

## Introduction

In 2010, the City of New Brighton, Minnesota is a community that both celebrates its history and looks to new opportunities for the future. Established in 1887 and incorporated in 1891 following the growth of the Minneapolis Stockyards and Packing Company, the city has a rich agricultural and industrial heritage.

Since the mid-1980s, the city has also worked hard to diversify its economy and housing, seeking ways to revitalize vacant properties and the community's downtown district. South of downtown, adjacent to the Old Highway 8 Corridor, acreage at the MacGillis & Gibbs / Bell Lumber & Pole Company Superfund site presented a significant opportunity to expand the city's limited commercial office and retail areas, as well as providing acreage for larger manufacturing and distribution businesses.

In 1986, the city developed a plan to revitalize the Old Highway 8 Corridor, a historic road that was once a main route through the Twin Cities. Redevelopment of the 25-acre MacGillis & Gibbs portion of the Superfund site was one of the plan's lynchpins, with an emphasis on mixed-use development that would provide a community amenity and address multiple community priorities.

However, the city faced significant challenges: the property was part of a severely polluted site with liability issues and a financially troubled property owner. Over the next thirteen years, the City of New Brighton collaborated with diverse partners to build their redevelopment expertise and worked closely with the U.S. Environmental Protection Agency (EPA) and the Minnesota Pollution Control Agency (MPCA) to ensure the site's cleanup.

Today, New Brighton Corporate Park III encompasses more than 32 acres, extending south along Fifth Avenue NW, near the Old Highway 8 Corridor and adjacent to downtown New Brighton. Manufacturing and distribution businesses are located adjacent to Main Street Village, a mixed-use development that includes 70,000+ square feet of commercial office space, retail shops and restaurants, legal and medical services, a post office, and a 120-unit condominium building. New Brighton Corporate Park III is one of the leading examples of mixed-use Superfund redevelopment in the nation, employing 550 people and generating \$1.2 million annually in property taxes.



*The City of New Brighton is located in east-central Minnesota, one of 182 cities and townships in the Minneapolis-St. Paul Metropolitan Area.*

This case study explores the key partnerships and effective tools that have led to the successful cleanup and reuse of the MacGillis & Gibbs property at this Superfund site. In particular, the case study examines the groundbreaking Prospective Purchaser Agreement (PPA) that addressed the city's liability concerns and the City of New Brighton's innovative approach to redevelopment that enabled the site's cleanup to move forward.

In the following pages, the case study discusses the evolution of remediation and redevelopment efforts at the site between the city's planning efforts and acquisition of the site property in the 1990s and ongoing reuse activities in 2010. This case study is intended to provide relevant information and lessons learned from the MacGillis & Gibbs property to parties with a general interest in Superfund site reuse and mixed-use land revitalization, as well as Midwest communities with a particular interest in mixed-use reuse opportunities for local environmentally impaired properties.



*Manufacturing, commercial office, commercial retail and residential land uses at New Brighton Corporate Park III, 2010.*

## SITE HISTORY, CONTAMINATION AND REMEDIATION

The site is located near the Old Highway 8 Corridor along Fifth Avenue NW in New Brighton. From 1919 until 1997, the MacGillis & Gibbs Company operated wood preserving and storage facilities at the site. Wood preserving facilities were also located at the adjacent Bell Lumber and Pole Company property.

In the 1920s, the site's wood preserving and storage facilities were located on the outskirts of the city. In the decades to come, as New Brighton's neighborhoods expanded around the facilities, Old Highway 8 served as one of the community's major transportation routes and industrial corridors. This aerial photograph from 1927 illustrates the size of the facility and its proximity to New Brighton's downtown.

Site operations resulted in the contamination of soil, ground water and a disposal area with pentachlorophenol (PCP), creosote and chromated copper arsenate (CCA). After initial investigations in 1979, EPA listed the site on the National Priorities List, the Agency's list of top-priority Superfund sites, in September 1984. The site included both companies' wood preserving facilities, due to their similar operations and contamination and adjacent locations. This case study focuses on the 25-acre, MacGillis & Gibbs portion of the larger 68-acre site; it is this portion of the site that was cleaned up under Superfund and redeveloped. The Bell Lumber and Pole Company portion of the site is being cleaned up by the property owner under an agreement with MPCA and remains in active use as a wood treating facility.



The MacGillis & Gibbs site property includes three operable units (OUs): soils and debris in a former disposal area on the property's western edge (OU1); ground water contaminated with light non-aqueous phase liquid (LNAPL) and storage and processing tanks in the property's former PCP process area (OU2); and other areas of contaminated soils, surface water and ground water (OU3).

Components of the site's remedy include:

- Excavation, treatment and on-site capping of contaminated soils.
- Excavation, treatment and off-site disposal of a portion of contaminated soils.
- Removal and off-site disposal and/or recycling of underground tanks and vaults.
- Extraction, treatment and discharge of contaminated ground water.
- Institutional controls that restrict the use of site ground water.
- Long-term monitoring of ground water and ecosystems adjacent to the site.

Throughout all site activities, EPA staff members met regularly with community stakeholders to share site information and updates and to incorporate community feedback into the Superfund process. The selected remedy enabled the site property to be reused for commercial and industrial land uses, which EPA had determined to be the site's reasonably anticipated future land uses. Cleanup activities at the site property began in June 1996 and the construction of the remedy was completed in October 2002.

In September 2006, MPCA and EPA completed the second Five-Year Review (FYR) for the site property. The FYR concluded that the site remedy continues to be protective of human health and the environment.

# Project History

**1995 – 1998**

## ***Leading the Way, Making Change Happen***

In the mid-1990s, the City of New Brighton made a bold decision. The city had developed preliminary plans for the revitalization of the MacGillis & Gibbs property and the Old Highway 8 Corridor. EPA and MPCA had completed their assessment of the site's contamination. And yet, with a recalcitrant property owner with repeated bankruptcy filings, it was unclear how the site's cleanup and redevelopment might move forward.

"No one was going to come forward to reuse this site, and the property owner was reluctant to grant EPA and MPCA access to the property," recalled Kevin Locke, the city's Community Development Director at the time. "The city realized that if it didn't take the lead, the future was uncertain. We decided that it was time for the city to step up and see what we could do to get things moving." The city began to explore the possibility of acquiring the MacGillis & Gibbs property.

The timing was fortuitous. By 1995, the city had built considerable expertise in community redevelopment and the cleanup of contaminated lands. The city had successfully leveraged state and federal resources, tax increment financing, and proceeds from several property sales to rebuild and enhance much of the community's downtown district. The city had also worked with other localities and state and federal agencies regarding the cleanup of ground water contamination from the Twin Cities Army Ammunition Plant (TCAAP), a nearby federal facility and Superfund site.

"Thanks to these experiences, redevelopment and dealing with contaminated lands had been demystified for us," recalled Kevin Locke. "We understood that these kinds of problems could be addressed, and we knew that using the right tools, and having the necessary legal and technical expertise, was essential." The city worked with legal and technical specialists to evaluate the property and develop a detailed, mixed-use redevelopment plan in 1995.

The city also worked closely with site staff from EPA and MPCA to understand the property's contamination and to communicate the community's strong redevelopment interest to the agencies. "We sought to make very clear that we saw a bright, and much improved, future for this property," said Kevin Locke. "That it was an important part of New Brighton's plans for ensuring our community's quality of life."

He also noted that, thanks to discussions with EPA and MPCA, the community's concerns regarding the property's Superfund status had been addressed. "We knew that parts of the property were seriously contaminated, and protecting public health

was our top priority. But we also knew that the contamination could be cleaned up in such a manner that public health would be protected and much-needed redevelopment would also be possible." The community's interests were reflected in EPA's decision documents for the site; EPA's 1999 Amendment to the site's Record of Decision, for example, concluded that "land use ... at this site will be commercial and industrial."

The city's research also identified one issue – Superfund site liability – that would need to be addressed before the city could acquire the site property. City officials reached out to EPA, sharing their redevelopment plan with Region 5 site staff and senior management at a meeting in Chicago in May 1996. At the meeting, EPA project manager Darryl Owens was struck by the city's vision and attention to detail. "It was clear that the city had put a lot of thought into their plans, and had looked not only at redevelopment, but at how cleanup and redevelopment could work together at the property," he said. "We [EPA] see it as part of our mission to enable communities like New Brighton to be able to safely return contaminated properties to beneficial use."

EPA and MPCA also agreed with the city that addressing liability concerns was a top priority. "At the time, Prospective Purchaser Agreements with a Covenant Not to Sue were the

### **Key Features of the MacGillis & Gibbs PPA**

- *Covenant Not to Sue*: the City of New Brighton would not be liable under Superfund for the property's contamination or cleanup costs, assuming that the locality exercised due care at the property in the future.
- *Institutional Controls*: The city agreed to record a conservation easement for the property that restricted land uses where contaminants were capped in place.
- *Access*: The city provided EPA and MPCA with access to the property for cleanup and monitoring, including construction of an on-site ground water treatment facility and a small, raised landfill area for contaminated soils.
- *Net Resale Gains*: The city agreed to distribute a percentage of future property sale revenues to the State of Minnesota and the federal government, less property acquisition and sale costs, to contribute to the property's cleanup.
- *Environmental Liens*: EPA and MPCA released their liens recorded on the property.

gold standard for reuse,” said MPCA project manager Nile Fellows. “The PPA negotiations for the MacGillis & Gibbs property were a key part of the process. Redevelopment would likely not have been possible without the PPA.”

Over eighteen months, the three parties – the federal government (EPA and the Department of the Interior), MPCA and the City of New Brighton – negotiated the PPA, which was finalized in August 1997. “All parties needed the PPA in place in order to get everything moving, to allow the city to proceed and acquire the property, so there was a lot of interest and focus on getting the agreement in place,” recalled Susan Steinwall, the city’s retained legal counsel for the negotiation. “The process was complex, but in the end I think everyone accomplished something that they were proud of.”

The PPA may have taken longer than anticipated, but no one could argue with the results. In August 1997, with the PPA in place, the City of New Brighton used eminent domain to acquire the MacGillis & Gibbs property. The site’s cleanup and redevelopment could move forward.

### Liability and Superfund Site Reuse

In the 1990s, PPAs were regularly used by the federal government at Superfund sites to address the liability concerns of parties interested in reuse. In 2001, Congress passed the Brownfields Revitalization Act, which was designed to make the acquisition and redevelopment of contaminated properties like Superfund sites easier for prospective purchasers. Under the Act, a prospective purchaser need no longer negotiate a PPA with EPA and the federal government. In lieu of a signed agreement, the purchaser could meet requirements to become a bona fide prospective purchaser (BFPP).

Based on several steps, including documenting previous site owners, property uses, and existing environmental conditions, the Brownfields Revitalization Act provides designated BFPPs with limited liability protections. The Act also exempts contiguous property owners from Superfund liability and clarifies appropriate inquiry for innocent landowners. Today, the City of New Brighton would pursue BFPP status rather than a PPA in order to address its liability concerns for the MacGillis & Gibbs property.

### Timeline of Events

- 1920s – 1997: MacGillis & Gibbs Company operates wood preserving facility at the site
- 1979: Chromated copper arsenate spill at facility leads to initial site investigations
- 1981 – 1994: Site studies conducted by MacGillis & Gibbs, MPCA and EPA
- Sept. 1984: EPA lists the site on the NPL
- 1991 – 1994: EPA issues Records of Decision for the site’s three operable units
- Summer 1996: Ground water cleanup begins
- Jun. 1997: Prospective Purchaser Agreement signed by City of New Brighton, EPA and MPCA
- Aug. 1997: MacGillis & Gibbs facility ceases operations; city acquires property
- Winter 1997: Soil cleanup begins
- Spring 1998: First business (Donatelle) locates at the former MacGillis & Gibbs property
- Sept. 1999: EPA issues a ROD Amendment for the site’s soil cleanup
- 1999 – 2000: City of New Brighton acquires additional properties for 32.5-acre Redevelopment Project Area
- Spring 2000: Construction of Main Street Village begins
- 2000 – 2002: Additional businesses (Dalco Enterprises, CU Companies, Risdall Marketing Group, Donatelle expansion) locate at the property. Construction of Main Street Village Apartments begins
- Oct. 2002: Construction of site property’s remedy completed
- 2004 – 2009: Construction of additional office building, two new retail buildings in Main Street Village, expansion facility for Dalco Enterprises
- 2010+: New Brighton Corporate Park III employs 550 people and generates \$1.2 million annually in property taxes

## 1995 – 1998, Part II

### Working in Parallel, Putting the Plan into Action

Throughout the PPA negotiations, the city maintained a parallel focus on the other priorities that needed to be addressed in order to make the site property's redevelopment a reality. Defining the scope of the redevelopment effort was one major focus area. Given that the MacGillis & Gibbs property had limited street frontage along the portion of Fifth Avenue closest to downtown New Brighton, the city decided to pursue the 25-acre property's redevelopment as part of a larger, 32.5-acre Redevelopment Project Area (see map on page 8). As the PPA approached finalization, the city laid the ground work for acquiring the additional properties needed to create a redevelopment project that linked well with the surrounding community.

Other major priorities for the city included:

*Identifying resources and building political support.* The city relied on revenues generated from prior redevelopment activities in New Brighton to fund initial technical, engineering and legal assessments for the property. The city worked locally to build community support, presented repeatedly at the state legislature to raise the project's profile and coordinated with state agencies like the Minnesota Department of Employment and Economic Development to identify grant and loan opportunities. Resulting funding from the city and state included \$3.5 million in redevelopment bonds and a \$433,000 grant for property acquisitions.

*Laying the groundwork for acquisition.* By the mid-1990s, MacGillis & Gibbs owed Ramsey County \$600,000 in delinquent real estate taxes, penalties and interest; the company had not paid property taxes since 1982. The city worked with Ramsey County to release its lien on the property prior to acquisition; MacGillis & Gibbs was responsible for the proper closure of its facilities.

*Pursuing businesses.* The city networked to identify businesses interested in locating at the property following cleanup. Several local businesses were looking to expand into larger facilities. One company in particular, Donatelle, expressed strong interest in the property. A manufacturer of molded and assembled products, Donatelle was located adjacent to the property and had been unable to find a nearby site for expansion. In 1998, Donatelle would become the first company to locate at New Brighton Corporate Park III. According to former Community Development Director Kevin Locke, the company's commitment helped make the site's cleanup and redevelopment possible. "It made it possible to design the remediation, grading, parceling, and infrastructure with a specific use in mind," he said. "Their commitment also meant that we could count on a source of funds to help pay for redevelopment and infrastructure costs. The company proved that building and operating on the site could be done."

*Site planning.* While physical improvements would not take place until after the city acquired the property, the city developed an overarching game plan to phase and manage these improvements. Planning tools identified for the early stages of the property's redevelopment by the city included title research, further engineering and transportation studies, land assembly and rezoning, building demolition, and the creation of a tax-increment financing (TIF) district to help fund the property's physical improvements. Anticipated physical improvements at the property included the extension and expansion of utilities (water, sewer and electric), roads and other infrastructure, the installation of storm water management facilities, and the relocation and burial of power lines along Fifth Avenue. Total infrastructure improvement and installation costs were estimated at \$1.7 million.



Ground water treatment facilities on the site property.

*Addressing other complexities.* An aging petroleum pipeline extending across the western edge of the property needed to be upgraded. The city coordinated with the Williams Pipeline Line Company to enable the pipeline upgrades as part of the property's cleanup and redevelopment.

Following the city's signing of the PPA and acquisition of the property in August 1997, these efforts moved from the planning stages into implementation. Less than a year later, the efforts culminated with a ground breaking ceremony for the Donatelle Corporation's 77,000-square-foot corporate headquarters as part of an Earth Day celebration at the property on April 22, 1998.

"We're ready to party and celebrate!" said New Brighton's then-Mayor Bob Benke to open the festivities. "This [site redevelopment] is a beginning and key step in starting the development in the area." Minnesota Attorney General Hubert "Skip" Humphrey concurred. "It [the cleanup and redevelopment process] has taken patience and persistence and vision," he said. "This is something that Minnesota should be proud of."

## 1998 – 2001

### ***Linking Cleanup and Redevelopment***

From the moment the city acquired the MacGillis & Gibbs property, it coordinated closely with EPA and MPCA to integrate its redevelopment plans with the agencies' cleanup activities. "We all knew how important coordination would be once the city acquired the site property," recalled EPA project manager Darryl Owens. "For example, the city requested the prioritization of the cleanup of OU3 [the central portion of the property] right after acquisition, in order to meet its redevelopment goals. Cleanup of those contaminated soils had not started at that point, but we [EPA] were able to adjust our approach and the soils were cleaned up by the following spring." As a result of their coordination, Donatelle was able to break ground for its new facility on schedule in April 1998.

Reviewing redevelopment and cleanup plans for the property, the City of New Brighton, EPA and MPCA identified several other coordination opportunities.

*Ensuring long-term cleanup.* EPA was able to locate ground water treatment facilities on a small, contiguous part of the property that did not restrict the city's redevelopment plans.

*Maximizing redevelopable land areas.* EPA consolidated and capped contaminated soils on-site on another small, contiguous part of the property that did not restrict the city's redevelopment plans. EPA also graded excavated areas in coordination with the city's plans.



*Capped and vegetated soil containment area on the site.*

*Enabling a remedy to support reuse.* Some of the site's contaminated soils were located adjacent to an area valued for its redevelopment potential. MPCA capped the contaminants in place, enabling the area to be used as a parking lot for adjacent land uses.

*Phasing redevelopment.* The city recognized that the property's cleanup would take time. Similarly, attracting new businesses to

the property would take time. The city phased its redevelopment plans to coincide with completion timeframes for the property's cleanup. Aside from ongoing ground water treatment at the property, the property's cleanup was completed in fall 2001.

Coordination between the city, EPA and MPCA continues to this day. "The agencies have a strong working relationship with the City of New Brighton," said MPCA project manager Nile Fellows. "The city has been in contact to share their plans and check with us during each phase of the redevelopment process."

This coordination has meant that the parties have been able to respond quickly and flexibly to new information. For example, in 2007, the city identified residual soil contamination during soil sampling for the planned location of the final retail building to be built at Main Street Village. The city worked with EPA and MPCA to clean up the soil, consolidating it under the building's foundation.



## 2000 – 2010\*

### Building to Success ...

By late 2000, New Brighton Corporate Park III had turned the corner. With the property's cleanup well underway and the first business (Donatelle) successfully operating at the property for more than a year, interested companies now sought out city staff regarding development opportunities.

According to Grant Fernelius, the city's current Community Development Director, "any stigma associated with the property's prior land uses, or its Superfund status, fell away over time. By 2000, people and companies alike could see this property for what is: a well-located piece of land with great infrastructure, in a welcoming community with a skilled workforce and significant demand for new retail services."

Combined with community demand for new services, New Brighton's location within the Minneapolis-St. Paul Metropolitan Area and the property's proximity to Interstates 694 and 35 meant that large manufacturing, storage and distribution companies were also interested in the property. Dalco Enterprises, a cleaning supplies and equipment distributor, was the second company to locate at New Brighton Corporate Park III.

"We had outgrown our building space and were looking for existing facilities or land we could build on in the Twin Cities area," said Dalco President Ted Stark. "We first looked at the MacGillis & Gibbs land in 1998, but the cleanup hadn't progressed far enough. By 2000, when we looked again, we felt comfortable talking with the city about entering into a redevelopment contract. The two main reasons we were interested were the property's location and that we found New Brighton officials to be very engaged and willing to work with us."

### Businesses Located at New Brighton Corporate Park III, 2010

- Donatelle – molded and assembled product manufacturer
- Dalco Enterprises – cleaning supplies and equipment distributor
- CU Companies – mortgage realty and title company
- Risdall Marketing Group
- U.S. Postal Service Post Office
- Everhart Law Offices
- Silver Lake Dental Offices
- Commercial retail businesses: Fifth Avenue Salon and Spa, Limu Coffee, Jimmy John's (restaurant), Our Bar and Grille, Good Time Liquor

For its part, the City of New Brighton was working to pair interested companies with experienced developers as part of divesting its ownership of land at the former MacGillis & Gibbs property. "The city was looking for developers with redevelopment experience at contaminated lands and who also had a successful track record regionally in the Twin Cities area," said Grant Fernelius. "We specifically sought to avoid master developers for the entire property. We were looking for a mix of different developers, each with their own specific expertise, so that we could benefit from a range of ideas and react flexibly to market interest in the property." With the city's assistance, Dalco Enterprises worked with Ryan Companies to develop their corporate headquarters and distribution facility at the property. Dalco Enterprises would later also work with Ryan Companies to expand their warehouse at the property in 2008.

For the Main Street Village development on the northern portion of the property, the city selected Pratt Ordway Properties, a local developer partnership that had previously redeveloped New Brighton's downtown in the 1990s. "The city was looking for a mixed-use development that would provide important services, connect with downtown New Brighton, and add energy and vitality to the community," developer John Ordway recalled. "We agreed to pay the city a regular market rate for the land because the cleanup was going to be finished. The market rate [around 2000] was about \$4 per square foot for ready-to-develop land. We acquired the parcels of land and then the city reimbursed us proportionally for the cost of roads and utilities as we began construction on each parcel."

The developer built two large commercial office buildings, occupied by a mortgage realty company and a marketing group, as the first components of Main Street Village in 2000, followed by a smaller professional services building. In 2002, the developer partnered with a residential specialist to build a 120-unit apartment building (later converted into a condominium building) on the property acquired adjacent to the northern end of the MacGillis & Gibbs property. The final two buildings, a commercial retail building currently occupied by a spa, restaurant, coffee shop and liquor store, and a post office, were built in 2004 and 2008, respectively.

Overall, according to Ordway, patience and flexibility have been keys to success for the project. "It took time and energy to build momentum for the project, and we adjusted our development plans based on market factors as needed," he said. "Addressing companies' contamination and liability concerns meant that it took a little longer than usual to negotiate leases and loans. As more businesses came on board, the pieces fell into place."

The developer also recognizes the lead role played by the city in making Main Street Village a reality. "The City of New Brighton was really great to work with. They did a great job of cleaning up the site, so we didn't run into any contamination issues. They did everything they said they would do," Ordway

said. “I don’t think this would have happened in a lot of other communities. Here, the redevelopment really required a joint effort between developers and the local government, no question. It’s a great story and we’re proud to be part of it.”

### ... Adapting to Challenges

The successful development of New Brighton Corporate Park III has not sidestepped challenges. For several years, the city sought to negotiate with Williams Pipe Line Company, the owner of the petroleum pipeline located along the western edge of the property, and the Minnesota Transfer Railroad to relocate

the pipeline to the other side of the rail line, which would have maximized the property’s developable acreage. The negotiations were ultimately unsuccessful, which meant that development plans for Main Street Village had to be adjusted to take into account a 75-foot setback line along the property’s western edge.

Energetic, sustained outreach. Phased redevelopment. Coordination with local, state and federal partners. Patience and flexibility. The end result: the successful development of New Brighton Corporate Park III at the MacGillis & Gibbs / Bell Lumber & Pole Company Superfund site.

## Site Location and Context Map





## The MacGillis & Gibbs Property: *Before & After*

### Before Cleanup and Redevelopment

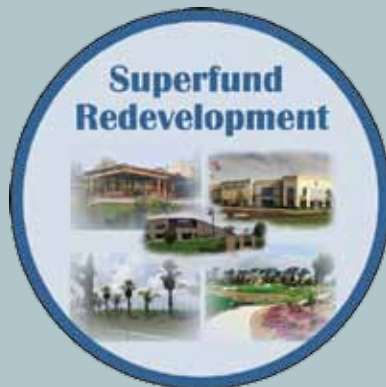


*In addition to soil and ground water contamination, the MacGillis & Gibbs property included dilapidated structures, equipment and materials prior to cleanup.*

### After Cleanup and Redevelopment



*Site reuses include manufacturing and distribution companies, commercial office and retail businesses, and a 120-unit residential development.*



*Superfund Redevelopment at EPA helps communities return some of the nation's most hazardous sites to safe and productive uses. In addition to cleaning up these Superfund sites and making them protective of human health and the environment, the Agency is working with communities and other partners in considering future use opportunities and integrating appropriate reuse options into the cleanup process. Nationwide, more than 500 cleaned-up Superfund sites have been returned to productive use, or have reuses planned for them. In communities across the country, these sites are seeing new life as places of recreation, commerce, alternative and renewable energy development, ecological habitat, housing and agriculture. Approximately 30,000 jobs at these sites have resulted in more than \$1.3 billion in annual income for employees.*

**The Site's Redevelopment: *By the Numbers* \***

Before Development	After Development
1) Estimated Property Valuation	
\$1,741,000	\$48,459,400
<b><i>Estimated Increase in Property Values: \$46,718,400</i></b>	
2) Estimated Property Taxes (annual)	
\$66,226	\$1,167,204
<b><i>Estimated Increase in Property Taxes: \$1,100,978</i></b>	
3) Estimated Jobs	
30	550
<b><i>Estimated Increase in Number of Jobs: 520</i></b>	

\* Data provided by the City of New Brighton (2009).



# Lessons Learned

Participants involved at the MacGillis & Gibbs property agree that a combination of significant factors have contributed to its cleanup and successful redevelopment.

- The property's size, contiguous acreage, and location in a major metropolitan area meant that New Brighton Corporate Park III was attractive both to large companies and small businesses serving the local community.
- The City of New Brighton energetically pursued the property's cleanup and redevelopment over the long-term to put in place the requisite resources, partnerships and expertise. The city's expanded redevelopment area also ensured that residential land uses were part of the mixed-use development.
- EPA and MPCA were engaged partners who understood the community's redevelopment priorities in the context of the property's cleanup, enabling the development of a PPA addressing the city's liability concerns.
- Coordination of the property's cleanup and redevelopment plans meant that the property's cleanup and redevelopment could both move forward as part of a linked, phased approach.
- All parties involved were patient and flexible, recognizing that cleanup and redevelopment were complex processes reliant on available resources, multiple parties, market conditions and other factors.
- EPA had selected a remedy that would be consistent with the property's reasonably anticipated future land uses.

## The Bigger Picture

While these conditions created an ideal climate for the successful reuse of the MacGillis & Gibbs property, there are also a range of broader lessons learned that can help guide similar projects at contaminated lands throughout the Midwest and across the country.

### Redevelop contaminated lands one step at a time.

Communities unfamiliar with contaminated lands are often unsure of how to approach redevelopment projects for these properties. In New Brighton, the local government built its expertise over time, working on successively larger projects prior to tackling the redevelopment of the MacGillis & Gibbs property. The city also reached out to regional organizations, state agencies and the state legislature, area businesses and consultants, and EPA and MPCA to identify resources, create a partnership network and build its capacities.

## EPA and Reuse: Lessons Learned

Since the inception of the Superfund program, EPA has been building on its expertise in conducting site characterization and remediation to ensure that contamination is not a barrier to the reuse of property. Today, consideration of future use is an integral part of EPA's cleanup programs from initial site investigations and remedy selection through to the design, implementation, and operation and maintenance of a site's remedy.

"At older sites, EPA did not focus on taking reuse considerations into account early in the cleanup process," reflected EPA Region 5's Matthew Mankowski, a former project manager at Superfund sites. "Today, that has changed. Superfund cleanups can be very creative and flexible in allowing for future site uses, but that information needs to be plugged in early to be as effective as possible."

At the MacGillis & Gibbs property, future land use considerations were able to inform EPA Region 5's selection of the site's remedy, which enabled the site's reuse for mixed-use purposes, and the phased cleanup and redevelopment of the property meant that the City of New Brighton, EPA and MPCA could coordinate plans and activities over time.

Thanks to lessons learned at Superfund sites like the MacGillis & Gibbs / Bell Lumber & Pole Company site across the country, EPA has developed additional tools to ensure an integrated approach to the cleanup and redevelopment of contaminated lands. For example, EPA has developed a partial deletions guidance. Partial deletions allow EPA to remove the cleaned and uncontaminated portions of a Superfund site from the NPL, expediting the reuse of those properties.

Second, EPA works with site stakeholders to consider how future land use considerations can inform the implementation and long-term stewardship of site remedies *as well as* cleanup planning. At some sites, for example, reuse considerations can inform the future location of ground water monitoring wells and other operation and maintenance equipment that might inadvertently hinder redevelopment efforts. At other sites, detailed site reuse plans have provided additional benefits that save time and reduce redevelopment costs. For example, future infrastructure corridors or building footers can be installed in coordination with site cleanup activities.

At the MacGillis and Gibbs property, EPA built a larger-than-planned discharge line from its on-site ground water treatment facility to accommodate the city's sewer capacity needs. In turn, the city provides pumping services for the outflows from the facility, reducing EPA's long-term operation and maintenance costs.

### **Recognize the leadership role of local governments.**

As the organizations responsible for their communities' general welfare, local governments are particularly well-positioned to host redevelopment projects, bring together diverse stakeholders to discuss site reuse opportunities, and use planning tools and incentives to foster positive site outcomes. In New Brighton, redevelopment challenges included a recalcitrant property owner and a lack of responsible parties to pay for the site's cleanup. The city acquired the property to help address these challenges and enable redevelopment to move forward.

### **Collaborate and build community relationships.**

Community-based reuse planning processes can be most effective when they engage diverse stakeholders, including site owners and prospective purchasers, are based on detailed site and community information, and lead to implementable strategies and next steps. The City of New Brighton led a community-based process to develop plans for the property's redevelopment, building community-wide support that has been sustained across time and several changes in the community's political leadership.

### **Engage diverse expertise and establish reasonable redevelopment expectations early in the process.**

New Brighton staff liken the city to the hub of a wheel, guiding and managing the redevelopment process by bringing



*The City of New Brighton's acquisition of the MacGillis & Gibbs property in 1997 enabled cleanup and redevelopment to move forward.*

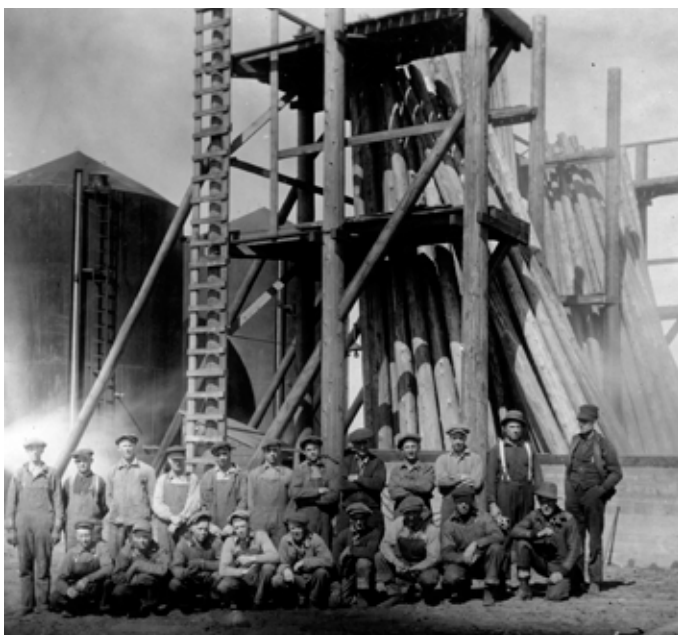
together all of the necessary parties and information. The city brought in legal, technical and engineering consultants early in the redevelopment process to help the community assess the property's redevelopment potential. The community's resulting redevelopment plans were grounded in cleanup and market considerations, reasonably anticipating the types of land uses that could be located at the property in the future.

### **Think long-term.**

It can take many years to remediate contamination that has accumulated over decades of site activities. However, this lengthy process also provides a time window for site stakeholders to build partnerships and identify resources, coordinate with EPA and state agencies, and develop a strategy for returning a site to use while protecting future users. The City of New Brighton worked for almost a decade to put in place the pieces needed to develop New Brighton Corporate Park III.

### **Look to the future, recognize the past.**

For almost a century, New Brighton was an agricultural and industrial community; the MacGillis & Gibbs property was a wood-preserving facility for almost 80 years. Approaching the redevelopment process, the community recognized that times had changed. New Brighton needed a mixture of businesses, office space, retail services and housing to sustain the local economy and enhance the community's quality of life. At the same time, the community continues to celebrate its rich agricultural and industrial heritage. In 2010, New Brighton hosts the 30th annual Stockyard Days, an eight-day celebration of the community's history.



*After 80 years of wood treating operations, the MacGillis & Gibbs property remained zoned for industrial land uses. The city rezoned the property as part of the redevelopment process.*

## Access site-related information and recognize opportunities provided by the Superfund program.

Superfund sites are among the most comprehensively documented and evaluated areas of land in the United States. At most sites, a completed remedial investigation/feasibility study, draft proposed plan, or Ready for Reuse Determination will provide prospective purchasers with extensive site information.

## Build on past experience.

Parties at the MacGillis & Gibbs property were charting new territory in addressing stigma and other site issues. Today, thanks to the bona fide prospective purchase (BFPP) provisions of the 2001 Brownfields Revitalization Act, environmental insurance, and EPA tools like RfR Determinations, established resources are available. Prospective purchasers can contact EPA site teams to learn more, or see the Sources and Resources section for additional information.



*Aerial views of Main Street Village and New Brighton Corporate Park III in fall 2008.*



# Conclusions

The redevelopment of the MacGillis & Gibbs property illustrates how community leadership, collaborative partnerships with EPA and MPCA, and detailed, flexible long-term planning can result in two successful outcomes: the protection of human health and the environment and community revitalization. Today, New Brighton Corporate Park III is fully built out, serving a variety of businesses and providing housing and a range of services for community residents. The outcomes are striking: 550 jobs, \$1.2 million in annual property tax revenues, and a \$46.7 million increase in the value of the property.

In New Brighton, Minnesota, the local government has led a complex redevelopment project that has brought the community together with diverse organizations and partners. In turn, the city's initiative has led to new economic opportunities and community-wide benefits, providing one of the leading examples of mixed-use Superfund redevelopment in the nation.

## Sources and Resources

### Sources

Images and maps for this case study were obtained from EPA Region 5, the City of New Brighton, the New Brighton Area Historical Society, the BKV Group and a November 2009 site visit.

### Resources

EPA site progress profile, including the site's 2006 Five-Year Review:

[cfpub2.epa.gov/supercpad/SiteProfiles/index.cfm?fuseaction=second.aliases&id=0503722](http://cfpub2.epa.gov/supercpad/SiteProfiles/index.cfm?fuseaction=second.aliases&id=0503722)

EPA Superfund Redevelopment Initiative:  
[www.epa.gov/superfund/programs/recycle](http://www.epa.gov/superfund/programs/recycle)

EPA Region 5 Superfund Redevelopment:  
[www.epa.gov/region5superfund/redevelop](http://www.epa.gov/region5superfund/redevelop)

2001 Brownfields Revitalization Act and BFPP information:  
[www.epa.gov/brownfields/aai/aacicerclafs.pdf](http://www.epa.gov/brownfields/aai/aacicerclafs.pdf)

Environmental insurance information:  
[www.epa.gov/brownfields/insurance](http://www.epa.gov/brownfields/insurance)

City of New Brighton:  
[www.ci.new-brighton.mn.us](http://www.ci.new-brighton.mn.us)

# Cleanup and Mixed-Use Revitalization in the Twin Cities

THE MACGILLIS & GIBBS SUPERFUND SITE PROPERTY AND NEW BRIGHTON, MINNESOTA



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