

Executive Summary

For more than a century, smelting and steel fabrication operations employed workers at the Kansas City Structural Steel site in Kansas City, Kansas. These operations also led to extensive soil and groundwater contamination. Recent collaborative efforts, however, have transformed the property. Today, the Argentine neighborhood benefits from the commercial redevelopment of the former steel fabrication facility. To make cleanup and reuse happen, the Argentine Neighborhood Development Association (ANDA), the Lane4 Property Group and the commissioner’s office worked with interested businesses, the U.S. Environmental Protection Agency (EPA) and the Kansas Department of Health and Environment (KDHE). Project priorities included ensuring community buy-in and support for redevelopment plans as well as working within the site’s use restrictions to make sure the remedy remained protective of public health and the environment.

Today, the site includes La Plaza Argentine, an active commercial area, and other property ready for redevelopment. The project’s anchor tenant and commercial cornerstone is a Wal-Mart Neighborhood Market. Wal-Mart and Lane4 Property Group, a local developer, worked with EPA and KDHE to make sure construction and building infrastructure protected the remedy and minimized negative community impacts such as noise and traffic. This case study explores the site’s cleanup and reuse, illustrating the opportunities and beneficial effects of Superfund redevelopment in action.

Beneficial Effects

- An on-site commercial business supports 95 full-time and part-time employees, providing over \$1.6 million in annual employment income to the local community.
- In 2015, the site property's estimated value was nearly \$5.3 million.
- In a community once considered a food desert, the site now supports one of only two grocery stores in the area.

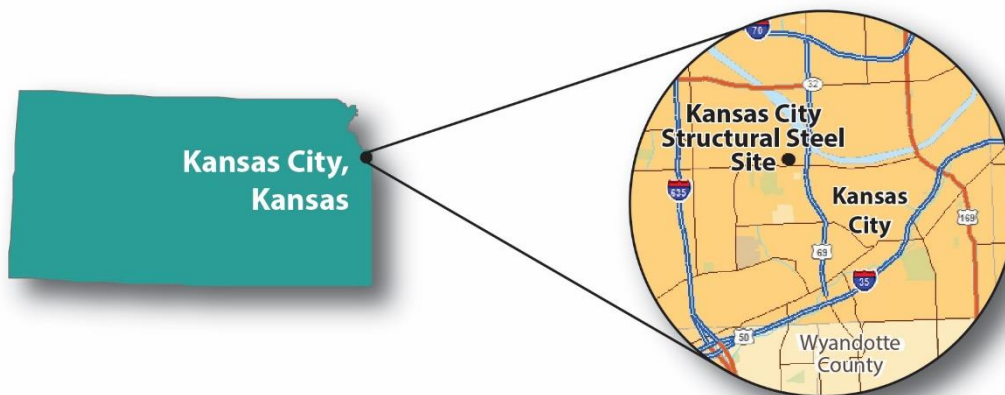


Figure 1. The site is located in Kansas City, Wyandotte County, Kansas.

Introduction

When an environmentally impaired site is reused, it can revitalize a local economy with jobs, new businesses, tax revenues and spending. This case study discusses the social, economic and environmental benefits provided by the reuse of the Kansas City Structural Steel site.

The 22-acre site is located in the Argentine community in Kansas City, Kansas (Figure 1), just southwest of the Kansas River. Metropolitan Avenue borders the site to the south and commercial properties border the site to the east. The northern border includes the Burlington Northern Santa Fe Railway. Residences border the western edge of the site. According to 2014 Census data estimates, about 161,636 people live in Wyandotte County.¹

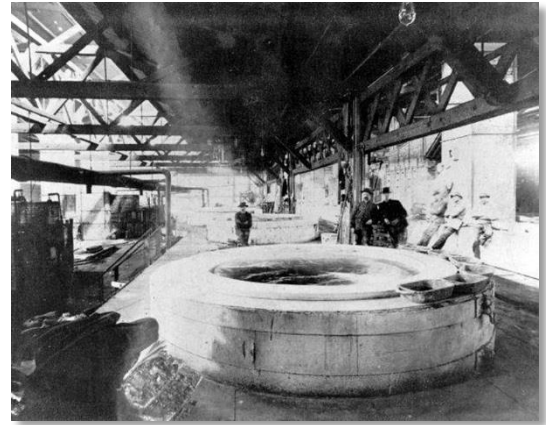


Figure 2. Operations at the Argentine Smelter in 1899. (Source: My Present Past)

Site History

Industrial facilities were located on site for more than a century. From 1880 to 1901, the Kansas City Consolidated Smelting and Refining Company operated its facilities on site. At that time, the smelter, known as the Argentine Smelter, was the largest silver and lead smelter in the world. From 1901 to 1984, Kansas City Structural Steel Company produced fabricated steel products for buildings, bridges and other structures. In 1984, BancAmerica Commercial Corporation (BancAmerica) acquired the property and leased it to Mosher Steel Company, which operated the plant until March 1987, when it was permanently shut down and partially dismantled. Site operations had produced byproducts that contaminated the site's surface soil and groundwater. After the shutdown, investigations confirmed heavy metal contaminants in the soil; lead was the primary contaminant of concern.

Site Cleanup

The site's potentially responsible party (PRP), BancAmerica, cleaned up the site, under EPA supervision, in accordance with Superfund's removal program. In 1993, remedial crews excavated contaminated soil and backfilled the area with clean material. Buildings, concrete and asphalt pads were decontaminated, demolished and taken off site for disposal. Some excavated soils were placed in a consolidated fill area, an embankment in the southeast corner of the site. Cleanup crews also removed piles of asbestos-contaminated brick.

Soon after cleanup, local organizations showed interest in the site's reuse. Because the site was located at the gateway of the Argentine neighborhood, bringing



Figure 3. Kansas City Structural Steel site.

¹U.S. Census Bureau. Wyandotte County Quick Facts. <http://www.census.gov/quickfacts/table/PST045214/20209>.

redevelopment to the property was a community priority. In 1995, El Centro Inc., a local non-profit community development organization, came to EPA with a vision for the future – the site could become a much-valued community resource. The organization’s mission is “strengthening communities and improving lives of Latinos and others through educational, social, and economic opportunities.”²

El Centro acquired the property from BancAmerica after entering into a Prospective Purchaser Agreement (PPA) with EPA to ensure the long-term protectiveness of the remedy. As part of the PPA, El Centro agreed to comply with the site’s use restrictions, which included institutional and engineering controls. The engineering controls require at least 4 feet of clean fill below the finished grade. Buildings on site cannot have basements, crawl spaces cannot be more than 2 feet below the finished grade, and foundations and support structures cannot extend below the 4-foot clean fill barrier. The institutional controls also included special regulations for handling hazardous materials excavated as a result of any construction efforts. Lastly, the site’s consolidated fill area had to remain fenced off.

Reuse Potential and Community Involvement

The site’s location near transportation infrastructure, including a railroad and a highway, as well as commercial, industrial and residential properties made it a strong candidate for redevelopment. Several interested parties shared redevelopment ideas – wheel manufacturing, steel manufacturing, countertop manufacturing, a golf driving range academy, a residential development – with site stakeholders. However, property use restrictions and a lack of community interest stalled the efforts. Even if a developer was willing to work with building restrictions, the community would need to support the development plans in order for the project to be a success.

EPA offered to provide support for the planning process – a preliminary reuse assessment to identify reasonable and protective future uses. In turn, this would help the site owner and potential developers better understand feasible reuse opportunities at the site. To bring stakeholders together, EPA facilitated discussions in 2005 among the site owner, local officials, the property realtor, and EPA’s site attorney and site assessment manager. This initiated productive and continuing dialogue about remedy and reuse considerations, which was vital to the project’s success.

To make sure community needs and priorities were at the forefront of development considerations, El Centro worked with the Argentine Neighborhood Development Association (ANDA). ANDA is a non-profit corporation with a mission to



Figure 4. Views of the Kansas City Structural Steel site prior to redevelopment.

Protecting Purchasers from Future Liability

The Prospective Purchaser Agreement (PPA) played an important role in making the site’s redevelopment possible. Nationally, EPA has since taken additional steps to make the acquisition and redevelopment of Superfund sites easier for prospective purchasers.

Under the Brownfields Revitalization Act, a prospective purchaser need no longer negotiate a PPA with EPA and the federal government. In place of a signed agreement, the purchaser can meet requirements to become a bona fide prospective purchaser (BFPP).

For more information about BFPP requirements, see: <http://www2.epa.gov/enforcement/bona-fide-prospective-purchasers>.

² El Centro: About Us. <http://www.elcentroinc.com/about-us>.

“promote the revitalization of the Argentine community.”³ Ann Murguia, District 3 Commissioner, Executive Director of ANDA and local reuse champion, facilitated a community survey in 2008 to assess community needs. According to the survey, a top priority was to bring a grocery store to the area. Local residents wanted commercial reuses that would bring in jobs, increase the tax base and strengthen the area’s economy.

With everyone on the same page, reuse planning was able to proceed smoothly. El Centro, ANDA and the commissioner’s office investigated potential commercial tenants for the property. Ann Murguia helped bring the Argentine neighborhood to Wal-Mart’s attention in 2012 and the company began working with a local development company, Lane4 Property Group. That same year, Lane4 Property Group, approached El Centro about developing the property into a commercial center called La Plaza Argentine.

In 2014, El Centro sold the property to Argentine Retail Developers, a limited liability holding company created by Lane4 Property Group. EPA and KDHE helped Argentine Retail Developers enroll in the Kansas Environmental Use Control (EUC) Program, a state program that would provide more localized oversight. The EUC Program provides a legal mechanism for applying restrictions, prohibitions and conditions on land use for a property that has environmental contamination at levels that prohibit unrestricted use. Under the program, EUCs protect the seller of a property by informing future landowners of the restrictions or conditions necessary to mitigate the environmental liability concerns associated with a property.⁴ It addresses landowners’ environmental liability concerns, while helping to maintain site remedies and ensuring long-term protectiveness. With EPA’s approval, KDHE agreed to work with current and future site owners to ensure the remedy’s continued protectiveness.

Community members strongly supported the commercial center, which would be anchored by a Wal-Mart Neighborhood Market. Lane4 Property Group broke ground on La Plaza Argentine shopping center in March 2014.

Local Beneficial Effects

Today, the area is home to La Plaza Argentine, a growing commercial park anchored by the 41,000-square-foot Wal-Mart Neighborhood Market. In addition to providing local jobs, the national chain market provides retail and grocery options in an area once considered a food desert where such amenities were scarce. This section describes the beneficial effects that resulted from the site’s cleanup and reuse.



Figure 5. Entrance to the La Plaza Argentine Wal-Mart Neighborhood Market.

What is a Food Desert?

Food deserts are urban neighborhoods and rural towns without ready access to fresh, healthy and affordable food. Instead of grocery stores, these communities may have fast food restaurants and convenience stores that offer few healthy, affordable food options. The lack of access contributes to a poor diet and can lead to higher levels of obesity and other diet-related diseases, such as diabetes and heart disease. For more information, see the U.S. Department of Agriculture’s website: <http://apps.ams.usda.gov/fooddeserts/fooddeserts.aspx>.

³ Argentine Neighborhood Development Association: About. <http://andack.org/about.html>

⁴ KDHE Division of Environment Quality Management Plan Part III: Environmental Use Control Program Quality Assurance Management Plan: http://www.kdheks.gov/environment/qmp/download/BER_EUC_part_3.pdf.



Figure 6. Shoppers enjoying the new amenities offered by the Wal-Mart Neighborhood Market.

Wal-Mart Neighborhood Market

The La Plaza Argentine Wal-Mart Neighborhood Market opened in September 2014, on the western edge of the site (Figure 3). The store includes a garden center, grocery, pharmacy and parking. Open 24 hours a day, seven days a week, it provides an estimated 95 full- and part-time jobs. In total, the store provides the community with over \$1.6 million in employee income annually. The Kansas City Area Transportation Authority also added a Metro bus stop on the Wal-Mart property for community members who rely on public transportation. Looking forward, the market will serve as a cornerstone for the rest of the site’s development. “We are excited to open a new Wal-Mart Neighborhood Market in Kansas City,” said store manager Deryk Cogdill. “We are happy to be a part of this community.”

“The real test for projects like this one is whether residents feel like, when it’s done, their neighborhood is a better place to live than it was before. This project meets that test in every way.”

- Ann Murguía, District 3 Commissioner

Property Value and Tax Revenues

Because most site parcels are not yet developed and were recently subdivided, only one of them generated tax revenues in 2014. In 2015 and beyond, as development continues, increased tax revenues will continue to benefit the community. The estimated property values of the site’s 10 parcels totaled almost \$5.3 million in 2015. The Wal-Mart Neighborhood Market also produces retail sales and services, and generates tax revenues through the collection of sales taxes, which supports state and local governments.⁵

Future Site Use

As site stakeholders consider possible uses for remaining areas of the site, they will continue to work with EPA and KDHE to ensure the long-term protectiveness of the remedy. Current plans for additional reuses at the site include a police station and restaurants.



Figure 7. In September 2014, EPA Region 7 Administrator Karl Brooks presented the Leading Environmentalism and Forwarding Sustainability (L.E.A.F.S.) award to Wal-Mart and ANDA for their reuse efforts.

⁵ The total state and local tax rate in Kansas City is 8.775 percent. See the Kansas Department of Revenue’s website for more information: <http://www.ksrevenue.org/pdf/StateLocalSalesRates.pdf>.

Conclusion

Thanks to collaboration among community and municipal organizations, local developers, EPA, KDHE and Wal-Mart, the Kansas City Structural Steel site is now cleaned up and able to support vibrant redevelopment projects. Instead of lying vacant, the site hosts La Plaza Argentine and the 41,000-square-foot Wal-Mart Neighborhood Market. On-site facilities support local economic growth, providing jobs and annual employee income. In the years to come, the area can look forward to additional tenants, more jobs and growing tax revenues.

*For more information about EPA's Superfund Redevelopment Initiative (SRI), visit:
<http://www2.epa.gov/superfund-redevelopment-initiative>.*



www.epa.gov

Reuse and the Benefit to Community Kansas City Structural Steel Site

Technical Appendix

Employment Information for On-site Jobs

EPA obtained information on the estimated number of employees for the on-site business from Wal-Mart's website (<http://news.walmart.com/news-archive/2014/09/03/walmart-brings-jobs-and-grocery-options-to-kansas-city>). The Hoovers/Dun & Bradstreet (D&B) database included limited information for the business currently on site. D&B maintains a database of over 225 million active and inactive businesses worldwide, including public records, financials, private company insight, extensive global information, telephone numbers and physical addresses. 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.

Wage and Income Information for On-site Jobs

EPA obtained wage and income information from the U.S. Bureau of Labor Statistics (BLS). 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 EPA obtained from the BLS has high standards of accuracy and consistently high statistical quality, and impartiality in both subject matter and presentation.

EPA used the BLS Quarterly Census of Employment and Wages database to obtain average weekly wage data for the businesses located at the Kansas City Structural Steel site. Average weekly wage data were 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 Wyandotte County. If not available at the county level, wage data were sought by state or national level, respectively. In cases where wage data were 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 the business located at the Kansas City Structural Steel site, the average weekly wage figure was multiplied by the number of weeks in a year (52) and by the number of jobs (employees) at the business.

Table 1. Kansas City Structural Steel Site Business Information

On-site Business	NAICS Code ^a	NAICS Title	Number of Employees	Average Weekly Wage (2014) ^b	Annual Wage (Mean Annual) per Employee	Total Annual Wages ^c	2014 Annual Sales
Wal-Mart Neighborhood Market	452112	Discount Department Stores	95 ^d	\$330	\$17,160	\$1,630,200	Not listed
Total			95			\$1,630,200	-

^a NAICS code assumed.

^b Average weekly wage per employee is based upon BLS 2014 Average Weekly Wage data.

^c Total annual wage figures were derived by multiplying “Number of Employees” by “Annual Wage (Mean Annual) per Employee.”

^d Estimate obtained from Wal-Mart (<http://news.walmart.com/news-archive/2014/09/03/walmart-brings-jobs-and-grocery-options-to-kansas-city>).

Property Values and Local Tax Revenue Generated from Property Taxes

EPA obtained data on the most recently assessed values for property parcels at the Kansas City Structural Steel site in March 2015 through property records accessible through Wyandotte County’s online property appraisal database

(<http://appr.wyocok.org/appraisal/publicaccess/default.aspx?PropertyID=&PropertyOwnerID=&NodeID=11>). EPA also obtained 2014 property tax information for the site parcels where available.

Table 2. Property Value (2015) and Tax Summary for Taxes Payable in 2014

Parcel ID Number ^a	Parcel Address	Total Appraised Market Value of Land and Improvements (2015)	Total Property Tax (2014)
105-064-20-0-40-05-001.00-0	2100 Metropolitan Ave.	\$10,090	\$2,408.62
105-064-20-0-40-05-001.01-0	2320 Metropolitan Ave.	\$150,460	N/A*
105-064-20-0-40-05-001.02-0	2310 Metropolitan Ave.	\$130,350	N/A*
105-064-20-0-40-05-001.03-0	2220 Metropolitan Ave.	\$127,860	N/A*
105-064-20-0-40-05-001.04-0	2230 Metropolitan Ave.	\$128,730	N/A*
105-064-20-0-40-05-001.05-0	2300 Metropolitan Ave.	\$4,621,080	N/A*
105-064-20-0-40-05-001.06-0	1453 S. 24 th St.	\$82,730	N/A*

Parcel ID Number ^a	Parcel Address	Total Appraised Market Value of Land and Improvements (2015)	Total Property Tax (2014)
105-064-20-0-40-05-001.07-0	2400 Metropolitan Ave.	\$12,750	N/A*
105-064-20-0-40-05-001.08-0	2240 Metropolitan Ave.	\$13,390	N/A*
064200400500109001 ^b	Municipal Right of Way and Lift Station	-	-
		\$5,277,440	\$2,408.62

* County could not confirm previous property records. Parcel will first be considered for taxes in fall 2015.

^a Parcel ID Number obtained from WYCAMA2 Property Record Cards on Wyandotte County appraiser's website accessed in March 2015 (<http://appr.wycokck.org/appraisal/publicaccess/default.aspx?PropertyID=&PropertyOwnerID=&NodeID=11>).

^b Parcel ID Number obtained from <http://landswb.wycokck.org/LandsWeb/Search/Default.aspx> and referenced as KUPN in June 2015.