

## Executive Summary

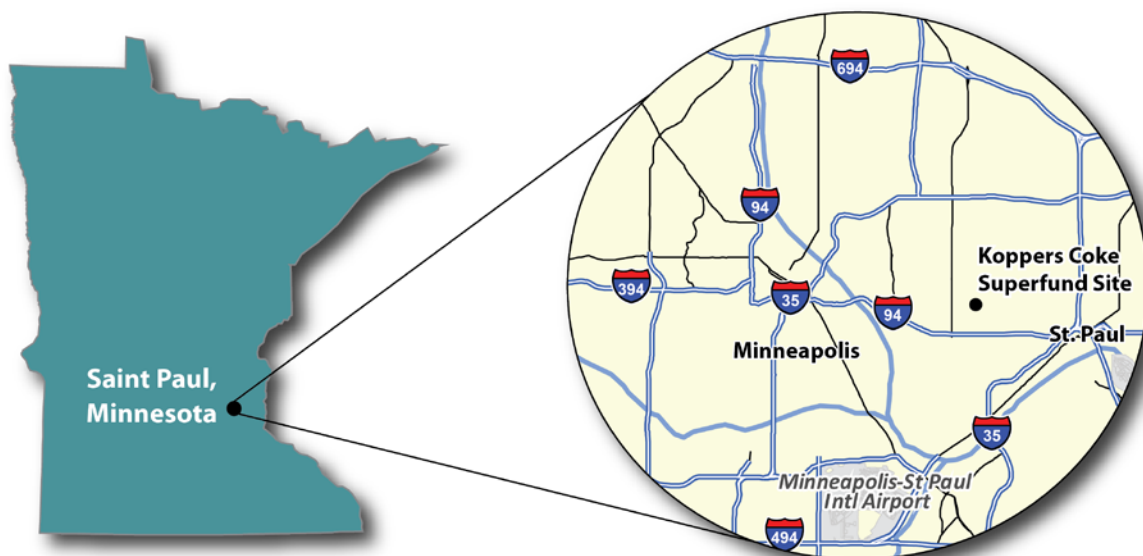
A legacy of contamination left vacant nearly 40 acres of valuable property in Saint Paul, Minnesota. Once the site of a foundry coke production facility, the property was located next to major industrial and commercial development and transportation infrastructure, which spurred the Saint Paul Port Authority to clean it up for redevelopment. As a result of the Port Authority's vision, part of Energy Park, a thriving commercial development, now stands on the Koppers Coke Superfund site. The site's characteristics, creative planning, and the cooperation of public and private stakeholders contributed to this redevelopment success story. Today, businesses at Energy Park employ over 3,800 people; businesses on the Koppers Coke site portion of the development employ 1,667 people and contribute \$1.6 million in local property taxes. This case study explores the local economic revitalization resulting from the cleanup and redevelopment of this Superfund site.



**Figure 1: The Koppers Industries, Inc. facility, 1969**  
*Source: Minnesota Historical Society*

## Positive Impacts

- In 2012, the businesses on the Koppers Coke site portion of Energy Park employed 1,667 people and provided an estimated \$119 million in annual income to employees.
- Properties on the Koppers Coke site portion of Energy Park generate over \$1.6 million in annual property tax revenues.
- The project has exceeded the Saint Paul Port Authority's Board of Commissioners' project requirements, which mandated one new or retained job per 1,000 square feet of new space. The project currently provides 2.4 jobs per 1,000 square feet.



**Figure 2: The site's location in the Minneapolis-Saint Paul metropolitan area**

## Introduction

Superfund site cleanup and reuse results in restored value to site properties and surrounding communities. Once a site property is ready for reuse, it can revitalize a local economy with jobs, new businesses, tax revenues and local spending. This case study describes the site's cleanup and captures the on-site and community impacts of new development at the Koppers Coke Superfund site.

Energy Park occupies 218 acres in Saint Paul, Minnesota; the Koppers Coke site is a 40-acre part of the facility. Energy Park is situated northwest of downtown Saint Paul, one mile north of Interstate 94 and about three miles west of Interstate 35 (Figure 2). According to 2010 Census data, about 285,000 people live in Saint Paul.



**Figure 4. Energy Park tenant Power/mation's facility on site**

## Site History

For over 60 years, Koppers Industries, Inc. operated a coking facility on the site property, producing foundry coke and various byproducts, including coal tars, creosote, oils and greases, and other wastes. Inadequate storage and disposal practices and leaks and spills resulted in the contamination of soil and ground water. In 1978, Koppers Industries, Inc. and the Minnesota Pollution Control Agency (MPCA) entered into an agreement for the facility's demolition and an investigation of the subsurface; site assessment activities characterized the nature of the contamination the following year. The coking facility was subsequently demolished and 20 tanks and over 20,000 cubic yards of contaminated soil were removed for disposal. Following additional site assessment activities performed by MPCA, EPA added the site to the Superfund program's National Priorities List in 1983. The next year, MPCA added the site to Minnesota's Permanent List of Priorities.

## *Site Cleanup and Renewal*

During the early stages of site cleanup, development of adjacent parcels was underway as part of the mixed-use Energy Park development. This project incorporates historic preservation of nineteenth century railroad buildings, innovative energy efficient features and a district heating and cooling system, low-income housing, and a new baseball stadium. This development and the Koppers Coke site's location near major roadways in the center of an industrial/commercial area created a highly marketable setting, spurring the Saint Paul Port Authority to realize the site's significant reuse potential. The Port Authority acquired the site property in 1982 for additional Energy Park development.

In support of its stated goal of improving the economic environment in Saint Paul and surrounding areas, the Port Authority purchases and cleans up formerly contaminated sites to MPCA standards, mitigating environmental hazards while creating new places to do business. According to the Port Authority, reusing formerly developed sites helps keep businesses where their employees live, eases traffic congestion and heals pockmarked areas of inactivity that can debilitate urban neighborhoods.

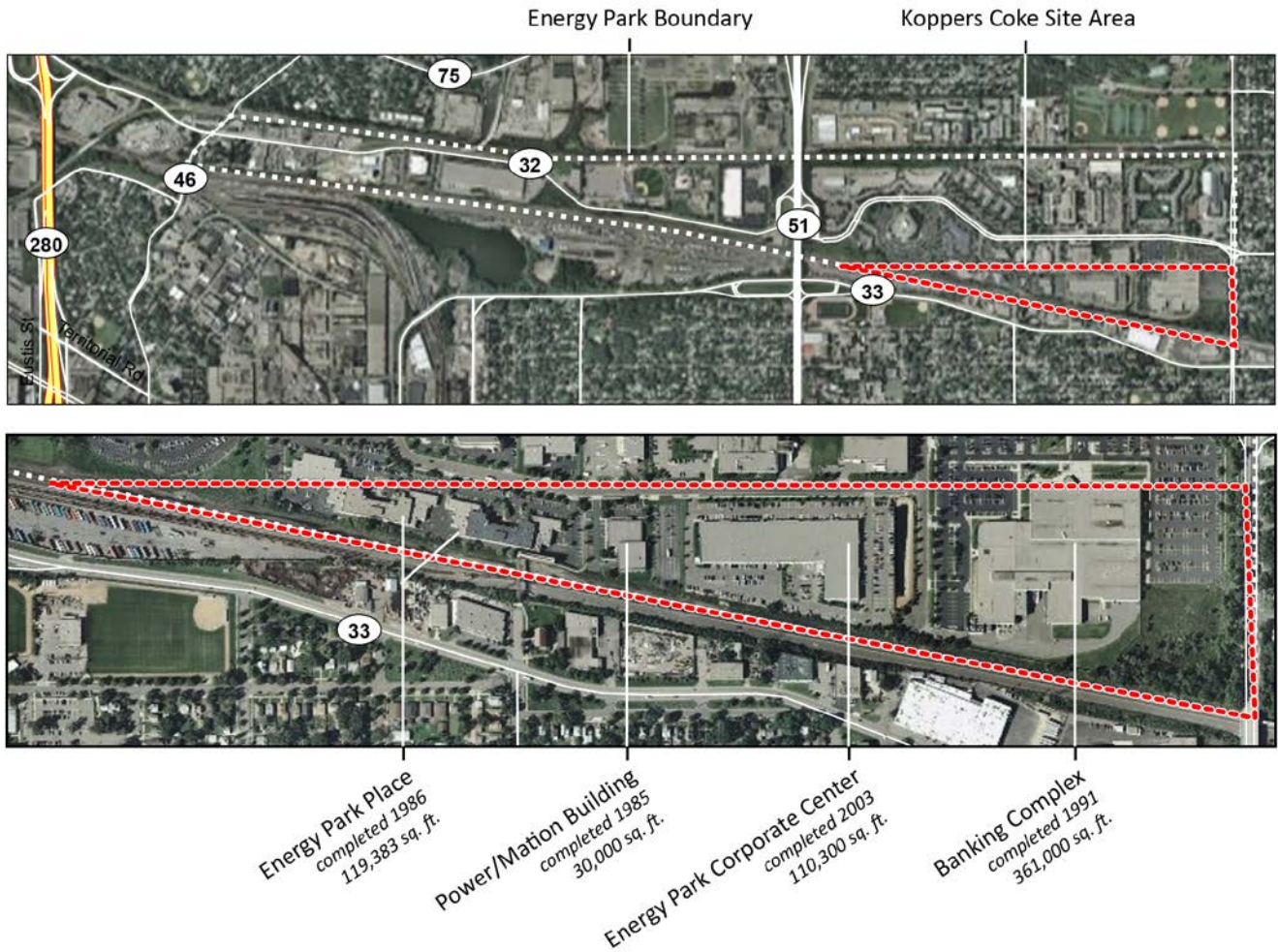


Figure 3. Site location and surroundings map

With grant assistance from the Minnesota Department of Employment and Economic Development (DEED) and the Metropolitan Council (serving the greater Twin Cities region) and with guidance and oversight from MPCA, the Port Authority worked to clean up the Superfund site and readied it for use. Cleanup activities included removal of contaminated soil, contaminant source capping and installation of a bioremediation system for ground water treatment. These activities were completed by 1998 and long-term monitoring began that year. MPCA delisted the site from the state’s Permanent List of Priorities in February 2003.

**Phased Development**

Redevelopment of the site took place in phases. The first building, which now houses the industrial automation device distributor Power/mation, was finished in 1985, followed by two buildings on the west end of the site that make up Energy Park Place. A 241,000-square-foot complex at the east end of the site was built in 1991 to house Control Data Corp’s ETA Systems, and subsequently expanded to 361,000 square feet in 2001 to accommodate U.S. Bancorp, a commercial banking services provider.

By the early 2000s, the last undeveloped parcel at Energy Park was an 8-acre lot at the center of the Koppers Coke site. To complete the site’s cleanup and redevelopment, the Saint Paul Port Authority partnered with Ryan Companies, a real estate development firm. This partnership coupled the Port Authority’s decades of experience in site cleanup and redevelopment with Ryan Companies’ real estate marketing and development expertise. Together, the organizations redeveloped the remaining 8-acre portion of the site into Energy Park Corporate Center, a commercial center and high-tech industrial park.

In July 2003, Ryan Companies completed construction and several businesses moved in. In total, Energy Park Corporate Center provides 110,300 square feet of commercial office space. The end result, as summed up by Minnesota DEED's Commissioner Matt Kramer, was that the "relatively modest investment over time by the project partners produced a healthier environment and an economically vital project that will attract new jobs to Saint Paul and increase the city's tax base."

According to Tom Collins, Director of Marketing and Communications at the Port Authority, Energy Park Corporate Center is the successful outcome of perhaps the first full partnership between a public entity and a private developer in the country. Representing a true collaborative effort, both partners retain a 50 percent share in the ownership of the property.

By teaming up to develop the site and build a series of commercial complexes, the Port Authority and its partners helped eliminate an environmental hazard that had become a community blight. The completion of the five projects on the Koppers Coke site transformed a vacant, polluted area into a development that has improved the city's job and tax base, while enhancing quality of life in the surrounding North End neighborhood. Today, ground water monitoring is ongoing and agency officials are working toward the site's official delisting from EPA's National Priorities List.

## Largest Employers on Site, 2012

- U.S. Bancorp – Commercial banking company with 1,250 employees.
- Kemps – Dairy distribution company with 171 employees.
- Prometric – Testing services firm with 89 employees.
- Power/mation – Industrial automation device distributor with 63 employees.
- Metropolitan State University – State university with 50 employees.
- Minnesota Bureau of Mediation Services – State agency administering labor relation programs with 13 employees.
- Evergreen Medical Technologies – Research and development firm with 8 employees.
- Minnesota Health Professional Service Program – Health service provider and monitoring organization with 5 employees.
- Headwaters Software, Inc. – Wired telecommunications carrier with 5 employees.
- DRIASI – Insurance administration firm with 5 employees.

## Local Impacts

The cleanup of the site and its subsequent redevelopment as part of Energy Park has resulted in significant economic impacts for the community. Businesses in the Koppers Coke portion of the Energy Park development support 1,667 jobs and contribute an estimated \$119 million in annual employment income to the community. The site properties also contribute \$1.6 million in local property taxes each year. The cleanup of the site provides long-term protection of public health and the environment, while the site's reuse strengthened quality of life in the surrounding neighborhood. The Energy Park Corporate Center project has exceeded the Port Authority Board of Commissioners' project requirements, which mandated one new or retained job per 1,000 square feet of new space. The project currently provides 2.4 jobs per 1,000 square feet.

### ***U.S. Bancorp***

U.S. Bancorp occupies the 361,000-square-foot banking complex at the east end of the site, where it employs approximately 1,250 people, providing estimated annual employment income of \$95 million.<sup>1</sup>

### ***Kemps***

Founded in 1914, Kemps manufactures and markets dairy products to supermarkets and food service operations.<sup>2</sup> At its headquarters in Energy Park Corporate Center, Kemps employs 171 people, providing estimated annual employment income of \$9.6 million. The firm's total annual revenues are \$116 million; it employs over 1,100 people at manufacturing facilities in Minnesota and Wisconsin.<sup>3</sup>

### ***Prometric***

With testing centers in 163 countries, Prometric provides technology-enabled testing and assessment services for academic, professional, healthcare, government, corporate and information technology clients.<sup>4</sup> At its offices in Energy Park Corporate Center, Prometric employs 89 people, providing estimated annual employment income of \$5.3 million.



**Figure 5. Energy Park Place sign**



**Figure 6. Kemps facility at Energy Park Corporate Center**



**Figure 7. Offices at Energy Park Place**

<sup>1</sup> <http://www.sppa.com/developed-business-centers/energy-park>

<sup>2</sup> <http://www.kemps.com/meet-us/about-kemps>

<sup>3</sup> Ibid.

<sup>4</sup> <http://prometric.submit4jobs.com>

## ***Power/mation***

With offices throughout the Midwest, Power/mation is a distributor of industrial automation devices, including sensors, power transmission equipment, panel components and safety devices, and grosses approximately \$31 million annually.<sup>5</sup> The firm employs 63 people at its headquarters on site, providing estimated annual employment income of \$2.9 million.

## ***Metropolitan State University***

Founded in 1971, Metropolitan State University serves more than 11,000 full-time and part-time students and is the only state university in the Twin Cities area.<sup>6</sup> At its Energy Park administrative offices, Metropolitan State University employs 50 people, providing estimated annual employment income of \$2.7 million.

## ***Minnesota Bureau of Mediation Services***

This state agency promotes “stable and constructive labor-management relations and the use of alternative dispute resolution and collaborative processes in areas other than labor-management,” administering programs in mediation, representation, arbitration referrals, labor-management cooperation and labor relations training.<sup>7</sup> The agency employs 13 people, providing estimated annual employment income of \$769,000.

## ***Evergreen Medical Technologies***

A developer and manufacturer of active implantable medical devices, Evergreen Medical Technologies employs eight people at its offices in Energy Park Place, providing estimated annual employment income of \$368,000. The company has an annual sales volume of \$1 million.

## ***Minnesota Health Professionals Services Program***

This state program provides support for regulated health care professionals whose ability to practice may be impaired due to illness. The program employs five staff at its offices in Energy Park Place, providing estimated annual employment income of \$350,000.



**Figure 8. Offices of Minnesota Bureau of Mediation Services at Energy Park Place**



**Figure 9. Stormwater management pond at Energy Park Corporate Center**



**Figure 10. Energy Park Corporate Center sign**

<sup>5</sup> [http://www.powermation.com/aboutus\\_history.html](http://www.powermation.com/aboutus_history.html), [http://www.powermation.com/aboutus\\_overview.html](http://www.powermation.com/aboutus_overview.html)

<sup>6</sup> <http://www.metrostate.edu/msweb/choose/index.html>

<sup>7</sup> <http://www.bms.state.mn.us/aboutus.html>, <http://www.bms.state.mn.us>

## ***Headwaters Software, Inc.***

Headwaters Software creates online, database-driven educational tools for healthcare educators and students. The firm employs five people at its offices on site, providing estimated annual employment income of \$263,000.

## ***DRIASI***

DRIASI provides insurance administration services including application processing, mail fulfillment, claims services and certificate issuance.<sup>8</sup> The firm employs five people at its offices on site, providing estimated annual employment income of \$366,000.

## ***Other site businesses***

Other businesses at the site include USA Central Station, Aramark Corp, Stotzheim Law Office and Mediation, LLC, and Beneficial Cleaning Services, Inc.

## **Conclusion**

In Saint Paul, Minnesota, local entities, state agencies and EPA came together to share resources, collaborate and coordinate closely to clean up and redevelop the Koppers Coke Superfund site. These efforts resulted in striking outcomes: the protection of human health and the environment and community revitalization. Today, businesses on site provide 1,667 jobs, \$119 million in estimated annual employee income and \$1.6 million in local property taxes. Looking to the future, the reuse of the Koppers Coke Superfund site as part of Energy Park will continue to serve as an asset for the surrounding North End neighborhood and the City of Saint Paul. The project is a compelling example of how environmental protection and beneficial site reuse can result from dedicated stakeholders working together in innovative ways over the long term.

### **Superfund Redevelopment Resources**

EPA is committed to helping communities restore Superfund sites as valued assets and views the revitalization of communities affected by contaminated properties as a key component of the Agency's mission to protect human health and the environment.

EPA's Superfund Redevelopment Initiative (SRI) provides reuse tools, information and resources on its website at <http://www.epa.gov/superfund/programs/recycle/index.html>, including:

- **Ready for Reuse (RfR) Determinations** – environmental status reports that provide information about how sites can be used appropriately.
- **Reuse Planning Support** – community-based processes that provide stakeholders with the information they need to make informed decisions about the likely future uses of sites.
- **How-To Reports** – technical information on how sites can be safely reused.
- **Redevelopment Partnerships** – opportunities for communities and organizations to get involved.
- **Success Stories and Lessons Learned** – reuse fact sheets, videos and case studies.

EPA's Office of Site Remediation Enforcement also provides tools such as Comfort/Status Letters and Bona Fide Prospective Purchaser (BFPP) information to address landowner liability concerns on its website at <http://cfpub.epa.gov/compliance/resources/policies/cleanup/superfund>.

<sup>8</sup> <http://www.driasi.com/AboutUs.aspx>

### Technical Appendix

#### **Positive Impacts: Employment Information for On-site Jobs**

The Dun & Bradstreet (D&B) database provided information on the number of employees and sales volume for on-site businesses. [D&B](#) provides information on businesses and corporations. It maintains a database of over 179 million companies globally and over 53 million professional contact names using a variety of sources, including public records, trade references, telecommunication providers, newspapers and publications, and telephone interviews. The Data Universal Numbering System (DUNS) number is a unique nine-digit identification number assigned by D&B to each business and its location within the D&B database for identifying each business. The Saint Paul Port Authority also collects data on Energy Park tenants; this analysis compared data provided by the Port Authority with the data provided by D&B. In most cases, the analysis selected the lower of the two employment estimates to be conservative. The analysis selected the Port Authority's employment estimates for two on-site businesses, Prometric and US Bancorp Information Services Corporation, rather than data from D&B, because the Port Authority's estimates appeared to be more accurate.

#### **Positive Impacts: Wage and Income Information for On-site Jobs**

The U.S. Bureau of Labor Statistics (BLS) provided wage and income information. The BLS is a governmental statistical agency that collects, processes, analyzes and disseminates essential statistical data to the American public, the U.S. Congress and other federal agencies in the broad field of labor economics and statistics. The data provided by the BLS has high standards of accuracy and consistently high statistical quality, and impartiality in both subject matter and presentation.

The BLS Quarterly Census of Employment and Wages database provided average weekly wage data for each of the businesses located at the Koppers Coke site. Average weekly wage data was identified by matching the North American Industry Classification System (NAICS) codes corresponding with each type of business with weekly wage data for corresponding businesses in Ramsey County. If not available at the county level, the wage data were sought by state or national level, respectively. In cases where wage data was not available for the six-digit NAICS code, higher level (less detailed) NAICS codes were used to obtain the wage data.

To determine the annual wages (mean annual) earned from jobs generated by each of the businesses at the Koppers Coke site, the average weekly wage figure was multiplied by the number of weeks in a year (52) and by the number of jobs (employees) for each of the businesses.



Table 1: Koppers Coke Site Businesses: NAICS Code and Title, Average Weekly Wage, Employees, Annual Wages and Total Annual Wage per Employee

On-site Business	NAICS Code <sup>a</sup>	NAICS Title	Employees <sup>b</sup>	Average Weekly Wage (2010) <sup>c</sup>	Annual Wage (Mean Annual) per Employee	Total Annual Wages <sup>d</sup>
US Bancorp Information Services Corporation	518210	Data Processing, Hosting, and Related Services	1,250 <sup>e</sup>	\$1,473	\$76,596	\$95,745,000
Kemps LLC	31151	Dairy Product, Except Frozen, Manufacturing	171	\$1,084	\$56,368	\$9,638,928
Prometric	541380	Testing Laboratories	89 <sup>e</sup>	\$1,151	\$59,852	\$5,326,828
Power/Mation Division, Inc.	423840	Industrial Supplies Merchant Wholesalers	63 <sup>e</sup>	\$896	\$46,592	\$2,935,296
Metropolitan State University	9231	Administration of Human Resource Programs	50	\$1,056	\$54,912	\$2,745,600
Minnesota Bureau of Mediation Services	926150	Licensing and Regulating Commercial Sectors	13	\$1,138	\$59,176	\$769,288
Evergreen Medical Technology LLC	541720	Social Sciences and Humanities Research	8	\$884	\$45,968	\$367,744
Minnesota Health Professional Service Program (HPSP)	813920	Professional Organizations	5 <sup>e</sup>	\$1,346	\$69,992	\$349,960
Headwaters Software Inc (FISDAT)	517110	Wired Telecommunications Carriers	5 <sup>e</sup>	\$1,010	\$52,520	\$262,600
DRIASI	524298	All Other Insurance Related Activities	5 <sup>e</sup>	\$1,407	\$73,164	\$365,820
USA Central Station	56162	Security Systems Services	3	\$919	\$47,788	\$143,364
The Law Firm of Roberts & Stotzheim Plc	541110	Offices of Lawyers	2	\$1,285	\$66,820	\$133,640
Aramark Corp	541611	Administrative Management and General Management Consulting Services	2	\$1,064	\$55,328	\$110,656
Beneficial Cleaning Services Inc.	561790	Other Services to Buildings and Dwellings	1	\$684	\$35,568	\$35,568
<b>Totals:</b>			<b>1,667</b>			<b>\$118,930,292</b>

<sup>a</sup> NAICS code provided in D&B database.

<sup>b</sup> Employee data is from D&B database, except where otherwise indicated.

<sup>c</sup> Average weekly wage per employee based upon BLS Average Weekly Wage data.

<sup>d</sup> Total annual wage figures were derived by multiplying "Employees" by "Annual Wage (Mean Annual) per Employee."

<sup>e</sup> Employee number obtained from Saint Paul Port Authority.

**Positive Impacts: Local Tax Revenue Generated from Property Taxes**

Property records accessible through Ramsey County's online property records database (<http://maps.metro-inet.us/RamseyCoGIS/CXviewer.htm>) provided data on the most recently assessed property values and taxes for property parcels at the Koppers Coke site in March 2012.

Table 2. Estimated Property Values and Annual Tax Amounts (2011)

<b>Parcel Number</b>	<b>Market Value - Land (2011)</b>	<b>Market Value - Building (2011)</b>	<b>Total Market Value (2011)</b>	<b>Total Tax Payable (2011)</b>
272923410039	\$6,272,700.00	\$12,537,300.00	\$18,810,000.00	\$762,888.00
272923420077	\$823,100	\$4,876,900.00	\$5,700,000.00	\$213,640.00
272923420073	\$737,300.00	\$2,112,700.00	\$2,850,000.00	\$107,500.00
272923420086	\$546,300.00	\$2,303,700.00	\$2,850,000.00	\$107,500.00
272923420085	\$221,500.00	\$0.00	\$221,500.00	\$0.00
272923420071	\$420,000.00	\$1,297,200.00	\$1,717,200.00	\$65,484.00
272923310105	\$1,937,300.00	\$7,400,300.00	\$9,337,600.00	\$360,408.00
272923310004	\$184,200.00	\$0.00	\$184,200.00	\$7,056.00
<b>Totals:</b>	<b>\$11,142,400.00</b>	<b>\$30,528,100.00</b>	<b>\$41,670,500.00</b>	<b>\$1,624,476.00</b>