reuse Framework: Phase 2

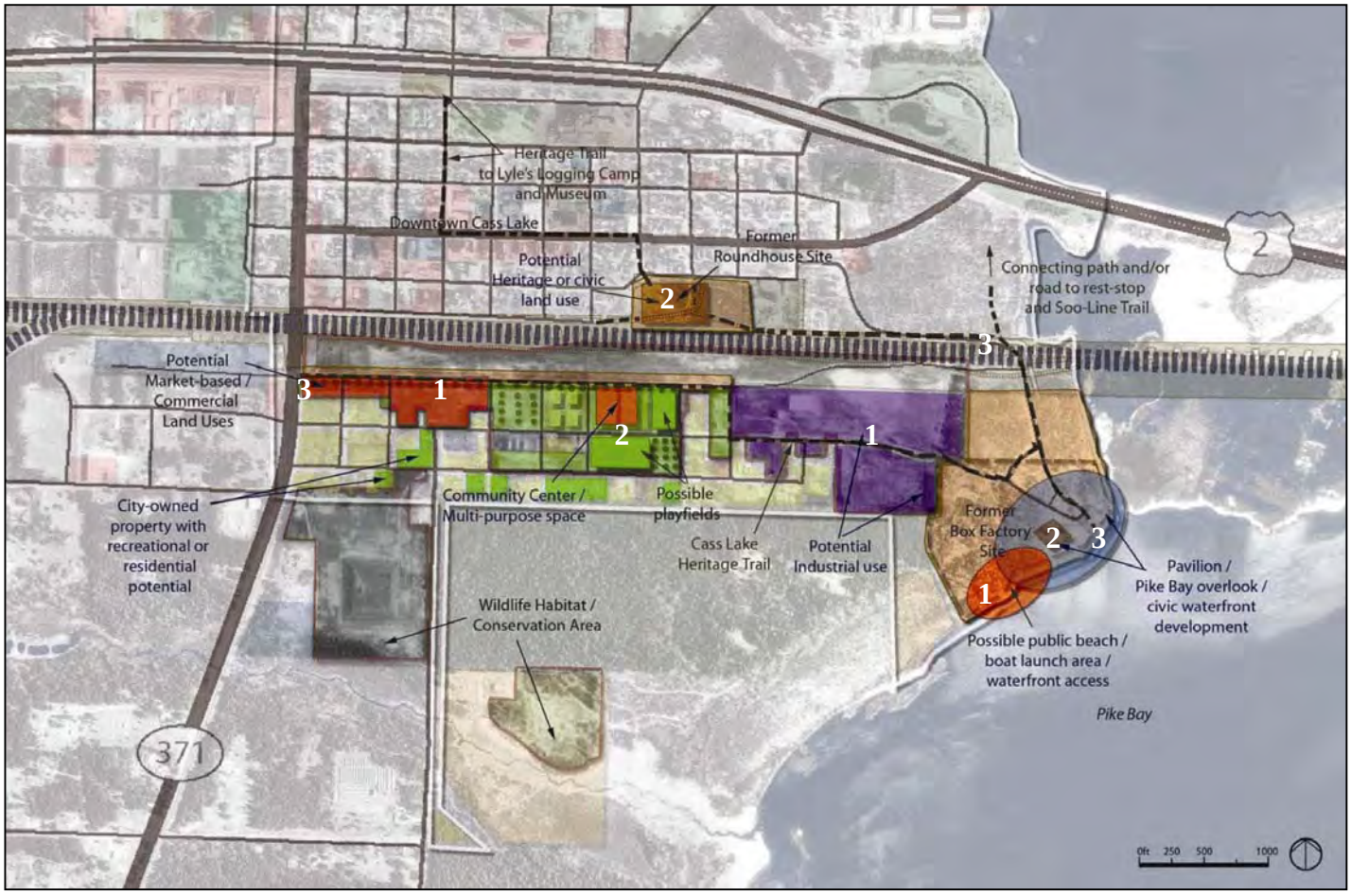
The second phase of the Conceptual Reuse Framework for the St. Regis Paper Company Superfund site focuses on three areas: potential economic development opportunities, expanded community, heritage, and natural areas, and expanded connections and linkages between the site and other parts of Cass Lake, including Pike Bay. Similar to the framework's first phase uses, these areas were organized and designed according to the site's existing physical and environmental conditions, including existing built features, topography, hydrology, and vegetation.



1 Potential Economic Development Opportunities
Areas of the site could be well-situated for commercial and industrial or other market-based land uses that could provide jobs and generate tax revenues.

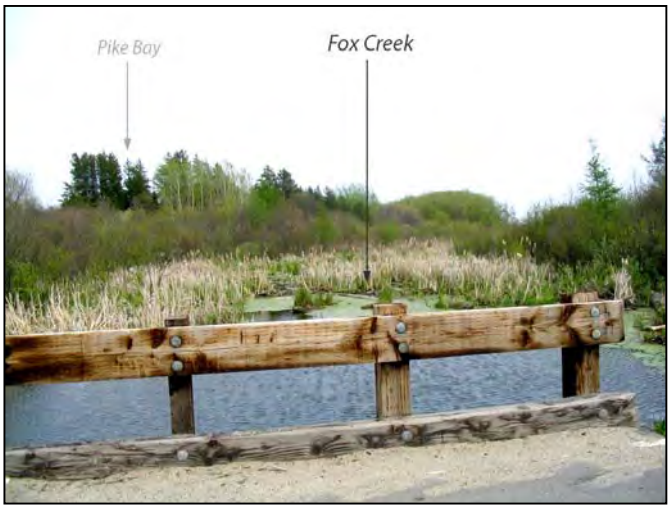
2 Expanded Community Land Uses
Areas of the site could provide space for the development of a multi-use community center and expanded areas for sports fields and recreational trails.

3 Linking the Site's Cultural and Natural Heritage with the Larger Community
Areas of the site could be targeted for the expanded development and interpretation of Cass Lake's cultural heritage and local natural resources. Potential trailhead and trail connections have also been identified.



Views of the St. Regis Paper Superfund site looking north at the intersection of Central Avenue and 3rd Street in December 2004 (*top*) and at the intersection of Central Avenue and 1st Street South in March 2005 (*below*). Area access could be improved by the re-installation of a rail crossing at Central Avenue, as it existed in the late 1920s (see page 12 for image of the former rail viaduct crossing). The gently sloping area depicted in the image below could be used for additional community recreational facilities, such as a multi-use community center.

Above: View of the bike and ATV trail that connects with the Heartland Trail two miles south of Cass Lake. Proposed recreation trails at the St. Regis Paper Company site could be connected with existing local and regional trail networks.



View of Fox Creek looking east, taken at the Grant Utley Avenue SW bridge. The Fox Creek Floodplain, south of the St. Regis Paper Company Superfund Site. This area currently serves as prime wildlife habitat for a variety of animals, including songbirds, raccoons, deer, rabbits, frogs, snakes, geese, and mallards. Trails with viewing areas at key locations for the observation of wildlife and birds presents potential educational and stewardship opportunities.

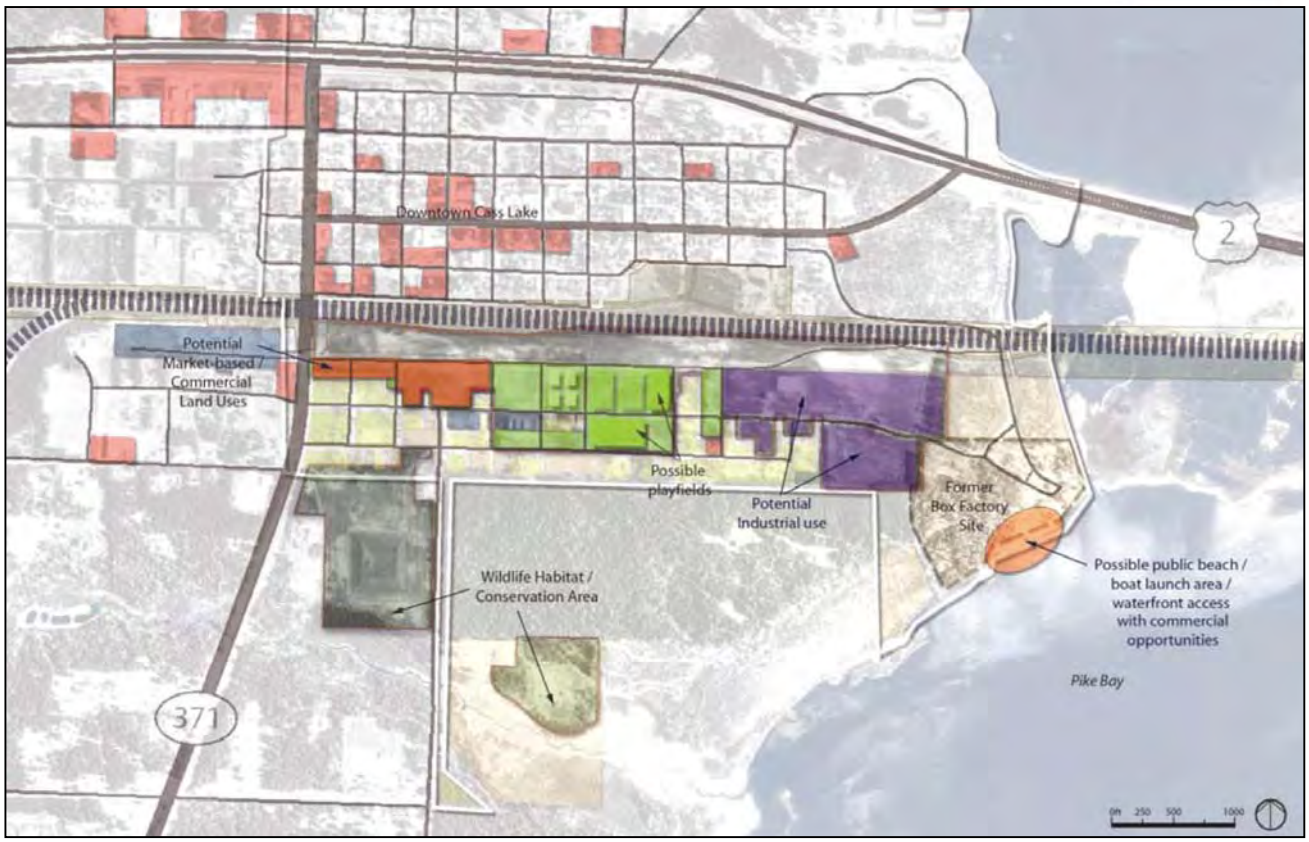
Phase II: Potential Economic Development Opportunities

Land Use Committee members expressed interest in opportunities for commercial and industrial land uses at the St. Regis Paper Superfund site. As the project's land use analysis indicates (see pages 37-38), there is currently minimal market demand for new commercial and industrial land uses in Cass Lake; significant areas of undeveloped land are also available in surrounding jurisdictions. Accordingly, planning for commercial and industrial land uses at the site will likely be a long-term effort that will require effective regional coordination.

As discussed earlier in the report, potential future commercial and industrial land uses at the site could include a business incubator, value-added wood products operation, shared manufacturing facilities, commercial retail businesses, or eco-industrial park facility. Other opportunities could include commercial businesses, like a sports store or equipment rental facility, that could link with outdoor recreation activities planned for the site. Committee members also noted that development associated with a boat launch on Pike Bay could provide jobs as well as generate tax revenues for the City of Cass Lake.

Right: Images of potential types of commercial and industrial land uses that could be located at the site, including commercial retail and manufacturing facilities.

Below: Map highlighting the locations of potential economic development opportunities for commercial and industrial land uses at the site.



Phase II: Expanded Community Land Uses

Land Use Committee members noted that the draft Conceptual Reuse Framework's first-phase community land uses could also serve as the foundation for the expansion of additional community-wide amenities over the longer-term at the site.

Committee members indicated that a multi-purpose community center and further development of recreational fields could be located in the site's central flat, open areas. The site's open areas could also serve as a multi-use community space for seasonal activities, like a farmers market, fairs, and community gatherings.

Right: Images of potential types of additional community land uses that could be located at the site, including a farmers market, a multi-purpose shelter for different activities, and a boat launch on the shores of Pike Bay.

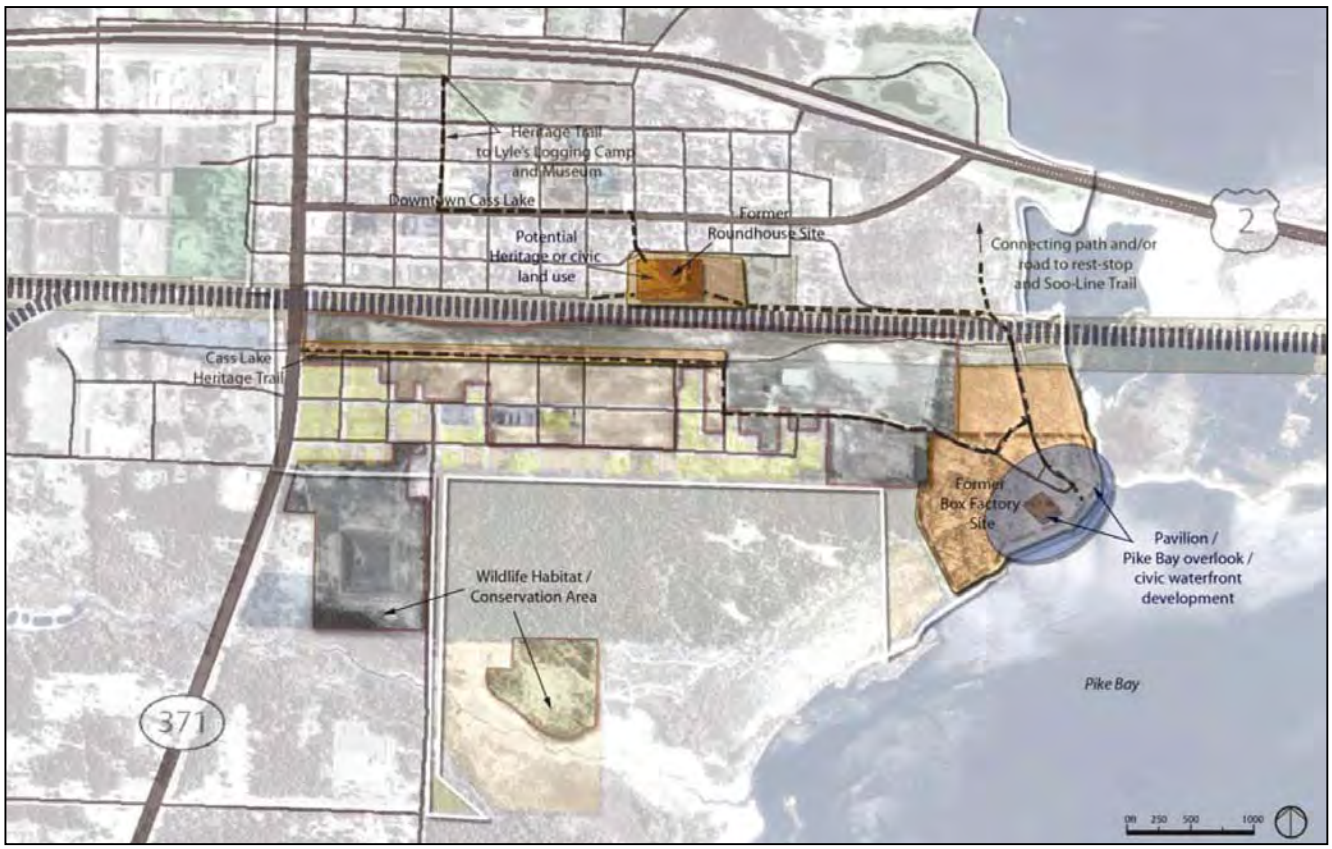
Below: Map highlighting the potential locations of expanded community areas.

Phase II: Linking the Site's Cultural and Natural Heritage with the Larger Community

Land Use Committee Members expressed interest in linking cultural and natural heritage areas with the larger community through trail connections and formal gathering spaces. In particular, the heritage and natural areas near Pike Bay and within the former Box Factory site could serve as a community and region-wide amenity with an amphitheater, a boat launch, lighting for night-time activities, and trails connecting to downtown Cass Lake and other areas, including the Cass Lake Rest-stop and the Soo-Line Recreational Trail. The former Roundhouse site could potentially be the location of an interpretive center as well as a central trailhead hub, with heritage trails leading to other cultural heritage sites like the former Box Factory site and Lyle's Logging Camp.

Left: Images of potential types of activities and connections that could take place at the former Box Factory site and along the shores of Pike Bay, including an outdoor classroom and amphitheater, a boat launch area, and lighting for night-time activities.

Below: Map highlighting the location of potential activities at the former Box Factory site and potential connections that could be made to and from the City of Cass Lake via existing roadway networks and proposed path systems.



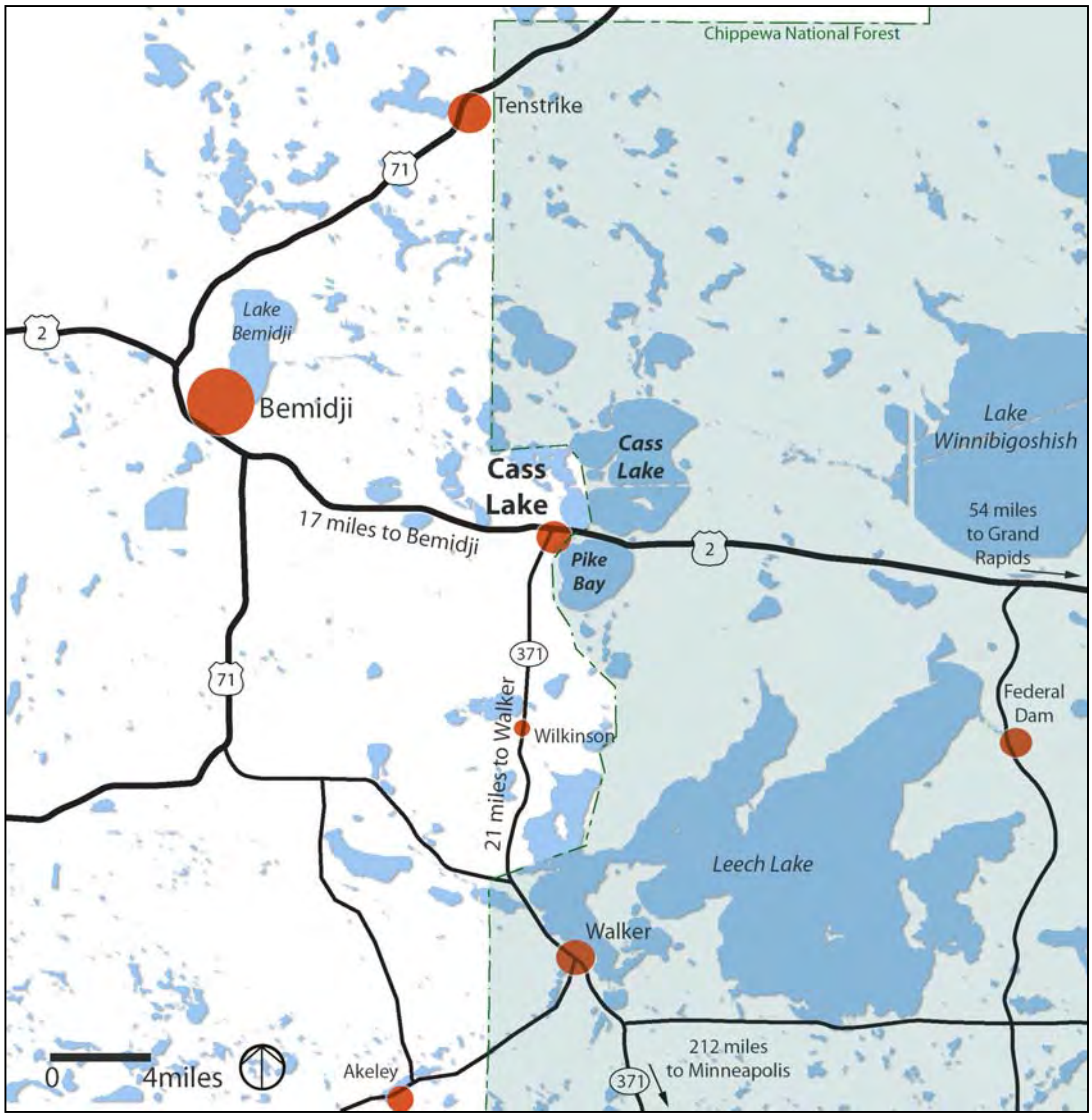
VIII. REGIONAL SITE CONTEXT

The City of Cass Lake and the St. Regis Paper Company Superfund site are part of a regional context that includes Pike Bay Township, Cass County, the Leech Lake Indian Reservation, and the Chippewa National Forest. The City of Cass Lake and Cass County are also members of the Region 5 Development Commission, which serves five counties—Cass, Crow Wing, Morrison, Todd, and Wadena—in north-central Minnesota. Nearby communities include the cities of Walker, located 20 miles south of Cass Lake, Bena, located 20 miles east of Cass Lake, and Bemidji, the area's population, commercial, and tourism center, located 17 miles west of Cass Lake in Beltrami County. Cass Lake's location on U.S. Highway 2 also provides residents and visitors with convenient access to the Iron Range communities of Grand Rapids, Hibbing, and Virginia. The regional population centers of Duluth, MN and Fargo, ND are both located within a three-hour drive of Cass Lake.

Questions to consider:

How does the site fit into the area's regional context?
Does the site offer strategic advantages that do not exist elsewhere in the region?

City of Cass Lake: Regional Context



IX. LOCAL SITE CONTEXT

The St. Regis Paper Company site is located in the southern portion of the City of Cass Lake. The 125-acre site is bounded to the north by the Burlington Northern Santa Fe (BNSF) rail line, residential, and commercial areas; to the south by Chippewa National Forest and Fox Creek; to the east by the Box Factory site, a brownfield owned by the City of Cass Lake; and to the west by Highway 371. The site, like all land in the City of Cass Lake, is not yet zoned. The site is located within three blocks of the City's downtown district and is wholly situated within the Leech Lake Reservation.

Land Use in the City of Cass Lake

As of 1997, 34 percent of the City's total acreage was developed, with the remainder undeveloped land, and roadways, railroads, or other right-of-ways. Table 1 below, based on information from City's 1998 *Comprehensive Plan*, presents the City's existing land use distribution.

Table 1: Land Use Distribution, City of Cass Lake

Existing Land Use	**Acres**	**Percent**
Developed Land	*204 acres*	*34%*
Residential	75 acres	12%
General Business/Commercial	31 acres	6%
Industrial	7 acres	1%
Public/Quasi-Public	91 acres	15%
Undeveloped Land	*406 acres*	*66%*
Undeveloped Land (Wetland Within)	181 acres (96 acres)	30% (53%)
Roadways/Rail Roads/Right-of-Ways	225	36%
Total	610 acres	100%

The City of Cass Lake currently comprises approximately 610 acres. Table 1 indicates that roadways, rail roads, and right-of-ways is the largest land use in Cass Lake, followed by undeveloped land, public/quasi-public land uses, and residential homes. Public/quasi-public land uses include parks, open space, educational facilities, religious facilities, and tribal facilities. Much of the City's existing undeveloped land consists of wetlands (96 acres or 53 percent) or undeveloped land associated with the St. Regis Paper Superfund site (60 acres or 33 percent), with the remaining 25 acres (14 percent) scattered throughout the community. The smallest land uses in Cass Lake include general business/commercial development and industrial development.

Local Opportunity Maps

This section of the information packet presents a series of local "opportunity maps" that explore the patterns of existing land uses in the City of Cass Lake.

The maps on the following pages highlight:

- **Transportation Network**
- **Commercial Land Uses (Office & Retail)**
- **Industrial Land Uses**
- **Residential Land Uses**
- **Parks, Schools, and Cultural Institutions**

Note: On all maps, the St. Regis Paper Company Superfund site is indicated by a red border

A. Transportation Networks

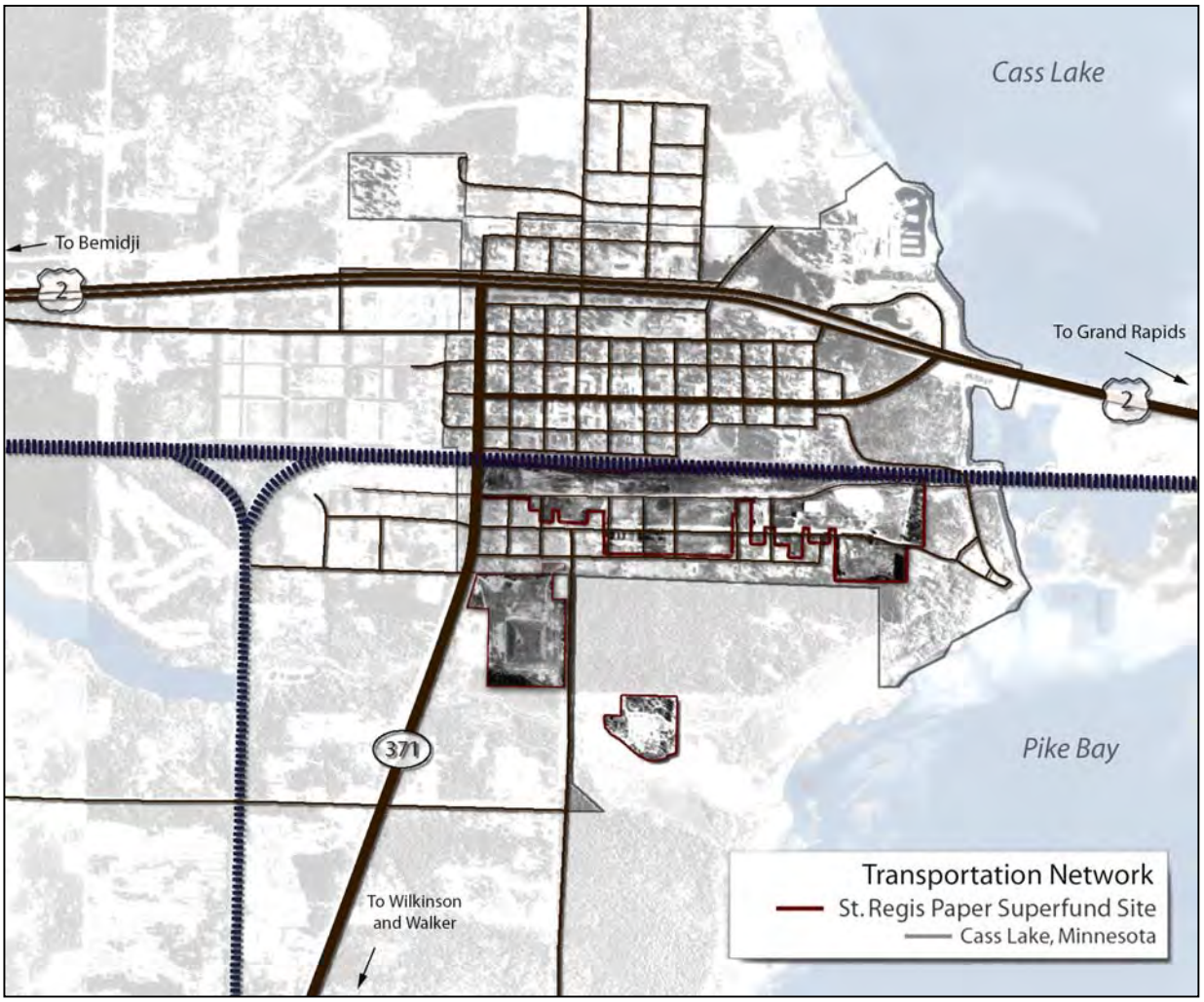
Transportation networks in and around Cass Lake consist of national and regional roadways, a network of neighborhood streets, and a freight rail line operated by the Burlington Northern Santa Fe (BNSF) Railroad, which runs through the southern portion of the City. National and regional roadways include U.S. Highway 2, which runs east-west between Sandpoint, Idaho and St. Ignace, Michigan; State Highway 371, which run north-south between Cass Lake and Little Falls, Minnesota; and County Roads 146, 60, and 151, which connect Cass Lake with surrounding areas of Cass County and the Leech Lake Reservation.

A network of regional and local neighborhood roads surrounds the three operable units of the St. Regis Paper Company Superfund site. These roadways include State Highway 371, which runs north-south along the western edge of the site area, Railroad Street, which runs east-west to the north of the site area, Country Road 146/Grant Utley Avenue, which intersects the western portion of the site area, and series of neighborhoods roads (Neils Avenue, Oak Avenue), which form the eastern edge of the site area.

Questions to Consider:

What are potential opportunities provided by the site's location within the area's existing transportation network?
Are there any limitations posed by the site's location within the area's existing transportation network?

City of Cass Lake: Transportation Network



B. Commercial Uses (Office and Retail)

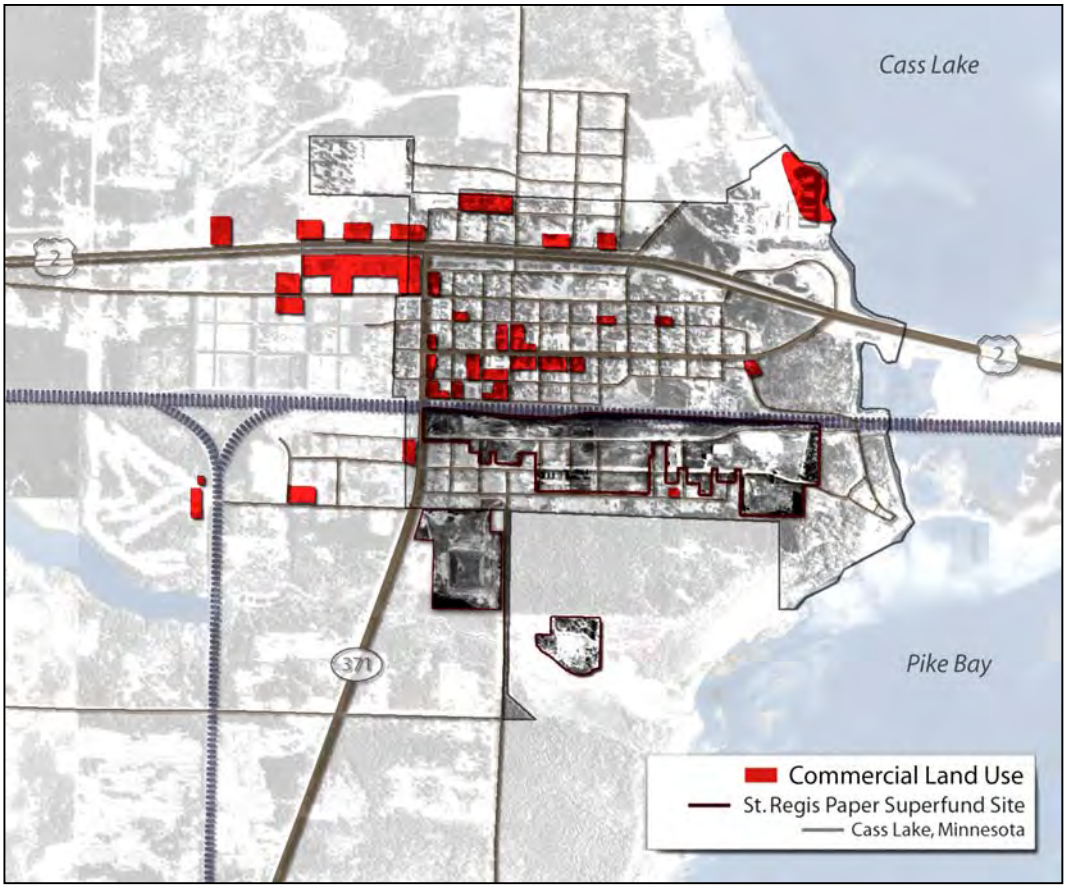
Commercial office and retail land uses are primarily concentrated in three areas of Cass Lake and account for approximately six percent of existing land uses. Highway commercial land uses are located along U.S. Highway 2, extending west into Pike Bay Township, and, to a lesser extent, along State Highway 371. Commercial businesses in these areas include a grocery store, gas station, restaurants, and several small retail stores. Additional commercial development is located in the City's Central Business District (CBD), located along and immediately adjacent to Second Street North. The CBD contains a blend of office (primarily government and Tribal facilities) and retail establishments that cater to local residents and visitors. Bemidji, MN is the nearest commercial center to Cass Lake.

There has been limited new commercial development in Cass Lake. Most recent commercial development, including the movement of existing local businesses, has been located along U.S. Highway 2 and State Highway 371. Discussions with local realtors indicate that while there has been limited new commercial development in these corridors, there are very low vacancy rates in existing commercial facilities; there is also undeveloped land available for new development. Commercial land with 75 feet of frontage on U.S. Highway 2 typically sells for between $50,000 and $60,000. The asking price for a comparable commercial lot located near the intersection of U.S. Highway 2 and State Highway 371 is approximately $150,000. There has been limited new commercial development in Cass Lake's Central Business District. Land use in the CBD has been slowly shifting from retail and service businesses to government and other publicly oriented activities. Local realtors estimate vacancy rates in the CBD to be approximately 25 percent. There is land available for new commercial development in the CBD, including vacant lots, vacant buildings, and older buildings in disrepair. On average, an undeveloped lot in the CBD (approximately 3,500 square feet) sells for approximately $4,000.

Questions to Consider:

How would commercial development at the site impact existing commercial properties in the community? Could the site offer potential commercial opportunities that may not exist elsewhere in the community?

City of Cass Lake: Commercial Uses



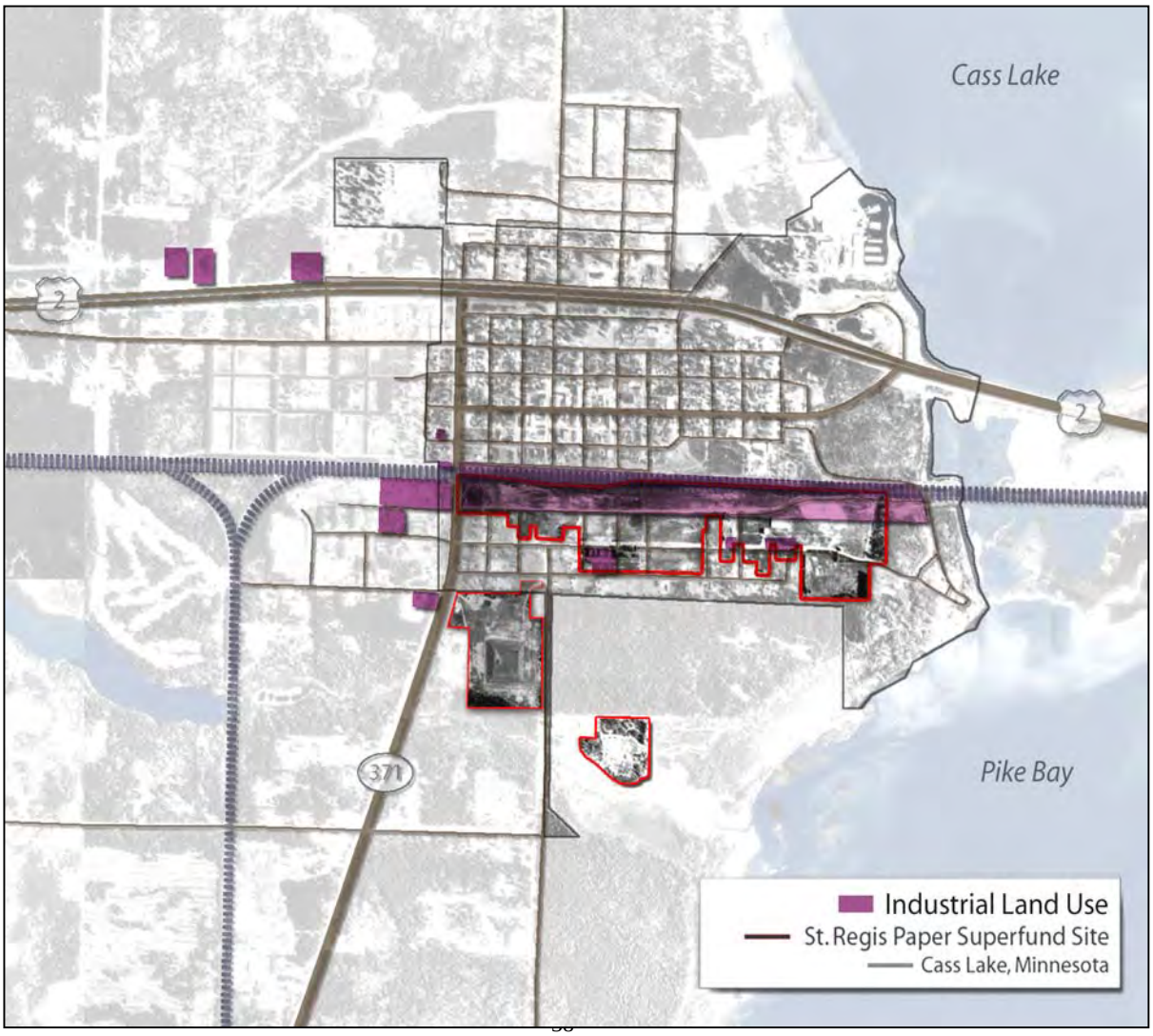
C. Industrial Uses

Industrial land uses account for a small portion (approximately one percent) of existing land uses in Cass Lake. Most existing industrial land uses in Cass Lake are concentrated in the southern portion of the city, near the Burlington Northern Santa Fe (BNSF) railroad tracks. Active industrial businesses in this area include Cass Forest Products and a BNSF switching station, which sustains rail activity in Cass Lake. There has been no recent industrial development in Cass Lake. Discussions with local realtors indicate that there is land available in both Cass Lake (primarily within the boundaries of the St. Regis Paper Company Superfund site) and in surrounding areas of Pike Bay Township. Undeveloped industrial land in the Cass Lake area typically sells for between $1,000 and $3,000 per acre, with the higher acreage costs for land with access to municipal water and sewer infrastructure. Additional industrial land uses in the region include a panel board plant located between Cass Lake and Bemidji as well as ongoing industrial development in the Bemidji Industrial Park. There are extensive areas of land available for industrial land uses in Cass County and the other counties served by the Region 5 Development Commission, as well as in the greater Bemidji area.

Questions to Consider:

How would industrial development at the site impact existing industrial properties in the community?
Could the site offer potential industrial opportunities that may not exist elsewhere in the community?

City of Cass Lake: Industrial Land Uses



D. Residential Land Uses

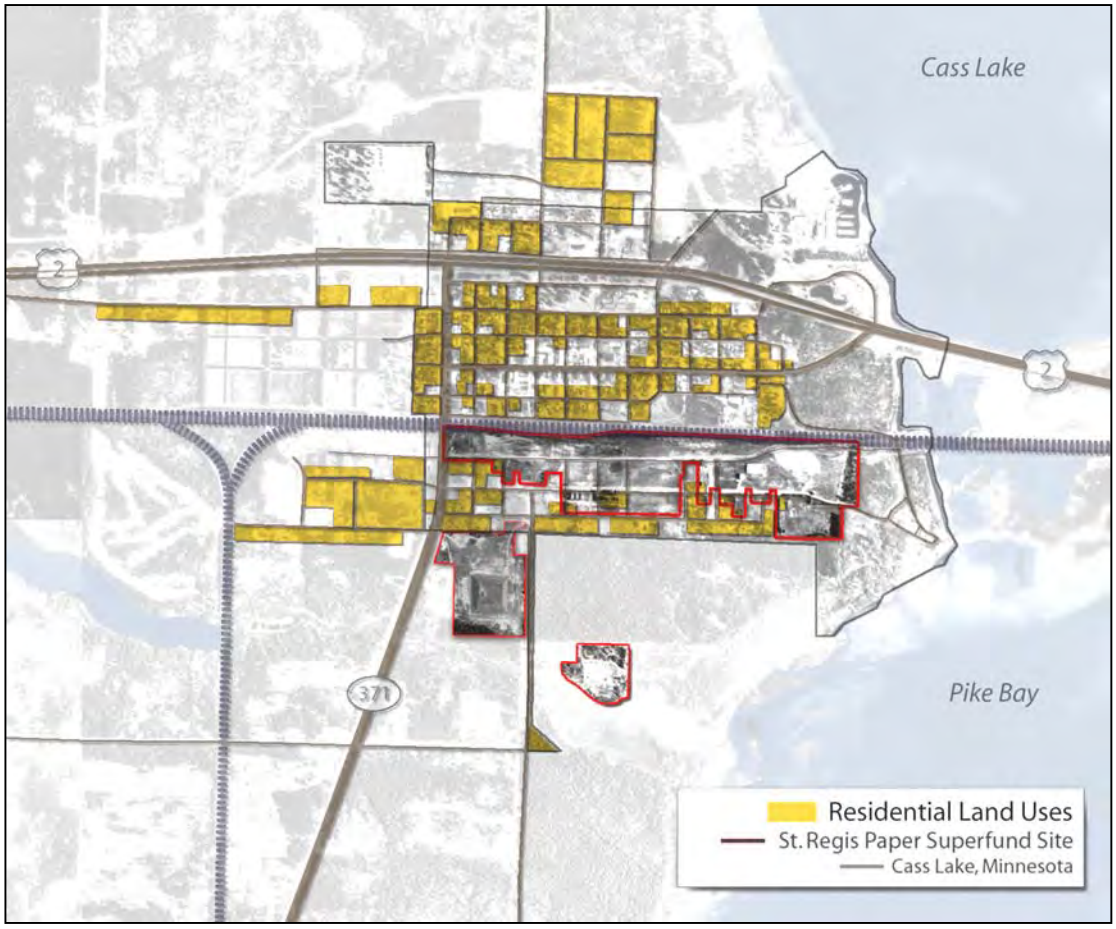
Residential development is located throughout Cass Lake and is the second-largest developed land use in the city (approximately 12 percent of existing land use). Concentrated areas of single-family homes are located east of Maple Avenue and West of Grant Utley Avenue. Lesser amounts of multi-family housing are scatted throughout the City. Single-family homes in Cass Lake, which are often older than those in Cass County, range in size from 800 to 1,000 square feet and are typically situated on one-third of an acre lots. Single-family homes are also located within the boundaries of the St. Regis Paper Company Superfund site. Most of these residences were built in the 1930s and 1940s and are comparable in size to homes in other parts of Cass Lake. Residences in surrounding areas of Pike Bay Township and Cass County vary in size from 1,000 to 3,000+ square feet and are situated on lots ranging in size from two-thirds of an acre to more than five acres.

There has been limited new residential development in Cass Lake. According to local realtors, single-family homes in Cass Lake typically sell for between $40,000 and $70,000. Homes within the boundaries of the St. Regis Paper Company Superfund site sell typically for between $40,000 and $50,000. There is ongoing residential development in surrounding areas of Pike Bay Township and Cass County. This development consists primarily of large lakefront homes, such as those being constructed on the north shore of Cass Lake, and smaller (1,000+ square feet) homes developed by the Leech Lake Band. On average, lakefront homes sell for $350,000, while smaller homes sell for between $80,000 and $90,000. In recent years, there has been increased demand for housing in areas surrounding Cass Lake from Bemidji-area residents looking for more affordable homes.

Questions to Consider:

How would residential development at the site impact existing residential properties in the community?
Could the site offer potential residential opportunities that may not exist elsewhere in the community?

City of Cass Lake: Residential Uses



E. Parks, Civic, Educational, and Cultural Land Uses

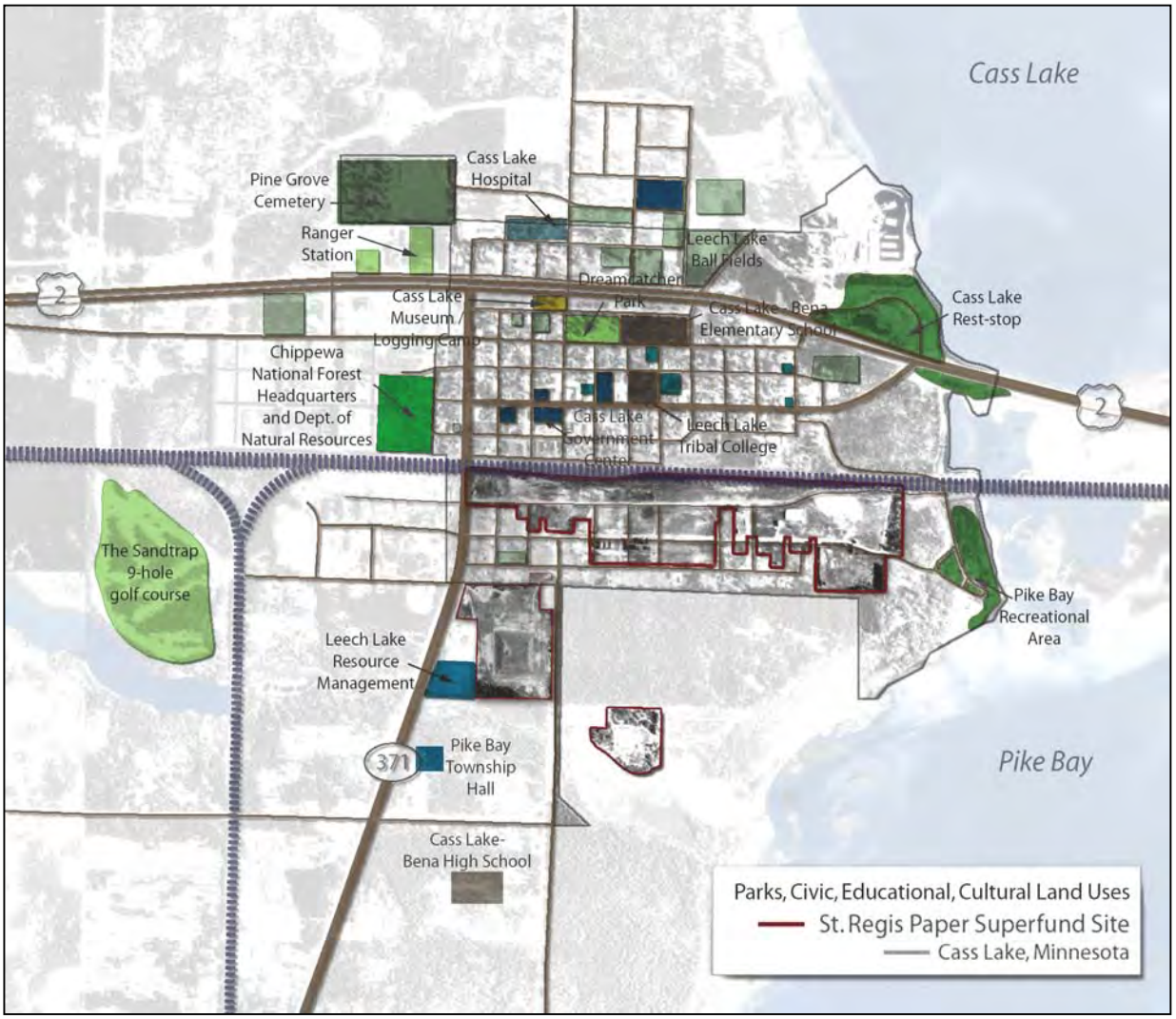
Cass Lake's park and recreational facilities include two-acre Dream Catcher Park, a state rest area located adjacent to U.S. Highway 2, a nine-hole golf course, and school facilities that provide amenities including ball fields, tennis courts, play equipment, and picnic areas. The City's 1998 *Comprehensive Plan* notes that there is a broad need for new park and recreation facilities, as well as for the maintenance and rehabilitation of existing facilities. Additional recreational opportunities are available to local residents and visitor in adjacent Chippewa National Forest, as well as at the area's extensive network of lakes and recreational trails.

The map below also highlights cultural and educational institutions located in the City of Cass Lake. The City's public school system includes Cass Lake-Bena elementary school, Cass Lake-Bena high school, a targeted services school, and an ALC school. Additional education facilities include the Leech Lake Reservation Head Start, the Bug-O-Ney-Ge-Shig School, and the Leech Lake Tribal College. Cultural facilities include the historic Chippewa National Forest Headquarters, the Cass Lake Museum/Logging Camp, and the Pine Grove Cemetery.

Questions to consider:

Are there educational or recreational needs that are not currently met by the community's existing park system? Could the site offer educational or recreational opportunities that may not exist elsewhere in the community?

City of Cass Lake: Parks, Civic, Educational, and Cultural Land Uses



F. Composite Land Use Map

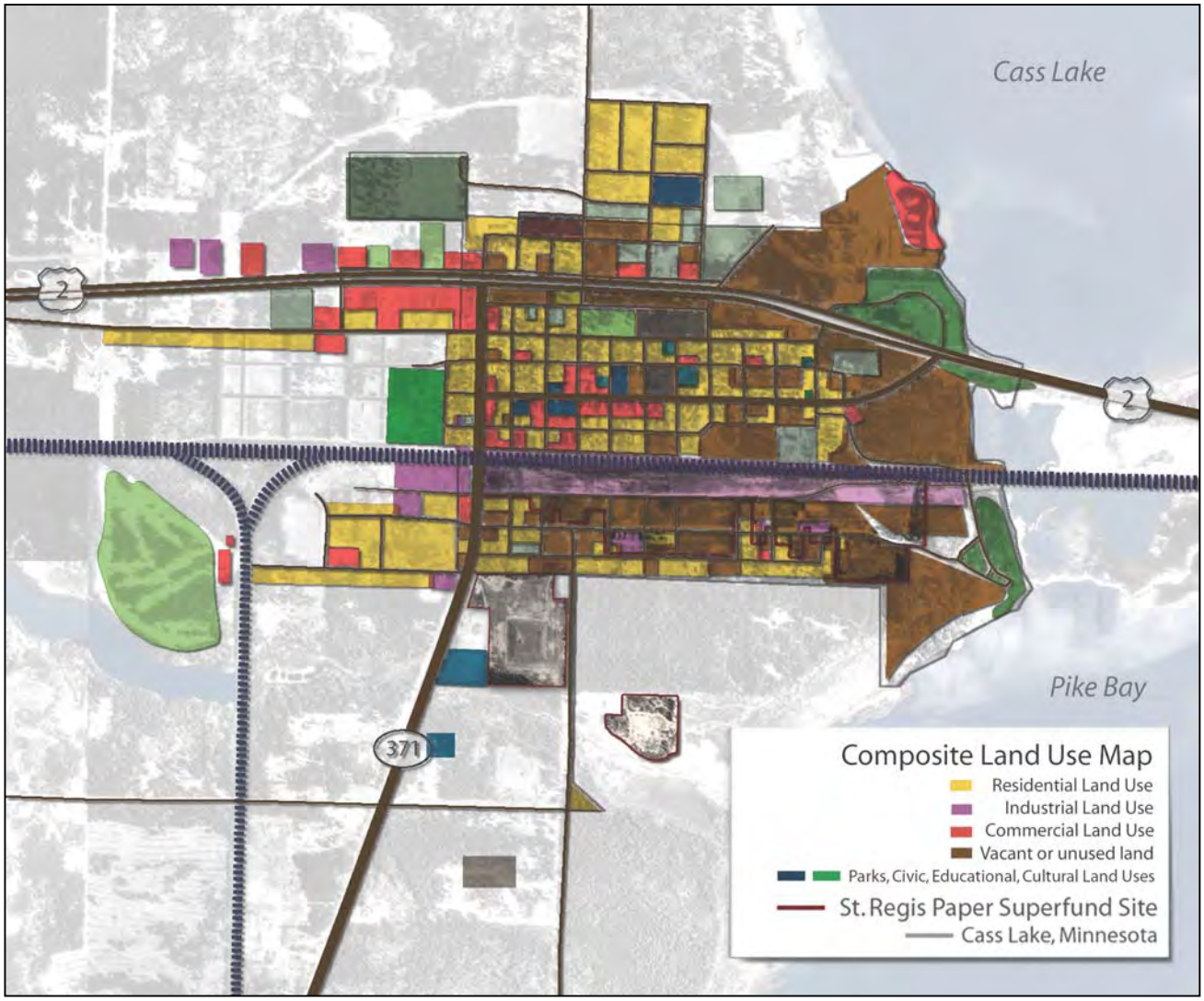
The composite land use map below integrates each of the land uses described on the previous pages (transportation networks, commercial, industrial, residential, and parks, schools, and cultural institutions).

As the composite land use map illustrates, the St. Regis Paper Company Superfund site is surrounded by and includes several different types land uses: industrial and residential areas to the west, residential, industrial, and commercial areas to the north, the former Box Factory site and Pike Bay to the east, and residential and national forest areas to the south.

Questions to consider:

What uses at the site would be most consistent with your long-term vision for the community's future development?

City of Cass Lake: Composite Land Use Map



X. ECOLOGICAL SITE CONTEXT

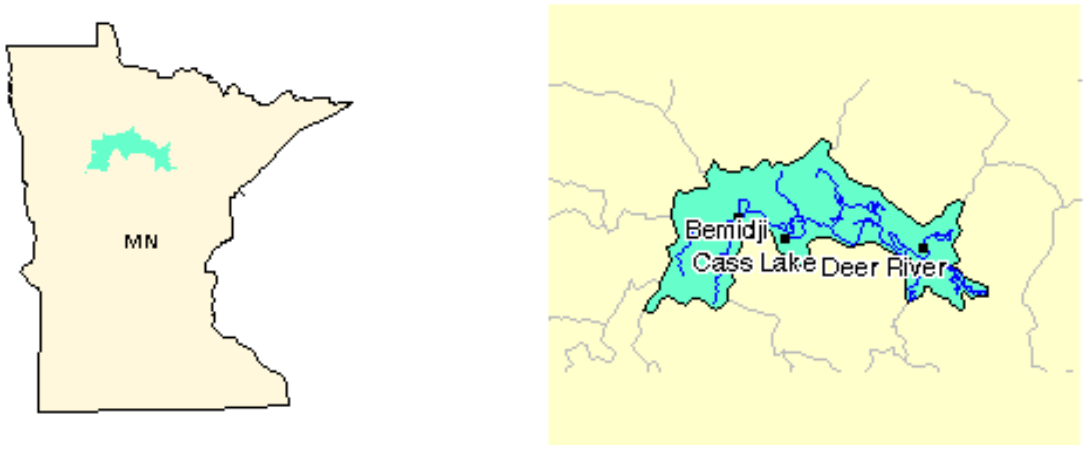
The St. Regis Paper Company site is located in a region with abundant ecological resources. Upland, grassy, and pine-covered areas predominate in the western portions of the former wood treating area, while the eastern and southern portions and the site's surroundings include wetland areas of Pike Bay and the Fox Creek Floodplain. The Chippewa National Forest I located adjacent the site to the south. The site is located within the Mississippi Headwaters Watershed.[1]

The site's wetland areas in particular provide many benefits at both local and regional scales. They serve as flood control areas during large storm events for not only the upland areas of the site, but also for the surrounding neighborhoods to the site's northwest and west. During a storm event, wetlands slow and detain surface water flow that would otherwise quickly flow into lakes and streams, such as Pike Bay and Fox Creek. This detained surface water ultimately helps to recharge and sustain local ground water supplies. Additionally, wetland plants and soils filter pollutants and excess nutrients, help prevent sediments from entering streams, both reducing erosion and stream degradation. Wetlands also provide a safe haven and habitat for birds and small amphibious wildlife. As such, wooded wetlands could serve the City of Cass Lake and Leech Lake Band Reservation residents and visitors as recreational and educational areas for bird watching and environmental studies.

Wildlife in the Cass Lake region includes a variety of songbirds in summer months. Common animals seen in the area throughout the year area white-tail deer, raccoon, muskrat, beaver, red fox, porcupines, and bald eagles. Amphibians and reptiles such as salamanders and turtles may also live in the wetland areas in the eastern end of former wood treating area and in the Fox Creek Floodplain. Other animals in the area that may access the site include weasels, beavers, black bears, minks, bobcats, and spot coyotes.

Questions to consider:

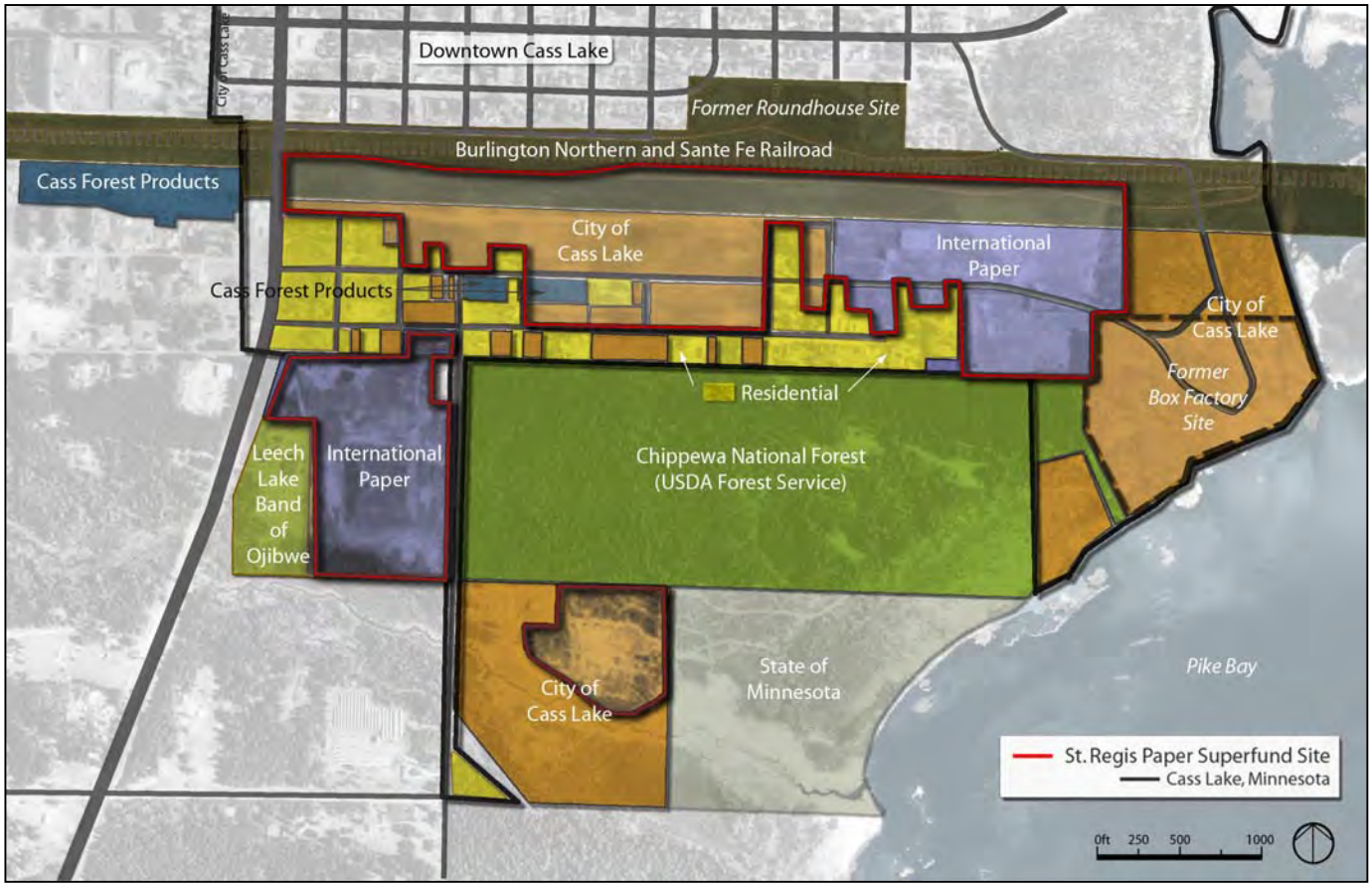
How does the site fit into the area's larger environmental context?
Given the site's recent history as a wood treatment facility, could future uses at the site allow for opportunities to benefit and enhance regional ecological values?



Mississippi Headwaters Watershed

1 http://cfpub.epa.gov/surf/huc.cfm?huc_code=07010101

Appendix A: Site Ownership Reference Map



Appendix B: Initial Project Situation Assessment, January 2005

I. Introduction

II. Findings

III. Conclusions: Phase I Implications and Phase II Next Steps

IV. Draft Workplan

I. Introduction

Funded by EPA's Superfund Redevelopment Initiative and EPA Region 5, environmental consulting company E^2 Inc. conducted a situation assessment in Cass Lake, Minnesota in December 2004 to gather information and design a reuse planning process for the St. Regis Paper Company Superfund site.

Many communities across the country face complex economic, physical, and social infrastructure challenges that can impede their efforts to restore environmentally impaired properties to successful reuse. E^2 Inc. is committed to working with EPA, Tribes, and municipalities to develop locally based initiatives that help bring properties like the St. Regis Paper Company Superfund site into successful reuse.

Based on information gathering and meetings with Cass Lake City Council and Leech Lake Band of Ojibwe (the "Leech Lake Band") representatives and EPA site staff, E^2 Inc. concludes that a community-based reuse planning process for the St. Regis Paper Company Superfund site could provide significant benefits for the City of Cass Lake, the Leech Lake Band, and EPA Region 5.

The reuse planning process would be designed to address the needs of both the community and EPA site staff. The project would provide the community with an opportunity to come together to learn about the St. Regis Paper Company site, discuss community preferences and priorities for the property's potential future uses, and develop a reuse report that can inform the community's future plans and priorities. In turn, EPA would be able to incorporate the community's reuse recommendations as part of the Agency's ongoing site investigations and remedial planning.

EPA's primary responsibility at Superfund sites is to ensure the protection of human health and the environment. Through the Superfund Redevelopment Initiative, EPA is also committed to considering reasonably anticipated future land uses when evaluating site conditions and making remedy decisions at Superfund sites, and to ensuring that the remediation of Superfund sites allows for safe reuse for commercial, residential, recreational or other purposes. With forethought and effective planning, communities can return sites to productive use without jeopardizing the effectiveness of the remedy put into place to protect human health and the environment.

Activities completed as part of the situation assessment include:

- conference calls with EPA site staff;
- information gathering and review of community planning materials and EPA site reports; and
- December 13-15, 2004 site visit and community meetings.

This summary memo provides an overview of the key findings identified during the project's situation assessment.

II. Findings

A. Community Introduction/History

- The City of Cass Lake (pop. 860) is located in Cass County, seventeen miles southeast of Bemidji (pop. 14,000) within the Leech Lake Ojibwe Indian Reservation in northern Minnesota. The City's population is 64 percent Native American, 30 percent White, and two percent Hispanic.

- The 126-acre St. Regis Paper Company Superfund site is located within a larger industrial and manufacturing complex that once included a railroad roundhouse, a wooden box factory, and a wood treating facility. Buildings and foundations of these former facilities are located across the site and surrounding areas. The only industry presently operating at the industrial complex is Cass Forest Products, a sawmill operation located south of the Burlington Northern and Santa Fe (BNSF) rail line.

- Community strengths identified by Cass Lake City Council, Leech Lake Band representatives, and the City's 1998 Comprehensive Plan include the City's small-town atmosphere and quality of life, good civil services, rail and highway access, abundant natural beauty, recreational opportunities, and close proximity to Cass Lake, Pike Bay, and the Chippewa National Forest.

- Existing land uses in Cass Lake include single-family and multi-family residential areas, downtown and highway commercial, recreational, civic, and industrial land uses.

- The City of Cass Lake has not yet implemented a zoning ordinance; the St. Regis Paper Company Superfund site is unzoned. Site owner and Potentially Responsible Party (PRP) International Paper is in the process of placing industrial-use deed restrictions on portions of the site owned by the company.

- Out of the City's 1.14 square miles, predominant land uses in Cass Lake include roadways and railroads (37%), vacant/undeveloped land (30%), community facilities (15%), residential areas (12%), and commercial (6.0%) and industrial (1%) land uses.

- The City's downtown district includes a blend of civic and retail establishments that cater to local residents and visitors. The BNSF rail line runs east-west along the southern edge of the City's downtown district. The City's highway commercial areas are located north-south along Hwy 371 and east-west along Hwy 2. Hwy 2 is a four-lane divided highway that divides the northern and southern portions of Cass Lake.

- Recreational facilities in Cass Lake include two-acre Dreamcatcher Park, a state rest area located along Hwy 2, high school fields and tennis courts, and a nine-hole golf course. Approximately twenty snowmobile trails pass through the area. The City is also surrounded by the Chippewa National Forest.

- Civic and Reservation land uses, including City Hall, the public library, fire department, post office, tribal college, various tribal governing offices, a clinic, and the City of Cass Lake Housing Authority, are located in the City's downtown district or in close proximity to the downtown district.

- Significant local economic sectors include timber operations, casino and resort businesses, and tourism, which is based on outdoor recreation, local history, and sport-fishing opportunities.

- Industrial and manufacturing operations and acreage constitute a small percentage of the City's existing land uses. However, a switching station located on the BNSF rail line sustains significant rail activity in Cass Lake. Significant acreage in the areas surrounding the City of Cass Lake is also available for industrial uses, although infrastructure access is limited.

B. Community Concerns and Priorities

- Cass Lake City Council members emphasized economic development as a top priority for Cass Lake during meetings with the project's consultant team. Specifically, additional jobs and new housing were highlighted as key needs. City Council members also emphasized the importance of promoting strengthened intergovernmental relationships between City staff, Pike Bay Township, and the Leech Lake Band. The City's Mayor also emphasized the importance of empowering City residents in local decision-making processes, ensuring that their voices are heard and heeded as part of the community's planning for future economic development opportunities.

- Site-specific concerns and priorities identified by the City focused on the protection of human health and the site's capacity to provide acreage for land uses that will help provide jobs and broaden the City's tax base following completion of the site's remediation.

- Representatives from the Leech Lake Band discussed the importance of the protection and restoration of local natural resources, the Band's efforts to reacquire reservation land, and the need to create new local housing opportunities and enhance and sustain the local community's quality of life during meetings with the project's consultant team.

C. Site Contamination and Remediation

- Between 1957 and 1985, the St. Regis Paper Company site operated as a wood treating and preserving facility, with wood pilings and poles pressure-treated for construction and utility purposes. Timber was treated in the northern central portion of the site, in pressure cylinders using hazardous substances, which contaminated the site's soils, sediments, ground water and surface water. Facility operations employed creosote constituents beginning in 1957, pentachlorophenol constituents beginning in 1960, and copper-chromium-arsenate constituents from 1969 to 1973.

- Wastewater generated from the wood-treating and preserving cylinders was initially discharged into on-site disposal ponds A, B, and C. Wastewater and sludge were also disposed into a pit in the Cass Lake city dump. After 1980, wastewater was either evaporated in tanks designed for that purpose, disposed of in a manhole within Chippewa National Forest that lead to the City of Cass Lake sewage treatment plant, or was reused in the wood treating process.

- Remedial Actions to date: The St. Regis Paper Company site was placed on EPA's National Priorities List in September 1984, with the Minnesota Pollution Control Agency (MPCA) assigned lead agency responsibility. In 1986, MPCA issued two Minnesota Enforcement Decision Documents (MEDDs) for the site. Response Actions included the installation of a ground water extraction and treatment system, the construction of a containment vault for contaminated soils and sludge from the on-site wastewater ponds and the Cass Lake city dump pit, and the extension of the City's municipal water system for local residents. The site is currently in the Operations and Maintenance stage of EPA's pipeline of activities.

- Five-year reviews in 1995 and 2000 indicated a need for additional soil and ground water investigations including additional monitoring wells, surface and subsurface soils sampling, and evaluation of current water quality standards. Soil, sediment, and water sampling was conducted in 2001 and 2003. In 2004, site owner and PRP International Paper performed a time-critical Removal Action of dioxin-contaminated soil in several former operations areas. Additional removal actions may occur during 2005.

- In September 2004, International Paper began human health and ecological risk assessments, ordered by EPA Region 5, to determine the need for additional remediation at the St. Regis Paper Company Superfund site. The assessment's findings, which should be available by Summer 2005, will then determine the need for potential future remedial activities at the site.

D. Site Characteristics and Surroundings

- The 126-acre site is currently divided into three non-contiguous operable units (OUs): OU1, the location of the former wood treating and storage facility; OU2, the on-site containment vault for hazardous waste sludges and excavated site soils; and OU3, the Former City Dump. All three site OUs are located within three blocks of the City's downtown district and are wholly situated within the Leech Lake Reservation.

- OU1 is the largest of the site's operable units. OU1 is located south of the BNSF rail line and north of adjacent Chippewa National Forest acreage and extends west from Hwy 371 to the former Box Factory site that borders Pike Bay.

- Site owner and PRP International Paper has installed fencing around the majority of its property, including the former wood-treatment facility and ground water extraction and treatment plant. Residential areas exist within OU1 and are unfenced. Some locations of recent Removal Actions in the central portion of OU1 have temporary fencing in place.

- Other structures in OU1 include several smaller buildings, including former facility operation buildings that have been converted into residences. OU1's topography is flat, with a slight slope (five percent or less) towards the east and southeastern areas of the site. Surface water in OU1 flows west to east toward Pike Bay, Cass Lake, and the channel that connects the two lakes, similar to ground water flows in the upper unconfined aquifer located 10-15 feet below the site's surface.

- Vegetation in OU1 varies depending on the land use. Former wood-treating areas are currently grassy and open, while the fenced areas of the International Paper property contain stands of young red, jack, and white pine. Residential properties located in OU1 include northern hardwood species such as white birch and maples. The site's wetland area and the former Box Factory site located adjacent to the site's eastern boundary include northern hardwood trees and wetland shrubs and grasses.

- OU2, the on-site containment vault, is located southwest of OU1, between Hwy 371 and Rte.147. Grasses are growing on the approximately twenty-foot-high capped structure. Two fences have been installed around the containment vault. Stands of red, jack, and white pine are located between the two fences. The Leech Lake Band fish hatchery, Division of Resource Management Office, and tribal courts complex are also located adjacent to the western boundary of OU2.

- OU3, the Former City Dump, is located southeast of the containment vault and east of Rte. 147 and is currently fenced, gated, and open only to City personnel. Area ground water and surface water flows south to Fox Creek and east to the wetland area contiguous to Fox Creek and Pike Bay. OU3 is surrounded by

Chippewa National Forest to the north, state forest land to the east, and the Fox Creek floodplain to the west and south.

- Wildlife across the entire site includes a variety of songbirds in summer months. Common animals seen in the area throughout the year include white-tail deer, raccoon, muskrat, beaver, red fox, porcupines, and bald eagles. Amphibians and reptiles such as salamanders and turtles may also live in the wetland areas in the eastern end of OU1 and in the Fox Creek Floodplain. Other animals in the area that may access the site include weasels, beavers, black bears, minks, bobcats, and spot coyotes.

- The former Box Factory site located adjacent to the eastern boundary of OU1 is owned by the City of Cass Lake. EPA Region 5 is conducting an enhanced Phase 1 assessment of the site (a Targeted Brownfield Assessment). The assessment is projected for completion by Summer 2005.

E. Site Ownership and Potentially Responsible Parties

- Current site owners include the City of Cass Lake, International Paper, the Burlington Northern and Santa Fe Railroad, Cass Forest Products, and the residential property owners located within the site's boundaries. The City owns approximately 50 acres of the site and is the site's largest landowner. International Paper owns the water extraction and treatment plant located on-site.

- Former site owners include the St. Regis Paper Company, which operated a wood treatment facility at the site between 1957 and 1985. In 1985, St. Regis Paper Company merged with Champion International. In 1988, Champion International transferred 24 acres of the site in OU1 to the City of Cass Lake. In 2000, International Paper bought Champion International Corporation, acquiring the company's acreage at the site. Today, International Paper remains one of the site's owners.

- The Responsible Party identified at the site is International Paper. Other responsible parties may be identified later.

F. Reuse Opportunities and Challenges

- The St. Regis Paper Company site is centrally located, in close proximity to the City of Cass Lake's downtown district and adjacent to the town's main north-south corridor on Hwy 371. The City's existing street grid could allow for multiple points of access to the site.

- The site's location adjacent to residential neighborhoods means that the site's reuse could provide jobs, services, and recreational opportunities for local residents.

- The preservation of remaining on-site structures and facilities could provide an opportunity to recognize the site's history and the community's heritage. Several of the facility's former offices have already been converted to residences.

- The southeastern portions of the site are wetlands and border on the Box Factory site and are located in close proximity to Pike Bay and the channel that connects Pike Bay to Cass Lake. These portions of the site may provide opportunities for passive and active recreation, environmental education for local schoolchildren, and wildlife habitat.

- The site is part of a larger area that was once an industrial complex involving the Railroad Roundhouse and the Box Factory site. Reuse planning for the site should include consideration of potential future relationships between the site, surrounding land areas, and the City's downtown district. In particular, the Box Factory site is the location of multiple traditional cultural spiritual activities, including hunting, berry picking, and plant and clay harvesting.

- Certain portions of the site, such as the on-site containment vault, will not be available for reuse in the foreseeable future.

III. Conclusions: Phase I Implications and Phase II Next Steps

Based on the situation assessment's information gathering and meetings with Cass Lake City Council, the Leech Lake Band, and EPA staff, a second-phase, community-based reuse planning process for the St. Regis Paper Company Superfund site could provide significant benefits for the City of Cass Lake, the Leech Lake Band, and EPA.

Key considerations for the project's second phase are outlined below:

- **The full range of the community's reuse concerns, preferences, and priorities for the site need to be incorporated to build community consensus regarding the reasonably anticipated future land uses for the St. Regis Paper Company Superfund site.** E^2 Inc. proposes the creation of a community-based Land Use Committee to oversee the reuse planning processes.

  Meeting to review information and develop recommendations, the Committee will work in close coordination with E^2 Inc., EPA, the City, the Leech Lake Band, and the general public. The Committee will meet three times over a five-month period and host a public meeting to incorporate community opinion and feedback. Products from the reuse planning process will include a conceptual reuse framework, which highlights existing site conditions, surrounding context, and potential site reuse challenges and opportunities, and a final project report, which will summarize the process and identify resources to help the community move the site back into use. The entire reuse planning process will last approximately eight months and coincide with EPA's ongoing ecological and human health risk assessment at the site.

- **The community's stated interest in the evaluation of a range of different reuse opportunities at the site will need to be integrated throughout the reuse planning process.** The reuse planning process will need to identify viable, realistic reuse opportunities for the site based on available EPA and community information and community preferences and priorities.

  The reuse planning process will include a review of local and regional market conditions and the identification of innovative market sectors and potential resources to inform the Land Use Committee's discussions and identification of reasonably anticipated future land uses for the site.

- **Given the site's varied characteristics, including its residential, commercial, and industrial surroundings, topography, wetland areas, and contamination, the reuse planning process will need to evaluate multiple land use opportunities for the site.** The reuse planning process will incorporate all available EPA site data to ensure that the Land Use Committee's reuse discussions reflect a comprehensive understanding of existing site conditions and potential remedial options and their potential implications for the site's future use.

- **Given the site's location as part of a larger area that was formerly an industrial complex, reuse planning for the site should include consideration of potential future relationships among the site, these surrounding land areas, and the City's downtown district.**

- **If future remediation is found to be needed at the St. Regis Paper Company site, reuse planning for the site can include review of potential opportunities to phase potential future remedial activities at the site to allow for a streamlined remedial process and for the reuse of portions of the site in the shorter-term.** E^2 Inc. will work closely with EPA, the City, the Leech Lake Band, and the project's Land Use Committee to identify and evaluate potential remedial phasing opportunities.

- **To ensure that the reuse planning process accurately reflects the community's reuse concerns, preferences, and priorities, the project's Land Use Committee will be responsible for the project's decision-making and reuse recommendations.** EPA and E^2 will be available as resources to advise on matters related to the site's contamination and the Superfund process, but will not be involved in the project's decision-making.

- **For the reuse planning process to move forward, the City of Cass Lake and the Leech Lake Band will need to confirm ongoing points of contact for the project.** Project responsibilities include gathering local information on an as-needed basis, assisting with the development of the project's Land Use Committee, providing project information to the City Council and Leech Lake Tribal Council, and coordinating and attending project meetings. City Clerk Renee Eckerly and Environmental Department Director Shirley Nordrum from the Leech Lake Band have agreed to serve as the project's points of contact.

- **The second phase of the reuse planning process for the St. Regis Paper Company Superfund site would include:**

    -- Creation of a community-based Land Use Committee to oversee the project;

    -- Ongoing site and community research, mapping, and analysis to inform the reuse planning process;

    -- A community-based evaluation of site conditions and contamination, surrounding land uses, local and regional market conditions, and site reuse challenges and opportunities;

    -- Identification of potential resources and partnerships to facilitate community planning for the site's future use; and

    -- Development of a conceptual site reuse framework and project report to be presented to the City of Cass Lake, the Leech Lake Band, and EPA by the project's Land Use Committee.

Conclusions

E^2 Inc. recognizes that the local community has an ongoing relationship with the St. Regis Paper Superfund site and has indicated strong interest in exploring reuse opportunities for the site. E^2 Inc.'s consultant team is available to provide its specialized reuse planning skills to help facilitate and enhance the community's efforts, working through a structured process to ensure that effective and sustained reuse planning is integrated with the site's remedial design and cleanup. E^2 Inc. is very much looking forward to the opportunity to work with the City of Cass Lake, the Leech Lake Band, EPA Region 5, and the local community to help envision potential future reuse opportunities for the St. Regis Paper Company site.

Appendix B: Land Use Committee Contact List

The list below provides contact information for the project's 35 Land Use Committee members, as well as the project's resource members and members of the project's consultant team.

Committee Member	*Address*	*Phone / Email*
Rick Baird Pike Bay Township	P.O. Box 1355 Cass Lake, MN 56633	(218) 335-2071 (218) 335-2336 (work)
Ardean Brasgalla Planning Commission	City of Cass Lake P.O. Box 607 Cass Lake, MN 56633	(218) 335-6422
Dr. Fu-Hsian Chang Environmental Studies Program	Bemidji State University S. 128 Box 27 1500 Birchmont Drive NE Bemidji MN 56601-2699	fchang@bemidjistate.edu
Renee Eckerly City Treasurer	P.O. Box 877 Cass Lake, MN 56633	(218) 335-2238
Sheridan Erikson Bank Representative	First National Bank of Cass Lake P.O. Box 120 Cass Lake, MN 56633	(218) 335-6666 (218) 335-4190 fax
Carrie Estly Community Resident	P.O. Box 1111 Cass Lake, MN 56633	(218) 209-1375
Joyce Fairbanks Community Resident	P.O. Box 762 Cass Lake, MN 56633	(218) 339-5636
Randy Finn Local Business Owner	P.O. Box 450 Cass Lake, MN 56633	(218) 335-8110 randyf@paulbunyan.net
Elaine Fleming Mayor, City of Cass Lake	P.O. Box 877 Cass Lake, MN 56633	(218) 335-2238 (218) 335-4259 efleming@lltc.org

Committee Member	*Address*	*Phone / Email*
Virgil Foster Cass County Commissioner	14340 72nd Ave, NW Cass Lake, MN 56633	(218) 335-2439 virgil.foster@co.cass.mn.us
Dave Goetz Cass Forest Products	P.O. Box 1008 Cass Lake, MN 56633	(218) 335-2694
Frank Goetz Public Works Department	City of Cass Lake P.O. Box 877 Cass Lake, MN 56633	(218) 335-6467
Jennifer Hawkins Economic Development Department	Region 5 Development Commission 611 Iowa Avenue, N.E. Staples, MN 56479	(218) 894-3233 jhawkins@regionfive.org
Ed Hill Local Historian	3021 Mountain Ash Ct NW Bemidji, MN 56601	(218) 444-5991
Jeff Hall Site Owner Representative	Real Estate Recycling 3060 Metropolitan Centre 333 South Seventh Street Minneapolis, MN 55402	(612) 904-1513
Greg Jeffries Site Owner Representative	Burlington Northern Santa Fe Corporation 2650 Lou Menk Drive 2nd Floor P.O. Box 961057 Fort Worth, Texas 76161	(763) 782-3490 (612) 868-7995 (cell) gregory.jeffries@bnsf.com
Dick Labratten Local Realtor	Realty Sales 908 Paul Bunyan Dr. South Suite #2 Bemidji, MN 56601	218-751-1177
Gail Leverson Cass County Economic Development	Cass County Economic Development Corporation P.O. Box 709 Pine River, MN 56474	(218) 587-8287 (218) 640-3448 cell gleverson@charter.net

Committee Member	*Address*	*Phone / Email*
Joanne Mulbah Community Organization Representative	Cass Lake Family Center P.O. Box 785 Cass Lake, MN 56633	(218) 335-7837
Shirley Nordrum Environmental Department	Leech Lake Band of Ojibwe 6530 Hwy. 2 NW Cass Lake, MN 56633	(218) 335-7417 (218) 335-7400 lldrm@paulbunyan.net
Dr. Diane Pittman Community Organization Representative	Cass Lake Indian Health Services 425 7th Street NW Cass Lake, MN 56633	(218) 335-3200
Katie Preble Economic Development Representative	Cass Lake Chamber of Commerce P.O. Box 548 Cass Lake, MN 56633	(800) 356-8615 info@casslake.com
Richard Robinson Division of Resource Management	Leech Lake Band of Ojibwe 6530 Hwy. 2 NW Cass Lake, MN 56633	(218) 335-7400
Lenee Ross Executive Director	Leech Lake Band of Ojibwe 6530 Hwy. 2 NW Cass Lake, MN 56633	(218) 335-7400
Tom Ross Environmental Remediation Manager	International Paper 6400 Poplar Avenue Memphis, TN 38197	(901) 419-3899 tom.ross@ipaper.com
Richard Rubin Leech Lake Band	6530 Hwy. 2 NW Cass Lake, MN 56633	(218) 335-7400
Art Schumaker Community Resident	P.O. Box 713 Cass Lake, MN 56633	(218) 335-2249

Committee Member	*Address*	*Phone / Email*
Bob Shimek Community Organization Representative	Indigenous Environmental Network P.O. Box 485 Bemidji, MN 56619	(218) 751-4967 ext. 15 rshimek@ienearth.org
Barb Sproul Community Resident	Rural Route 1 P.O. 226 Cass Lake, MN 56633	(218) 335-2886
Okey Ukaga Northeast Minnesota Sustainable Development Partnership	University of Minnesota 101 Washburn Hall 2305 E. 5th Street Duluth, MN 55812	(218) 726-7368 ukaga001@umn.edu
Paula Valiant Community Organization Representative	HOME 39352 County Road 39 Laporte, MN 56461	(218) 556-8627 (218) 335-0035 (218) 335-8440 fax
Vicki White Economic Development Representative	Leech Lake Economic Development Authority 6530 Upper Cass Frontage Rd. Cass Lake, MN 56633	(218) 335-8237 vfwhite@llvo.org
Linda Wold Community Organization Representative	Merit Care Clinic 219 Grant Utley Avenue NW Cass Lake, MN 56633	(218) 335-2559
Rene Wright Cass Lake City Council	P.O. Box 877 Cass Lake, MN 56633	(218) 335-6329

Project Resource Members

Project Resource Member	Address	Phone / Email
Tim Drexler Remedial Project Manager	EPA Region 5 77 W. Jackson Blvd. Chicago, IL 60604-3507	(312)-353-4367 drexler.timothy@epa.gov
Don DeBlasio Community Involvement Coordinator	EPA Region 5 77 W. Jackson Blvd. Chicago, IL 60604-3507	(312) 886-4360 deblasio.don@epa.gov
Jane Neumann Superfund Tribal Coordinator-Brownfields Project Manager	EPA Region 5 77 W. Jackson Blvd. Chicago, IL 60604-3507	(312) 353-0123 neumann.jane@epa.gov
Ed Fairbanks In-State Tribal Liaison	U.S. EPA P.O. Box 277 Cass Lake, MN 56633	(218) 335-8167
Daniel Pena Health Assessor	Minnesota Department of Health 90 West Plato Boulevard, Saint Paul, Minnesota 55107	(651) 215-0774 daniel.pena@state.mn.us
Jim Gallagher Forest Ecologist	United States Forest Service 200 Ash Avenue Cass Lake, MN 56633	(218) 335-8656 jagallagher@fs.fed.us

Consultant Team Members

Consultant Team Member	Address	Phone / Email
Michael Hancox Chief Operating Officer	E² Inc. 2417 Northfield Road Charlottesville, VA 22901	(434) 975-6700 mhancox@e2inc.com
James Wilkinson Project Area Manager		(434) 975-6700 jwilkinson@e2inc.com
Bess Wellborn Associate Designer		(434) 975-6700 bwellborn@e2inc.com
Melissa Taylor Associate Planner		(434) 975-6700 mtaylor@e2inc.com
Matt Cole Associate Planner		(434) 975-6700 mcole@e2inc.com

Appendix C: Project Meeting Summaries

Appendix C provides summaries from the project's two Land Use Committee meetings, held March 22 and May 17, 2005 in Cass Lake.

First Land Use Committee Meeting
Cass Lake City Hall, 330 Second Street NW
Tuesday, March 22, 2005
6:00 pm - 8:45 pm

Introductions and Committee Purpose

Cass Lake Mayor Elaine Fleming, Leech Lake Reservation Environmental Director Shirley Nordrum, and consultant team member James Wilkinson welcomed participants to the first Land Use Committee meeting for the St. Regis Paper Company community reuse planning project. Mr. Wilkinson explained that the City of Cass Lake and the Leech Lake Band of Ojibwe (the "Leech Lake Band") have been awarded a grant from the United States Environmental Protection Agency (EPA) to develop future land use recommendations for the St. Regis Paper Company Superfund site.

Mr. Wilkinson explained that the purpose of the project is two-fold. First, the project will provide EPA with the community's guidance and anticipated reuse goals for the site. EPA's primary responsibility at Superfund sites is to ensure the protection of human health and the environment. Through the Superfund Redevelopment Initiative, EPA is also committed to considering reasonably anticipated future land uses when evaluating site conditions and making remedy decisions at Superfund sites, and to ensuring that the remediation of Superfund sites allows for safe reuse for commercial, residential, recreational or other purposes. Second, the project offers the community an opportunity to come together to learn about the site, discuss community preferences and priorities for the site's potential future uses, and develop a site reuse report that can inform the City's future plans and priorities.

Thirty Land Use Committee members, in addition to representatives from EPA and the E^2 Inc. consultant team, attended the first Committee meeting for the St. Regis Paper Company community reuse planning project.

Committee members include:

- Several neighborhood residents and several long-time area residents
- Mayor of Cass Lake and Cass Lake City Council representatives
- City of Cass Lake staff members
- Leech Lake Band of Ojibwe government representatives
- Representatives from International Paper, one of the site's owners and the site's potentially responsible party (PRP)
- City, County, Tribal, and Regional economic development representatives
- Local business owners
- Local real estate representatives
- Local civic, community, and environmental organization representatives

During introductions at the beginning of the meeting, Land Use Committee members discussed their reasons for participating in the process. Committee members identified three general categories of interest:

- Interest in site's potential future uses
- Interest in participating in a process that will inform the site's potential future remediation
- Interest in the site's potential to provide community-wide benefits

Introduction to the E^2 Consultant Team and Project Resource Members

E^2 Inc., the project's consultant team, introduced themselves and their project roles. The team will be providing research and analysis services, developing a conceptual site reuse strategy based on the Committee's reuse goals, organizing the project's public outreach effort, facilitating Committee meetings, and serving as a liaison between the community's reuse planning process and EPA.

Consultant team member James Wilkinson indicated that the team's role is to support the Committee, the City, and the Leech Lake Band. The team will assist the Committee in identifying issues, gathering information, assessing options, seeking community input, and offering recommendations to the Committee. E^2 Inc. does not work for or represent EPA.

Mr. Wilkinson introduced the project's resource members from EPA and the U.S. Forest Service. Tim Drexler, EPA's remedial project manager (RPM) for the site, Don DeBlasio, EPA's Community Involvement Coordinator (CIC) for the site, and Jim Gallagher of the U.S. Forest Service are supporting the Committee process and will be available as resources for the Committee throughout the process. Mr. Wilkinson also indicated that, as resource members, the project's resource members would not be involved in the Committee's decision-making process.

Committee Member Roles, Project Ground Rules, and Project Decision-Making

Consultant team member James Wilkinson reviewed potential Committee member roles for the project and solicited committee feedback and additions. These roles will include:

- Listening to the local community throughout the process and incorporating their perspectives into the Committee's discussions
- Learning - about the Superfund program, reuse opportunities, and the St. Regis Paper Company site.
- Providing the City of Cass Lake, the Leech Lake Band, and EPA with future land use recommendation(s)
- Serving as local ambassadors and information resources for the community

Following the review of the Committee's roles and responsibilities, Committee members discussed the boundaries of St. Regis Paper Company Superfund site and the relationship between the site and surrounding areas, including the Fox Creek floodplain and former Box Factory Site. Tim Drexler, the site's Remedial Project Manager, noted that the site's boundaries could change based on results of ongoing testing. Consultant team member James Wilkinson noted that while the reuse planning process is focused on identifying potential future uses of the St. Regis Paper Company site, it was also important to consider the site's relationship with surrounding land uses.

Mr. Wilkinson reviewed potential project ground rules and solicited Committee feedback and additions. These ground rules will include:

- Committee discussions should be an open, friendly process where different opinions are welcome and respected.
- Clear, understandable language should be used in Committee discussions. Any time that an acronym is used, it should be explained.
- The project should be an interactive process that reaches into the community to provide information and to receive input.
- The Committee will seek consensus on recommendations for the St. Regis Paper Company site.
- If full Committee agreement is not possible, an accurate description of group preferences, along with the pros and cons of various options and areas of agreement and disagreement, will be reported to the City, the Leech Lake Band, and EPA.

Committee members reviewed the project's decision-making structure, confirming that the group will work to achieve consensus to the greatest extent possible.

Reuse Planning and the Superfund Program

Consultant team member James Wilkinson introduced EPA's Superfund Redevelopment Initiative (SRI) and provided background information on reuse planning within the context of the Superfund program. He explained that SRI was created in 1999 to facilitate the return of formerly contaminated sites to productive use. Mr. Wilkinson then presented a series of reuse success stories in order to illustrate community-based reuse planning opportunities at Superfund sites and the potential benefits associated with site reuse. The reuse examples included the Camilla Wood Preserving site in Georgia, the MacGillis & Gibbs Co./ Bell Lumber & Pole Co. site in Minnesota, and the Fort Devens site in Massachusetts.

James Wilkinson discussed land use planning within the context of the Superfund process. He emphasized that:

- Two entities have authority over land use in the United States—private property owners and localities. EPA has no local land use authority. However, under the Superfund program, the Agency's responsibilities and the community's regulatory authority can intersect. EPA policy stipulates that site remedies must include consideration of reasonably anticipated future land uses (RAFLUs). Given that site remedies implemented by EPA will be in place for a long time, Mr. Wilkinson indicated that it is important that the Agency be able to consider RAFLUs from the community's perspective, as the community will remain responsible for the land's regulation in the future.
- Current site owners include the City of Cass Lake, International Paper, the Burlington Northern and Santa Fe Railroad, Cass Forest Products, and the residential property owners located within the site's boundaries. The City owns approximately 50 acres of the site and is the site's largest landowner. International Paper owns the water extraction and treatment plant located on-site. City representatives indicated initial interest in the reuse of the site for community and economic development purposes. Committee representative David Goetz from Cass Forest Products indicated the company's support for the reuse planning process and potential interest in expansion opportunities at the site. Committee member Jeff Hill from Real Estate Recycling, a Minneapolis-based development company, represented International Paper at the meeting and indicated the company's support for the reuse planning process. Mr. Wilkinson indicated that the site's future ownership could be discussed as the reuse planning process moves forward.
- Reuse planning does not drive the site remediation process and the site's contamination and cost of remediation are significant factors that will need to be kept in mind during the reuse planning process. EPA selects remedies that are protective of human health and the environment.
- The reuse of Superfund sites like the St. Regis Paper Company site is a long-term process that can take years, rather than months. The community needs to be prepared to plan over the long-term to return the site to use.
- There is significant value in the completion of small steps at the site, like selecting the placement of roads or allowing pedestrian access. Moving from a site that limits public access to an area that community residents can visit and enjoy provides significant quality of life and economic benefits, like local property value increases, and allows the site to blend back into the community over time.

Superfund Remediation Pipeline and Site History

Consultant team member Bess Wellborn presented a brief history of the St. Regis Paper Company site. The presentation addressed:

- The site's cultural and economic importance in the City's history.
- The completion of wood treating activities at the site in 1985 and the site's listing on the EPA's National Priorities List (NPL) in 1984.
- EPA's Superfund remediation pipeline of activities for NPL sites. The St. Regis Paper Company site is currently undergoing a comprehensive health and ecological assessment to determine both the need for and potential extent of additional remedial activities at the site.

For further information on the St. Regis Paper Company's site's history and EPA's activities at the site, please refer to the Committee's information packet.

Site Status Update

EPA site RPM Tim Drexler reviewed the current status of ongoing environmental testing and remedial activities at the St. Regis Paper Company site with Committee members. Five-year reviews in 1995 and 2000 indicated a need for additional soil and ground water investigations including additional monitoring wells, surface and subsurface soils sampling, and evaluation of current water quality standards. Soil, sediment, and water sampling was conducted in 2001 and 2003. In 2004, site owner and PRP International Paper performed a time-critical Removal Action of dioxin-contaminated soil in several former operations areas. Mr. Drexler indicated that additional removal actions will occur during 2005.

Mr. Drexler referred Committee members to Sonya Vega at EPA's Minnesota office for additional information about ongoing removal actions. Mr. Drexler also noted that EPA recently issued a draft order for soil removal along the railroad tracks on the northern portion of the site.

Mr. Drexler then discussed the results from EPA's fish sampling efforts in Summer 2004. The tests, on walleye, perch, and similar game fish in Pike Bay, indicated that contamination levels in these fish did not pose a threat to human health or the environment. In Fall 2004, EPA conducted additional tests on white fish. EPA is currently awaiting the results of this testing.

Mr. Drexler then reviewed the results of dust testing in on-site and surrounding homes conducted by International Paper as part of the Human Health and Ecological Risk Assessment ordered by EPA in 2004. International Paper conducted the home sampling during October 2004. The test results indicated that there was not an immediate threat to human health, but dust and soil samples from two homes indicated there could be a potential long-term threat. Mr. Drexler indicated that EPA will be releasing a draft Proposed Plan for action regarding the house dust in the near future. EPA will host public availability sessions to provide the opportunity for the community to comment on the draft Proposed Plan.

At the end of the site status update, Mr. Drexler outlined next steps in EPA's evaluation of the St. Regis Paper Company site. Mr. Drexler noted that all remaining data sampling for the Human Health and Ecological Risk Assessment being conducted by International Paper is due in April 2005. In July 2005, International Paper will provide EPA with a completed Risk Assessment. Mr. Drexler indicated that EPA is planning to complete a final Proposed Plan for the St. Regis Paper Company site in Fall 2005.

Committee members engaged in a discussion with Mr. Drexler regarding the home dust testing. In particular, Committee members expressed interest in how the home testing was conducted by International Paper. Mr. Drexler noted that there are 42 homes on or immediately adjacent to the St. Regis Paper Company. A representative sample of 10 homes were tested by International Paper, including three homes with higher dioxin soil values, four with middle values, and three with low dioxin soil values. Mr. Drexler reemphasized that the home dust testing indicated that there was not an immediate threat to public health. Mr. Drexler also emphasized that EPA will be taking a conservative, planned approach to dealing with dust and soil contamination at and around the site.

Site Analysis

Following a meeting break, consultant team member James Wilkinson presented a site analysis that situated the St. Regis Superfund site within its surrounding context, including the natural environment, the area's history, and the layout of the City of Cass Lake. Mr. Wilkinson explained that an understanding of the site's original context and surroundings could help inform the future use of the site.

The history of Cass Lake, the Leech Lake Reservation, and surrounding areas stretches back more than 600 years. In particular, the Ojibwe people have had a centuries old relationship with the land in northern Minnesota. The modern settlement of Cass Lake began in late 19th Century based primarily on the area's location, rich natural resources, and the arrival of the Great Northern Railway. By the early 1900s, Cass Lake had emerged as an important regional center with an economy based upon timber harvesting and production activities, as well as railroad distribution. In 1957, the St. Regis Paper Company initiated operations in Cass Lake. Although, the wood treating facility closed in 1985, the company's operations helped sustain the local economy for almost thirty years, becoming part of the community's history and heritage.

Today, natural resource-based activities remain an important part of the local economy. At the same time, it is important to recognize that the City of Cass Lake, Cass County, and the Leech Lake Reservation have changed over time, and today, the City of Cass Lake hosts high quality neighborhoods, a range of retail and service sector businesses, local, Federal, and Tribal government facilities, access to good schools, and a network of park and recreation facilities.

Land Use Analysis

To inform the Committee's reuse discussions, consultant team member James Wilkinson presented an initial analysis of the market demand for different types of land uses and the availability of land in the City and surrounding region to meet this demand. Based on the City's 1998 *Comprehensive Plan*, economic development materials from the Region 5 Development Commission and the Minnesota Department of Employment & Economic Development, and interviews with City staff, local realtors, and Tribal officials, the analysis' initial conclusions included:

- Existing market conditions indicate that there is currently limited demand for new residential, commercial, and industrial land uses in Cass Lake. There may be a potential need for additional park/recreational and family/community-oriented facilities.
- There has been limited commercial development in Cass Lake over the last five years. In the near term, new commercial development is likely to locate along the U.S. Highway 2 or State Highway 371 corridors rather than in the City's Central Business District.
- There has been limited new residential development in Cass Lake in recent years, but ongoing residential development is occurring in Pike Bay Township, Cass County, and in the Bemidji area.
- Significant areas of undeveloped land are available for new industrial development in Cass County and the Bemidji area and are likely sufficient to meet existing market demand.
- Mr. Wilkinson noted that while market conditions suggest that there is limited demand for new market-based land uses in Cass Lake, there may be both near and long-term opportunities to promote community development and the reuse of the St. Regis Paper Company site. Near-term opportunities could include focusing on non-market, public land uses that serve as community amenities for residents and visitors, while long-term opportunities could focus on ways to harness changing social and economic trends in northern Minnesota.

To review the consultant team's initial market analysis in detail, please refer to the Land Use Committee information packet.

Opportunity Analysis

Following the land use analysis presentation, consultant team members James Wilkinson and Bess Wellborn presented a two-phase Opportunities Analysis designed to highlight near and long-term reuse opportunities for the St. Regis Paper Company site and adjacent areas of Cass Lake, including the former Box Factor site and Pike Bay. The Opportunities Analysis highlighted areas of the site where Phase 1 and Phase 2 activities could potentially occur. The Opportunities Analysis was designed to encourage discussion about possible reuses at the site and how the reuses could be integrated into surrounding areas.

Phase 1 of the Opportunities Analysis was presented by consultant team member Bess Wellborn and focused on near-term, non-market, community land uses that could serve as amenities for community residents and visitors. Reuse opportunities highlighted by Ms. Wellborn included (1) recreation, beautification, and conservation/wildlife habitat enhancements that could occur on and adjacent to the site; (2) using the site and the adjacent Box Factory property as environmental education and/or community heritage resources; and (3) developing stronger connections between

the site, the Box Factory property, and Pike Bay. Ms. Wellborn noted that these development opportunities could serve as long-term uses or be phased out for other reuse opportunities in Phase 2.

Phase 2 of the Opportunities Analysis was presented by consultant team members James Wilkinson and Bess Wellborn. They discussed how the long-term reuse of the St. Regis Paper Company site will likely depend on enhanced regional coordination, harnessing the social and economic changes that are transforming northern Minnesota's economy, and comprehensively evaluating the community's needs and priorities. Ms. Wellborn outlined a series of long-term reuse opportunities that included (1) potential areas for future market-based land uses; (2) the expanded development of community land uses initially developed during Phase 1; and (3) potential transportation and access improvements that could create stronger connections between the site, the Central Business District, U.S. Highway 2, and Pike Bay.

Committee Discussion: Site Reuse Opportunities and Challenges

Following the Opportunities Analysis, consultant team members James Wilkinson and Bess Wellborn facilitated a Committee discussion about potential community-oriented and market-based land uses for the St. Regis Paper Company site. Committee members discussed a wide range of reuse considerations and opportunities for the site:

General

- Committee members indicated that the protection of human health and the environment should be the top priority at the St. Regis Paper Company site. Committee members also indicated that the site's remedy should be developed as rapidly and effectively as possible.

- Committee members indicated that due to the existing need for new jobs and economic development opportunities in Cass Lake, it was important to consider both community-oriented and market-based land uses at the same time.

- Committee members agreed that it was important to think regionally about reuse strategies for the St. Regis Paper Company site. In particular, Committee members emphasized Cass Lake's connections with ongoing development in the Bemidji area.

- Committee members indicated that it was important to balance any future industrial and commercial use of the St. Regis Paper Company site with cultural, environmental, and recreational uses.

- Committee members indicated that the reuse of the St. Regis Paper Company site should contribute to the City's tax base, while minimizing potential development/maintenance costs for the City. Committee members expressed interest in identifying funding, development incentives, or partnerships that could support the development of both public/civic and market-based land uses at the site.

Public and Civic Land Uses

- Committee members indicated that the development of new public and civic land uses could help attract new residents, visitors, and development to Cass Lake. These land uses could include additional green space, improved access to Pike Bay, the development of a multi-use community stage, and/or development of a regional recreational trail hub with connections to Bemidji.

- Committee members indicated that there was an ongoing need for new recreational facilities in Cass Lake. Recreation facilities highlighted by the Committee included tennis courts, a skateboard park, and little league ball fields. Several Committee members suggested developing a membership-based golf course at the St. Regis Paper Company site.

- Committee members expressed interest in using treated ground water from the existing treatment facility at the International Paper property for on- and off-site horticultural/agricultural land uses or to help maintain new recreational facilities. Site RPM Tim Drexler indicated that the water was being remediated to surface water standards.

- During a discussion of reuse opportunities at the former Box Factory property adjacent to the St. Regis Paper Company site, several Committee members expressed interest in the development of an outdoor stage or amphitheater.

Market-Based Land Uses: Industrial and Commercial

- Committee members agreed that there was a near-term need for new jobs and economic development opportunities in Cass Lake, especially for younger residents.

- Committee members agreed that any future industrial development at the St. Regis Paper Company site should be limited to light industry and manufacturing, not heavy industrial land uses. Several committee members noted that there is existing infrastructure available at the site, which could help attract new industrial development.

- Several Committee members recommended using the St. Regis Paper Company site for the production or processing of local natural resources. Potential uses highlighted by the Committee included the development of value-added wood products and growing industrial hemp.

- Committee members expressed interest in the development of an industrial or commercial business incubator at the site. Such a facility could provide space and/or equipment to help support new and existing small businesses. Several Committee members expressed concern about the potential costs for the City to develop and maintain a business incubator.

Market-Based Land Uses: Residential

- Several Committee members noted that there is an ongoing need for new housing in Cass Lake and expressed interest in reusing portions of the site for residential development. Other Committee members expressed concern regarding the site's suitability for new housing, citing site and local market conditions as well as ongoing residential development in surrounding jurisdictions.

- During a discussion of reuse opportunities at the former Box Factory property adjacent to the St. Regis Paper Company site, several Committee members expressed interest in the potential development of a retirement facility.

Additional Meetings

- Following the discussion of potential reuse opportunities at the St. Regis Paper Company site, Committee members agreed that interim subcommittee meetings should be held prior to the second Land Use Committee meeting with E² Inc. in May. The aim of the interim meetings was to further identify and discuss community reuse interests and priorities. Committee members agreed to meet on April 5th at the Cass Lake City Hall. A second subcommittee meeting was also held on April 19th. Participants from the subcommittee meetings will report back to the Committee at the Committee's second meeting in May 2005.

Next Steps

The second Committee meeting, which will take place in the cafeteria at Cass Lake – Bena Elementary School, is scheduled for May 17, 2005, from 6:00 pm to 8:00 pm. The second Committee meeting will be a workshop-style discussion that will include additional evaluation of the community's reuse goals and the review and further discussion of site reuse opportunities that reflect the Committee's reuse ideas and priorities. Consultant team member James Wilkinson also indicated that, if Committee members have any project-related questions, he can be contacted at (434) 975-6700 or jwilkinson@e2inc.com

Second Land Use Committee Meeting
Cass Lake – Bena Elementary School Cafeteria
Tuesday, May 17, 2005
6:00 pm - 8:00 pm

Building on the Committee's March 22 meeting, the Committee's discussions during the May 17 meeting further evaluated reuse opportunities and challenges at the site and provided critically important feedback that will be used to develop the site's draft site reuse framework.

The May 17 meeting opened with project updates from consultant team member James Wilkinson and EPA project manager Tim Drexler. Mr. Drexler provided a site status update regarding remedial activities including the removal of the fence and geotextile fabric as well as the reseeding and grading of the removal area at the corner of 2nd Street SW and Cedar Street. The dust samples taken in the fall 2004 have been recalculated using updated standards. Results indicate that four of the ten tested homes are at risk in terms of long-term health threat considerations. A proposed dust removal action plan will be released in May for a 30-day comment period in which concerns and suggestions can be submitted for review. A public meeting to gather further comments is scheduled to take place from 6-9pm on Tuesday, June 7th at the Cass Lake-Bena Elementary School. EPA will then formulate its final action plan as well as draft the interim Record of Decision (ROD). The final ROD, containing comments on both the action plan and interim ROD, will be released July 29, 2005.

The Committee's opening discussion focused on reuse goals, site property owner perspectives, and evaluation of potential opportunities identified during the Committee's March 22 meeting. Committee members first reviewed the project's draft reuse goals identified during the March 22 Committee meeting. Committee members updated one of the project's draft goals (highlighted in italics below) and indicated that the list of goals accurately reflected the Committee's discussions to date.

Updated Committee Reuse Goals

- The long-term protection of human health and the environment should be the top priority at the site.
- Commercial and industrial land uses at the site could provide jobs, generate tax revenues, and help sustain the community.
- Civic and recreational land uses at the site could provide community residents with needed amenities, attract visitors, and link the site and Cass Lake with regional resources.
- Future site uses could include a mix of commercial and industrial, civic, cultural, and recreational land uses to meet multiple community needs.
- Future commercial and industrial land uses could include light industry, manufacturing, and commercial retail land uses that can utilize existing infrastructure at the site.
- Future commercial and industrial land uses could include a business incubator, value-added wood products operation, shared manufacturing facilities, commercial retail businesses, or eco-industrial park facility.
- Civic land uses could include additional green space, improved access to Pike Bay, a multi-use community stage, and a regional recreational trail hub with connections to Bemidji.

- Recreational facilities might include tennis courts, a skate park, trails, little league fields, and other types of sports fields.
- Treated groundwater could be used to support horticultural/ agricultural land uses or to maintain new recreational facilities at the site.
- Reuse planning for the site should incorporate all relevant planning documents from the City of Cass Lake and the Leech Lake Band of Ojibwe as well as an understanding of regional considerations and connections.

The Committee next discussed the interests and perspectives of property owners at the site. Committee member Tom Ross from International Paper indicated the company's interest in commercial and industrial reuses on the portions of the site owned by the City of Cass Lake and International Paper. Mr. Ross indicated that the city's acreage at the site was transferred by Champion International in the 1980s with the understanding that the city would return the acreage to industrial use. However, Mr. Ross also indicated that civic and recreational land uses at the site could help address community needs, and that the northeastern portion of the site owned by International Paper could potentially also be used for multiple purposes. Mr. Ross also clarified that the fenced containment vault located on the southwestern part of the site is owned by International Paper. Given that the fenced vault is part of the site's remedy, Mr. Ross indicated that the area will not be available for reuse consideration.

Committee member Greg Jeffries from the Burlington Northern Santa Fe Corporation discussed the railroad's property interests at the site. Mr. Jeffries indicated that the railroad's top priority at the site is to ensure that the company's rail lines can operate efficiently and that vehicular and pedestrian traffic can cross safely at existing at-grade crossings in Cass Lake. Mr. Jeffries indicated that the company considers its property suitable for industrial use only, but also that the company would be receptive to learning more about the community's interest in the portion of the former roundhouse area located north of the rail lines that is owned by the railroad. Mr. Jeffries also indicated that the company would consider proposals from the community for additional above- or below-grade pedestrian rail crossings at the site, as the site is returned to use. Mr. Jeffries indicated that the community would need to provide the funding for additional rail crossings; Burlington Northern Santa Fe Corporation does not have funds available for that purpose.

Finally, the Committee reviewed the consultant team's analysis of the innovative site reuse ideas identified by Committee members during the project's March 22 meeting. The consultant team's analysis indicated that, based on further evaluation, a golf course and hemp production at the site were likely not compatible reuse options for the site. Shared manufacturing / equipment facilities, a business incubator and training facility, eco-industrial park, and graywater reuse could offer more compatible opportunities. The analysis also indicated that each of these land uses would also require extensive local and regional government coordination and the identification of multiple companies interested in locating facilities in Cass Lake.

For more detailed information, please refer to the Committee's Findings Summary, which was distributed to Committee members by mail and as a handout at the May 17 meeting.

During the second half of the meeting, Committee members engaged in a general and wide-ranging discussion of potential reuse opportunities at the St. Regis Paper Company Superfund site.

Committee feedback included:

General

- Committee members reemphasized that future site uses should include a mix of commercial and industrial, civic, cultural, and recreational land uses to meet multiple community needs.

Commercial and Industrial Land Uses

- Committee members indicated that, at this stage of the reuse planning process, it makes sense to consider a business incubator, training facility, shared manufacturing facility, and an eco-industrial park as alternative reuse options that could be located at the site that could provide jobs and generate tax revenues.
- Committee members indicated interest in innovative commercial and industrial reuses – like those uses listed above -- that would not create negative environmental impacts and could reuse existing site infrastructure.
- Committee members emphasized that any potential future commercial or industrial land uses at the site should be appropriately designed and compatible with adjacent residential areas.
- Committee members agreed that the development of these commercial and industrial land uses at the site would also require intergovernmental cooperation and regional planning efforts.
- Committee member Dr. Fu-Hsian Chang from Bemidji State University indicated that the university may have grant resources available for environmentally-friendly development approaches. Dr. Chang will report back with additional information at future Committee meetings.

Civic and Cultural Land Uses

- Committee members indicated that a multi-use open space with an amphitheater, perhaps located at the former box factory property east of the site, could help address the community's civic and cultural needs. The area could also be linked with surrounding local and regional recreational trails.
- Committee members indicated that train noise could be a potential deterrent to locating an amphitheater at the former box factory property.
- Committee members emphasized that any future use of the former box factory property should maintain the area's existing character and historic resources and provide public access to Pike Bay.

Recreational and Ecological Land Uses

- Committee members reiterated the need for additional parks and sports fields in the community.

- Committee members emphasized that extending recreational trails across the site could provide an amenity for adjacent residential areas and extend local and regional trail networks throughout Cass Lake.

- Committee members discussed whether the southwestern portion of the site surrounding the fenced containment vault could be available as an area for recreational trails. The project's consultant team will report back with additional information.

- Committee members discussed the potential recreational reuse of the site's city dump area as well as potential opportunities to extend recreational trails through the adjacent forested area owned by the United States Forest Service. Project resource member Jim Gallagher from the United States Forest Service indicated that the Forest Service would carefully consider any such community requests.

Residential Land Uses

- From a cleanup perspective, several Committee members indicated their preference that the site be remediated to residential standards.

- From a land use perspective, Committee members indicated that a mix of commercial and industrial, civic, cultural, and recreational land uses at the site could be best-suited to meet community needs.

- Along with the Committee's updated reuse goals, the Committee's May 17 discussions will inform the development of the site's draft reuse framework.

In terms of next steps for the project, the third Committee meeting will be scheduled for the summer, date and time TBD. The third Committee meeting will be a workshop-style discussion. During the meeting, Committee members will review and discuss conceptual site reuse approaches developed by the project's consultant team that reflect the Committee's reuse ideas and preferences.

Based on the August Committee meeting and the Committee's additional discussions, the project's consultant team will then develop a revised site reuse framework that will be shared with the general public for review and feedback. The Committee will then present its findings to Cass Lake's City Council, the Leech Lake Band of Ojibwe, and EPA Region 5.

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