

REUSE ASSESSMENT

St. Louis River/Interlake/Duluth Tar Site

Duluth, Minnesota

FINAL
OCTOBER 2017



Introduction

The St. Louis River in Duluth, Minnesota is an ecologically significant estuary and the backbone of Duluth's industrial and transportation economies. Due to a legacy of industrial activity and historical contamination impacts, EPA and Minnesota Pollution Control Agency (MPCA) are overseeing cleanup efforts for parts of the St. Louis River and certain industrial areas known as the St. Louis River Superfund site.

With the area recognized as one of EPA's "Making a Visible Difference" communities, EPA is working with the City of Duluth and community partners to align a range of program investments across West Duluth's riverfront and adjacent neighborhoods of Fairmount and Irving.

EPA Superfund Redevelopment Initiative (SRI) and EPA Region 5 sponsored a reuse assessment in 2016 for the St. Louis River/Interlake/Duluth Tar site (SLRIDT site), a sub-area of the St. Louis River Superfund site.

The SLRIDT site offers strategic opportunities to connect nearby neighborhoods to the river, leveraging reuse and redevelopment opportunities across Duluth's 54th and 59th Avenue Peninsulas and Waseca Business Park.

Building on recommendations from the September 2016 reuse assessment working session hosted by EPA and the City of Duluth, this document summarizes the SLRIDT site's status, reuse opportunities, and development process considerations.

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Figure 1. SLRIDT Study Area Context

West Duluth Revitalization Initiatives

Through EPA's Making a Visible Difference initiative City of Duluth, community partners and EPA are coordinating multiple planning efforts and agency investments including:

- St. Louis River/Interlake/Duluth Tar site Reuse Assessment
- Irving & Fairmount Brownfield Revitalization Plan
- Smart Growth Implementation Assistance
- Kingsbury Bay Health Impact Assessment

Site History

Beginning in the late 1800s, industrial and port operations along the St. Louis River were established on Duluth's 54th and 59th Avenue areas that became peninsulas from industrial filling. Former industrial activities in this area included coke production, coal tar refining and by-product recovery, coal gas production, and iron and steel processing.

Soil, bulk materials and various waste products deposited in the river and in certain upland areas resulted in coal tar and Polynuclear Aromatic Hydrocarbons (PAHs) contamination of upland soil areas. These same materials also contaminated underwater sediments in the dock slips, in the Stryker Bay, and in parts of the St. Louis River channel.

Cleanup Status + Timeline

- In 1983, EPA placed the SLRIDT site on the National Priorities List (NPL) as part of the larger St. Louis River Superfund site.
- 1990-1994: Tar Seeps Operable Unit Record of Decision signed and Remedial Actions completed.
- 1995-2001: Soil Operable Unit Record of Decision signed and Remedial Actions completed.
- 2004-2011: Sediment Operable Unit Record of Decision and Cleanup completed.
- The MPCA/State Superfund program is overseeing the SLRIDT site's cleanup.
- Today, MPCA and responsible parties are working to address a few remaining cleanup actions in the near-term.

Site Remedy

Soil and sediment cleanup status, remedy components and land use restrictions or institutional controls (ICs) are outlined below along with maps on figures 2 and 3.

Soil Cleanup (Soil OU and Tar Seeps OU)

Soil contamination has been addressed throughout upland parts of the site, including Areas of Concern A-F in Figure 2.

- Soil cleanup levels have been established assuming continued industrial use and industrial redevelopment.
- Site areas C, D, F and Maurice's Parking Lot have residual subsurface soil contamination above the industrial use cleanup level at depths of 3-12 feet.
- Soil cleanup also includes Institutional Controls (ICs) that require site properties to have environmental restrictive covenants that limit allow only industrial use and soil disturbance without prior approval from MPCA.
- MPCA is working with potentially responsible parties to cleanup up limited remaining coal tar contamination hotspots and related materials in Area E, Area B and the Radio Tower peninsula (western shore of Stryker Bay).

Sediment Containment and Shoreline Restoration (Sediment OU)

Contaminated sediments in the slips, shoreline areas, Stryker Bay and St. Louis River have been dredged, excavated and consolidated in underwater capped areas and containment cells.

- The underwater sediment containment cell, located in Slip 6, and the contamination beneath remedial caps are shown in green hatching.
- Along Stryker Bay and 54th Avenue peninsula shoreline areas, restored and newly planted habitat prevents erosion and disturbance of the sediment remedy.
- A conservation easement is planned for a 22-acre habitat restoration area on 54th Avenue peninsula; this area is currently owned by responsible party XIX.
- A buffer along the 59th Avenue peninsula's Stryker Bay shoreline allows for continued industrial use of adjacent upland areas but prevents disturbance of restored habitat and sediment caps.
- Use restrictions for sediment and shoreline areas prohibit disturbance of sediment caps, limit deep draft vessel use and anchoring in Slips 6 and 7, and require management plans for riparian and conservation easement areas.

REMEDIAL CONSIDERATIONS

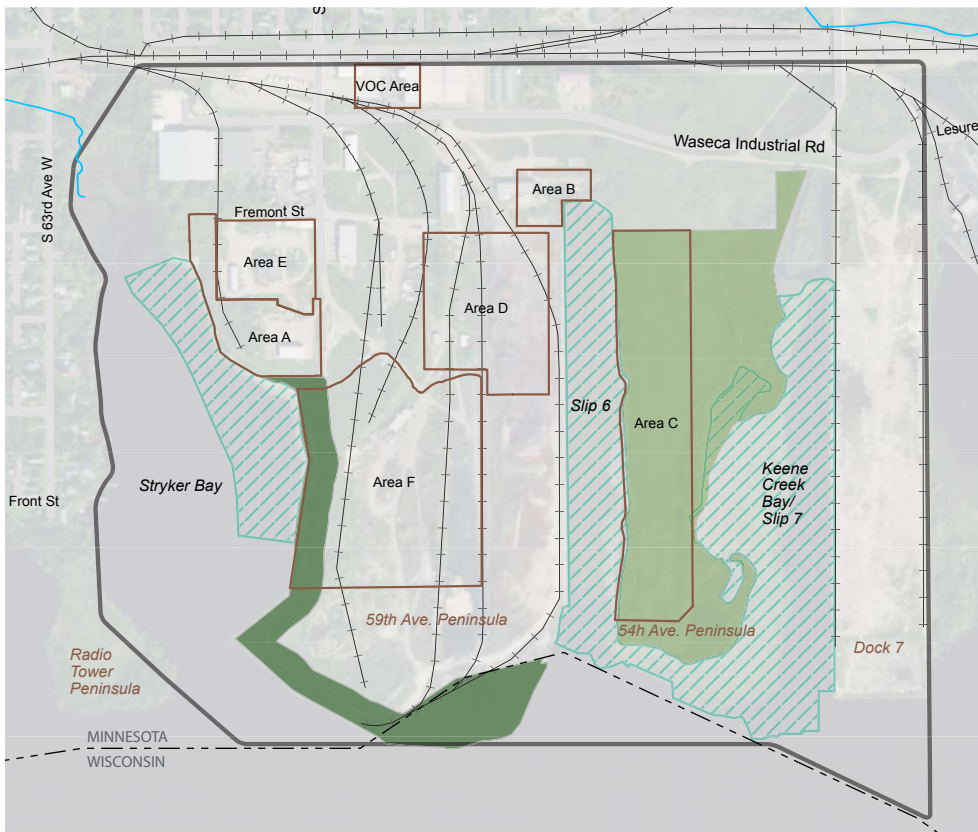


Former Tar Distillation Areas (Soil Areas of Concern A-E)
 Former Coke and Pig Iron Areas (Soil Areas of Concern A-E)
 Residual Subsurface Soils (Areas with soil limitations)

Figure 2. Soil OU Remedy Features and Considerations



Figure 2 Map Notes: Site areas A-F and residual subsurface soil locations are based on the Soil OU Remedial Action Completion Report and MPCA's 2013 Institutional Controls Study, Figures 2 and 3.



Sediment Containment
 Riparian Buffer
 Planned Conservation Easement

Figure 3. Sediment OU Remedy Features



Figure 3 Map Notes: Sediment OU remedial features and ICs based on MPCA's 2013 Institutional Controls Study.

LAND USE AND ZONING

Land Use

The study area current land use and zoning designations support industrial, water-front industrial and light industrial uses. Zoning is consistent with the goal of promoting the Waseca Industrial Park as a driver of economic development.

Current Uses

- Light Industrial
- Manufacturing
- Transportation and materials storage
- Open Space/ Undeveloped areas

Industrial Park

The northern portion of the Study Area includes approximately 60-acres within the Waseca Industrial Park.

- Active light industrial uses on the west side
- Vacant lots platted for redevelopment are located to the east.

Transportation, Material Storage and Open Space

Southern parts of the Study Area include approximately 175 acres of land encompassing the 59th and 54th Avenue peninsulas and Dock 7.

- The 59th Avenue peninsula includes active transportation, materials storage uses and vacant land.
- The 54th Avenue peninsula is open space and undeveloped land, including a restored wetland and conservation area.
- Dock 7 is a vacant former bulk materials and marine transportation terminal.

Zoning

The majority of the Study Area is zoned for industrial use. Areas are designated as follows:

- General Industrial - Waseca Industrial Park, 59th and 54th Avenue peninsulas.
- Industrial-Waterfront - Dock 7 and areas to the east.
- Residential and neighborhood commercial - areas west and north.

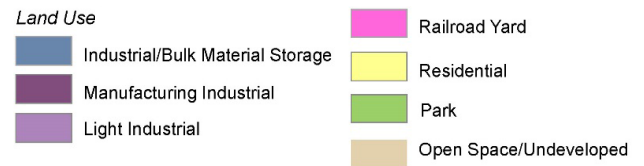
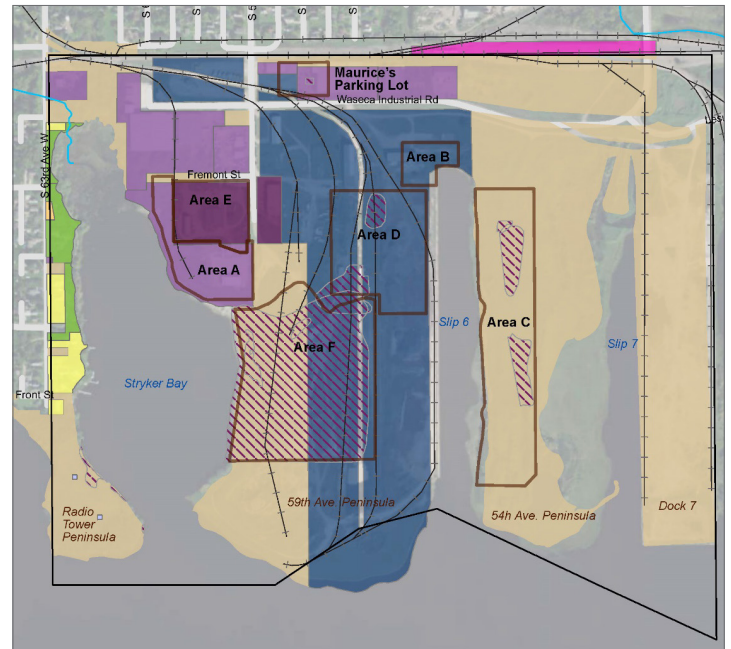


Figure 4. Current Land Use

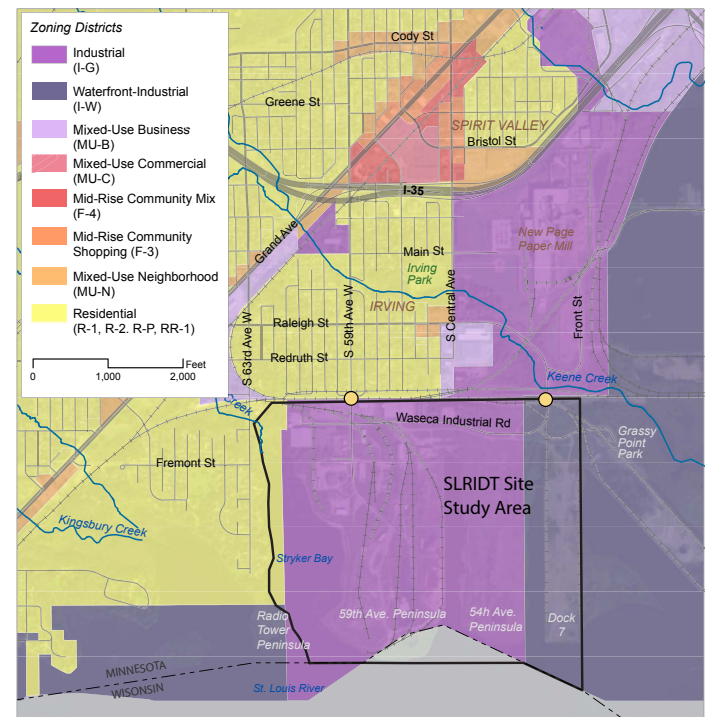


Figure 5. Zoning

Property Ownership

The study area parcels include primarily privately owned land, several city- and state-owned parcels and railroad properties. Figure 6 shows property ownership by type; Table 1 shows ownership by land area. Ownership status are based on St. Louis County 2016 real property data.

Private Ownership

Privately owned properties account for 292 acres across the 59th and 54th Avenue peninsulas and Dock 7. The majority of these properties are owned by Hallett Dock Co. and the site's potentially responsible party, XIK Corp.

- XIK Corp. owns several parcels that encompass Slip 6, the 54th Avenue peninsula, Slip 7 and Pier 7, as well as underwater portions of Stryker Bay.
- Hallett Dock Company owns most of the property on the 59th Avenue peninsula including vacant land, bulk materials storage areas and rail spurs. Hallett also owns vacant parcels platted for industrial park use to the north. Hallett owns the majority of the upland areas within the SLRIDT site, including areas with residual soil contamination.
- Properties in active use within the industrial park are privately-owned or leased.
- Railroad properties form the northern boundary of the study area, separating the industrial park from the residential neighborhoods of Irving and Fairmount.

Public Ownership

Public land within the study area includes City of Duluth and State of Minnesota property generally dedicated for drainage easements and erosion control along Stryker Bay.

Ownership	Acres
XIK Corp.	145
Hallett Dock Co.	108
Railroad Utility Owned	47
Other private owners	39
City of Duluth	4
State of Minnesota	3

Table 1. Ownership Type and Acreage

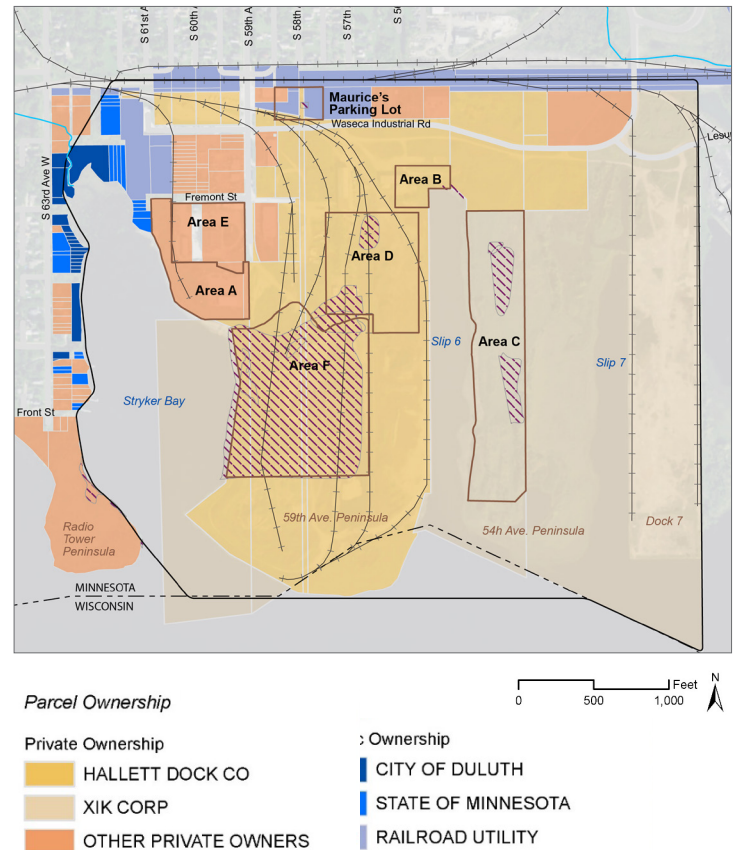


Figure 6. Property Ownership

Access

The site is accessible by vehicle, rail and potentially shallow vessel or barge.

- Vehicle/Truck Access: Waseca Industrial Road provides a designated truck route to the area with convenient access to I-35; 59th Avenue provides vehicular access to the area but traverses residential collector streets and an at-grade rail crossing.
- Rail: Freight rail lines separate the industrial park from the Irving neighborhood and are accessible via existing rail spurs into the industrial park and Hallett Dock Co. property on the 59th Avenue peninsula.
- Trails: Existing recreation trails are located east and west of the site; trail plans identify an opportunity to extend Western Waterfront trail near the industrial park and 54th Avenue peninsula.
- Boat/Barge: Dock 7 and Slip 7 provide shallow barge and small vessel access.

Key Reuse Considerations

Boundary Clarification

In 2017, MPCA and EPA provided a site boundary clarification for the SLRIDT site to include the areas as shown in Figure 7, and generally, to include the areas described below:

- Site areas A-F, Maurice's Parking Lot and surrounding areas east of 59th Avenue and south of Waseca Industrial Road.
- Underwater sediments in portions of the St. Louis River, Stryker Bay, and Slips 6 and 7.
- Targeted shoreline soils and sediments located on the radio tower peninsula west of Stryker Bay.

Business Investments

Business roundtable discussions held in September 2016 highlighted recent investments and trends for the Waseca Industrial Park.

- In the past five years, two new light manufacturing businesses have located within the Waseca Industrial Park and SLRIDT site.
- Existing businesses are expanding and making site improvements (facility foot print expansion and new rail spurs for loading and storage).

Reuse Opportunities

- New Development - 56 acres zoned for industrial and waterfront industrial with few limitations are available for new development.
- Open Space and Conservation - An area of restored habitat on the 54th Avenue peninsula will remain a long-term conservation area. In the near-term the City of Duluth, EPA, MPCA and property owners are working to evaluate conservation easement management considerations and public access options for the property.
- Development process - The combined resources available through the City, EPA and MPCA establish a clear process for redevelopment in the area (see Development Process, page 8).

Site Reuse Suitability

Based on existing land use, zoning, site cleanup and remedial considerations, Figure 7 shows four reuse zones encompassing the Waseca Industrial Park and SLRIDT site. The purple dashed line indicates the boundary of the SLRIDT Superfund Site. The site suitability considerations below identify opportunities and limitations to help identify and prioritize potential redevelopment opportunities. MPCA can provide additional information and specific restrictions for area parcels. See development process on page 8 for details.

Undeveloped Areas (56 acres)

- Suitable for industrial and light industrial use with few limitations.
- Includes Dock 7 and Waseca Industrial Road properties.

Current Industrial (80 acres)

- Suitable for continued industrial/light industrial use, and reuse with few limitations.
- Active businesses; current uses include manufacturing, light industrial, transportation and bulk materials storage.

Industrial with Limitations (35 acres)

- Soil management limitations due to residual subsurface soils.
- Includes Site Areas A, B, D, E, F and Maurice's Parking Lot (VOC area).

Habitat Restoration Areas with Planned Conservation Easement (22 acres)

- Open space with future use restrictions to prevent disturbance of soils and habitat restoration area; development and use limitations to be determined in future management plans.
- Conservation easement planned for 54th Avenue peninsula open space areas with restored habitat (potential for public access).

Riparian Buffer

- Soil management restrictions to prevent disturbance of shoreline habitat restoration area.



Reuse Zones

- | | |
|--|---|
| <p>1 Undeveloped Areas
Few Limitations</p> <p>2 Current Industrial
Few Limitations</p> <p>3 Industrial with Limitations
Residual Soil Limitations</p> | <p>4 Riparian Buffer
Remedial Limitations</p> <p>5 Conservation Easement Area
Remedial Limitations</p> <p>SLRIDT Site
2017 Boundary Clarification</p> |
|--|---|

Other Features

- | | |
|-------------------|------------|
| SLRIDT Site Areas | Roads |
| State Border | Rail Lines |
| | Streams |

Figure 7. Reuse Zones

Redevelopment Resources

The resources below can provide tools and support to bring greater certainty to development and investment decisions at the Waseca Road Industrial Park and SLRIDT site.

Agency Coordination – Coordination with state and federal agencies is needed at the outset of any project or property acquisition. MPCA is the lead agency and works with EPA to oversee the cleanup at the SLRIDT site, as well as brownfield cleanup and revitalization efforts in areas around the site.

Liability Protections – When acquiring property, making site improvements or expanding facilities at the SLRIDT site and Waseca Industrial Park, property owners and potential buyers need to demonstrate knowledge of existing or potential contamination, development limitations and potential liability risks.

- The 2002 Brownfield Amendments to the Comprehensive Environmental Response and Liability Act (CERCLA or Superfund) provided protections to bona fide prospective purchasers (BFPPs) or landowners who meet certain statutory criteria and comply with ongoing obligations at a site.
- In order to gain federal liability protections, a BFPP must meet the statute’s requirements and satisfy several criteria: 1) perform “all appropriate inquiries” prior to acquiring a property, 2) demonstrate no affiliation with a liable party, and 3) satisfy ongoing long-term stewardship obligations. For additional information on BFPP liability protections, see: www.epa.gov/enforcement/bona-fide-prospective-purchasers
- MPCA’s Voluntary Investigation and Cleanup Program (VIC) enables qualified parties to gain State of Minnesota liability protections. MPCA’s State Superfund and VIC programs work together to ensure that reuse and redevelopment plans are compatible with site remedy and development limitations. The VIC program can also help to make projects eligible for cleanup and assessment grants, if applicable. For more information on the VIC program: <https://www.pca.state.mn.us/sites/default/files/c-brwnfld4-01.pdf>

Reuse Assistance – MPCA’s VIC and EPA Region 5’s Superfund Redevelopment Initiative (SRI) program personnel can help interested parties:

- Enroll in MPCA’s VIC program.
- Navigate EPA’s process of becoming a BFPP.
- Obtain a “Site Status Letter”, “No Further Action Letter” or “No Association Letter” identifying any ongoing stewardship obligations for a particular property.

ACKNOWLEDGEMENTS

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- City of Duluth Business and Economic Development Office
- City of Duluth Planning and Community Development Office
- Minnesota Pollution Control Agency - Superfund Program and Voluntary Investigation and Cleanup programs
- EPA Region 5
- Minnesota Department of Natural Resources
- Hallett Dock Co.
- Moline Machine Works

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For more information on EPA Superfund Redevelopment Initiative:

www.epa.gov/superfund-redevelopment-initiative