



Michigan Department of Environmental Quality

Environmental Remediation and Redevelopment Program



Each year, the Michigan Department of Environmental Quality (MDEQ) invests approximately \$68 million in environmental remediation and brownfield redevelopment. Environmental remediation protects people from hazardous substances in the soil, drinking water, and indoor air. MDEQ brownfield grants and loans help communities safely redevelop contaminated properties. The resulting brownfield redevelopment creates new jobs, increases the tax base that supports local infrastructure, and removes blight in our communities. MDEQ cleanup funding protects the health of our citizens and helps preserve our precious natural resources.

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### ***Michigan House District 80 - Representative Whiteford***

### ***Community Investment***

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**City Hall, Plainwell:** The Plainwell Paper Mill was the city's largest employer and taxpayer for a century until the company went bankrupt in 2000. The mill, now part of the Kalamazoo River Superfund site, was purchased by the city in 2006. A multinational consulting firm purchased a portion of the property from the city to house its U.S. Construction Division and to relocate Plainwell City Hall. An MDEQ brownfield grant helped to facilitate the redevelopment, paying for removal of sludge tanks, a fuel oil tank, asbestos, lead, and mercury, and demolition of unsafe buildings. As part of the Superfund cleanup the liable party, Weyerhaeuser, has already spent \$7,000,000 to address PCB-contaminated river sediment. In 2012, the city of Plainwell renovated a former dewatering facility as its new \$2.3 million public safety building. The project created new jobs and resulted in \$7.76 million in building renovation and new infrastructure.

**Mahan Park, Allegan:** The City of Allegan transformed a former coal storage lot and auto repair business into a community park with the help of an MDEQ Waterfront Redevelopment Grant of \$647,906. The grant paid for a boardwalk, gazebo, streetscaping, and parking. Exposure to contaminated soil and groundwater is now prevented by a parking lot. The Perrigo Company Store and a Parts Plus auto parts store moved to new buildings constructed as part of the \$1 million redevelopment.



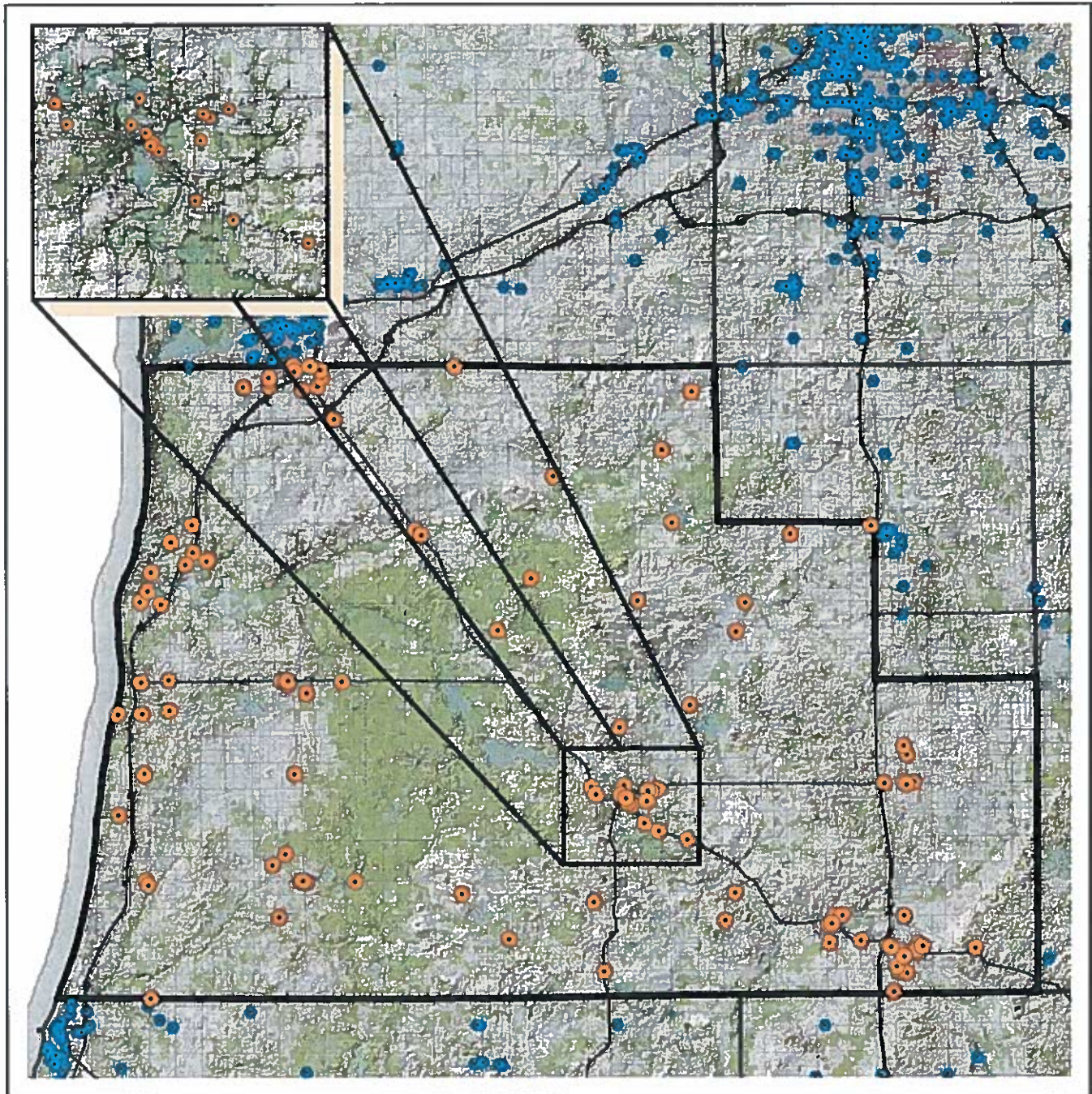
**Rock-Tenn Paper Mill, Otsego:** The former Rock-Tenn paper mill on the Kalamazoo River in Otsego was acquired by the county in 2011 through tax reversion. A limited environmental assessment was conducted by the MDEQ that year. The property is on the Kalamazoo River adjacent to downtown Otsego and has excellent redevelopment potential. Before redevelopment, however, blighted buildings must be demolished, more investigation is needed to determine the extent of contamination, and some cleanup or protective measures will likely be required. Investment in this property will create a new vision for the community, bring new economic development, restore its tax base, and support existing community infrastructure.

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# HOUSE DISTRICT 80 SITES OF ENVIRONMENTAL CONTAMINATION

Representative Mary Whiteford

125 Sites in District  
191 Sites in Allegan County  
15,914 Sites Statewide



- Sites of Environmental Contamination outside the district
- Sites of Environmental Contamination within the district





Michigan Department of Environmental Quality

## Environmental Remediation and Redevelopment Program



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### *Michigan House District 53 - Representative Rabhi*

### *Community Investment*

**Arbor Hills, Ann Arbor:** Three blighted strip malls in a busy commercial district in Ann Arbor have been redeveloped into the contemporary, upscale Arbor Hills shopping center (pictured above). An old gas station, a dry cleaner, and an auto repair contaminated the property. MDEQ and other state and local brownfield redevelopment incentives were used for environmental and site preparation costs. A new retail and office development reinvigorated the property and contributed to the city's ReImagine Washtenaw plan to make the area more pedestrian and bike-friendly. The multi-million dollar brownfield investment resulted in a 270 percent increase in the property's State Equalized Value, \$35 million in private investment, and 268 new jobs.

**Landmark Apartments, Ann Arbor:** A small, contaminated downtown Ann Arbor site has been redeveloped into Landmark, a 14-story mixed-use luxury housing development targeted to students. MDEQ-approved brownfield tax increment financing of \$229,380 paid for removal of soil contaminated with dry cleaning solvents. Redevelopment incentives increased the property's State Equalization Value nearly 3,000 percent, brought in \$73 million in private investment, and created 109 new jobs. The corner property, near the University of Michigan campus, is a prime location for student housing and the building is one of Ann Arbor's tallest.

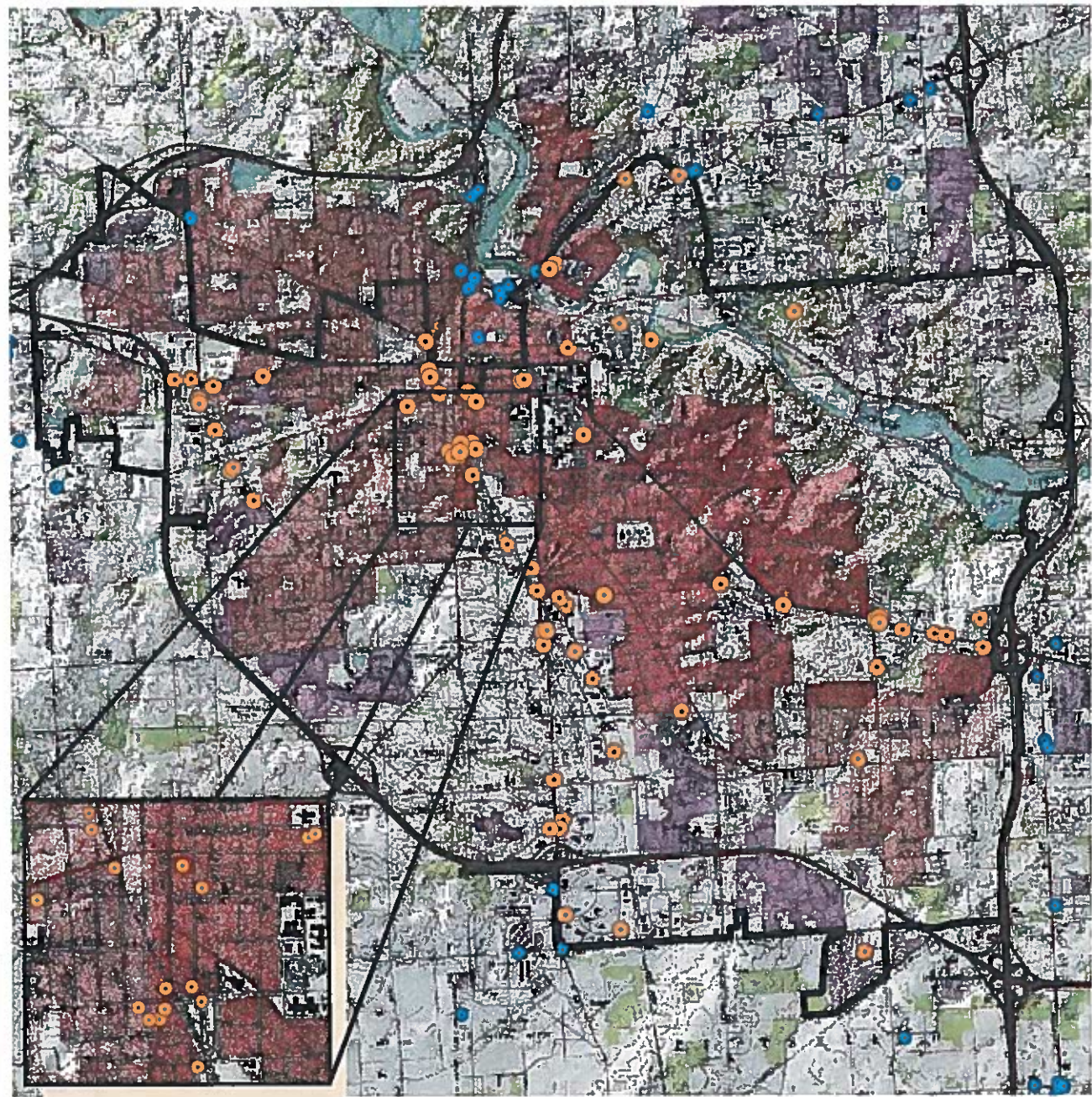
**Lower Town, Ann Arbor:** A vacant 6.4-acre property in Ann Arbor's Lower Town contaminated with high levels of dry-cleaner solvents will soon be redeveloped with residential and retail buildings. The developer has an obligation to protect the residents and workers of the future development from the contamination. However, this minimum obligation can be achieved while still leaving harmful levels of solvents in the soil and groundwater that could potentially migrate, toward off-site residents and the Huron River. The development project is looking to utilize MDEQ brownfield incentives to provide for a more protective remedy than the minimum requirement. The city of Ann Arbor and developer plan to request MDEQ approval of tax increment financing for \$4.8 million in environmental costs that will move the project forward and better protect the public and Huron River.



# HOUSE DISTRICT 53 SITES OF ENVIRONMENTAL CONTAMINATION

Representative Yousef Rabhi

67 Sites in District  
309 Sites in Jackson County  
15,914 Sites Statewide



- Sites of Environmental Contamination outside the district
- Sites of Environmental Contamination within the district



# DEQ Fiscal Year 2018 Managing Contaminated Sites House Appropriations Subcommittee

February 28, 2017

Amy Epkey, Deputy Director, MDEQ

Sue Leeming, Division Director, MDEQ



# Summary

- Contaminated Site Overview
- Clean Michigan Initiative (CMI)
- Vapor Intrusion



# Contaminated Sites Overview

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# What is Contamination?

## Why Do We Care?

- Contamination is Process of Adding Chemicals, Waste, Pollutants Into the Environment
- Occurs in Air, Water, Land
- Affects Public Health, Environmental Sustainability, & Economic Development



# Who Is Responsible for the Contamination?

- 50% of the Sites Have a Liable Party
- 50% are “Orphan Sites” With No Liable Party



# Types of Contaminated Sites

- Sites With Petroleum Leaks (Part 213)
  - 8,000 Known Sites
- Sites With Non-Petroleum Products (Part 201)  
(ex. industrial solvents)
  - 7,000 Known Sites
- Superfund Sites – Most Complex Sites as Designated by EPA
  - 65 Active Sites
- Over 15,000 Contaminated Sites in Michigan

# Active Contaminated Sites



Total: 15,000 Sites

# What is DEQ's Role With Contaminated Sites?

- DEQ Remediation & Redevelopment Division
  - Provides oversight and technical assistance for private party cleanups
  - Manages contracts for addressing orphan sites



# Who Pays to Cleanup the Site?

- Liable Parties Pay for Site Cleanup
- Refined Petroleum Funds Support Petroleum Sites
- Bonds Have Historically Covered “Orphan Sites”
- Superfund Sites Leverage Federal Funds
  - 10% Match Required

# Average State Funded Cleanup Costs

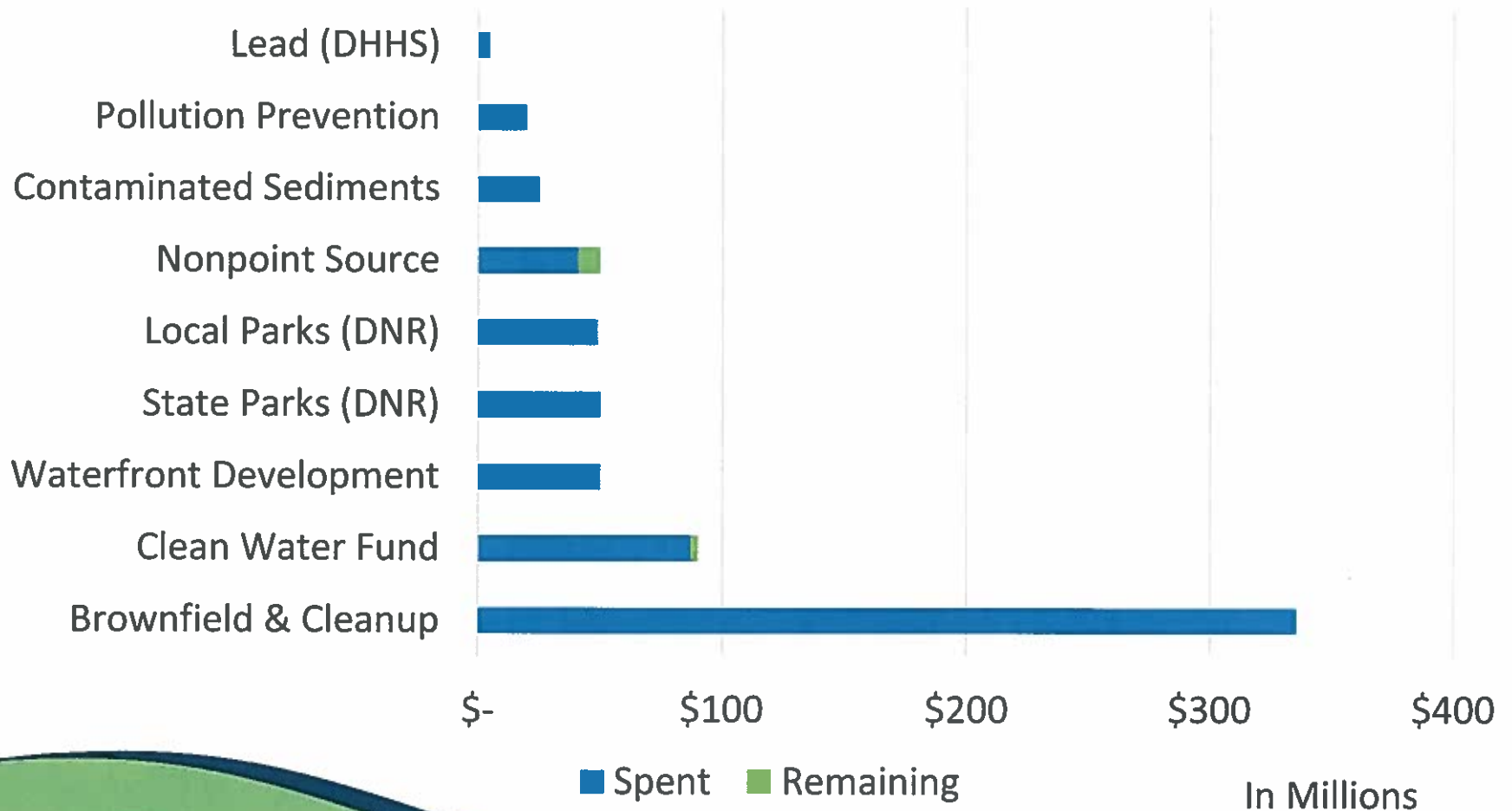
- Petroleum Sites
  - Average \$250,000 per Site
  - Average 5 Years to Complete
- Non-Petroleum Sites
  - Average \$450,000 per Site
  - Average 8 Years to Complete



# CMI Bond Funding

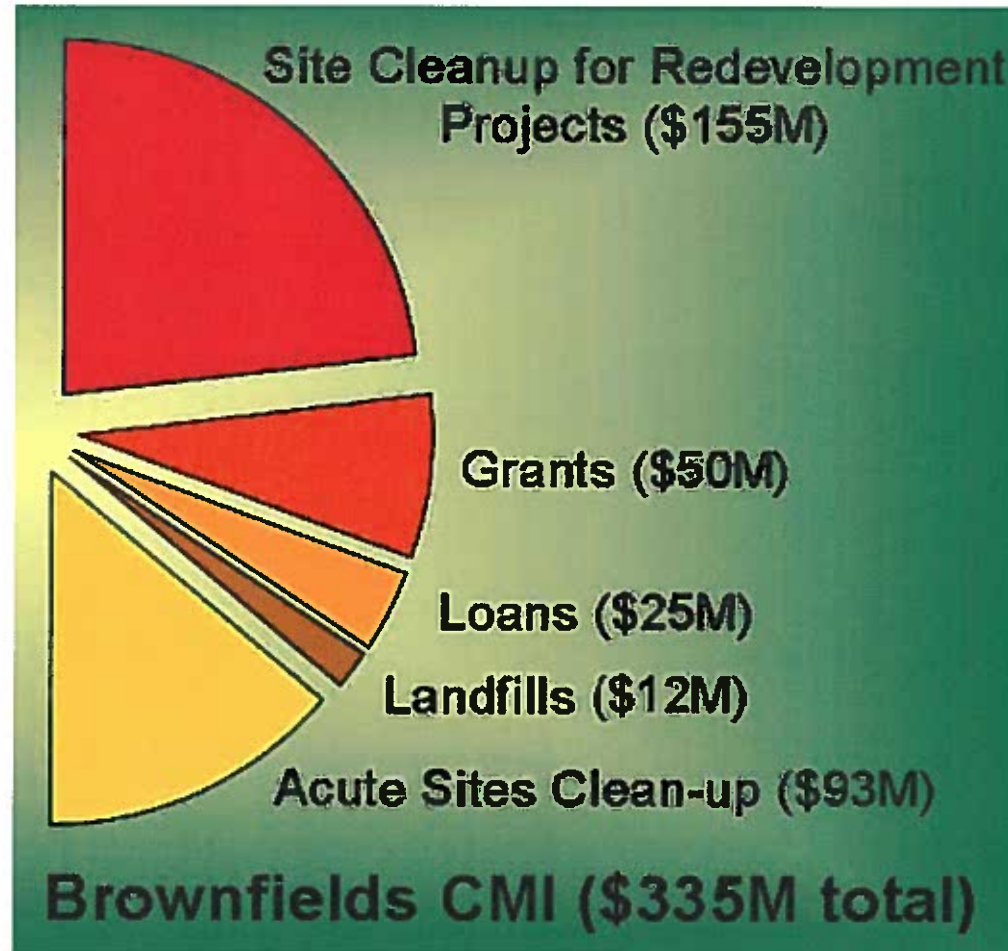
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# Clean Michigan Initiative of 1998 Allocations





# CMI Brownfield & Cleanup Funds



# CMI Bond Accomplishments

- Waterfront Redevelopment in 72 Communities
- Cleanup Funds Addressed 650 Sites
- Provided 98 Brownfield Grants & Loans
- In 2016:
  - \$12.7 M in Brownfield Funding
  - Created 1,600 Jobs
  - Generated \$503 M of Local Investments
  - Return on Investment = \$39 for every \$1 of MDEQ funding

# Brownfield Redevelopment





# Local Sites In Progress

- Rock-Tenn Paper Mill, Otsego
- Lower Town, Ann Arbor
- Former Sparta Foundry, Sparta
- Performance Paper Mill, Kalamazoo
- 232 West Main Street, Fremont
- Fenske Landfill, Tallmadge Township

# 2018 Budget

- No CMI Funds Available to Address Cleanup & Redevelopment in 2018
- One-Time \$15 Million of Refined Petroleum Funds Proposed to Support Cleanup & Redevelopment

# Refined Petroleum Fund Projections

## With One-Time \$15 Million Shift in 2018

		Beginning Balance	Revenue	Transfers	Expenditures	Ending Balance
2016	\$	76,321,500	\$ 53,149,400	\$(23,864,600)	\$(30,540,300)	\$ 75,066,000
2017	\$	75,066,000	\$ 55,500,000	\$(22,400,000)	\$(35,600,000)	\$ 72,566,000
2018	\$	72,566,000	\$ 57,000,000	\$(25,400,000)	\$(50,800,000)	\$ 53,366,000

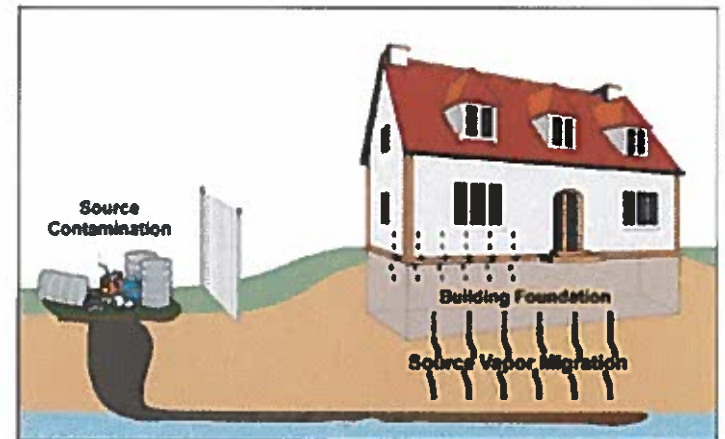
# Vapor Intrusion





# Vapor Intrusion

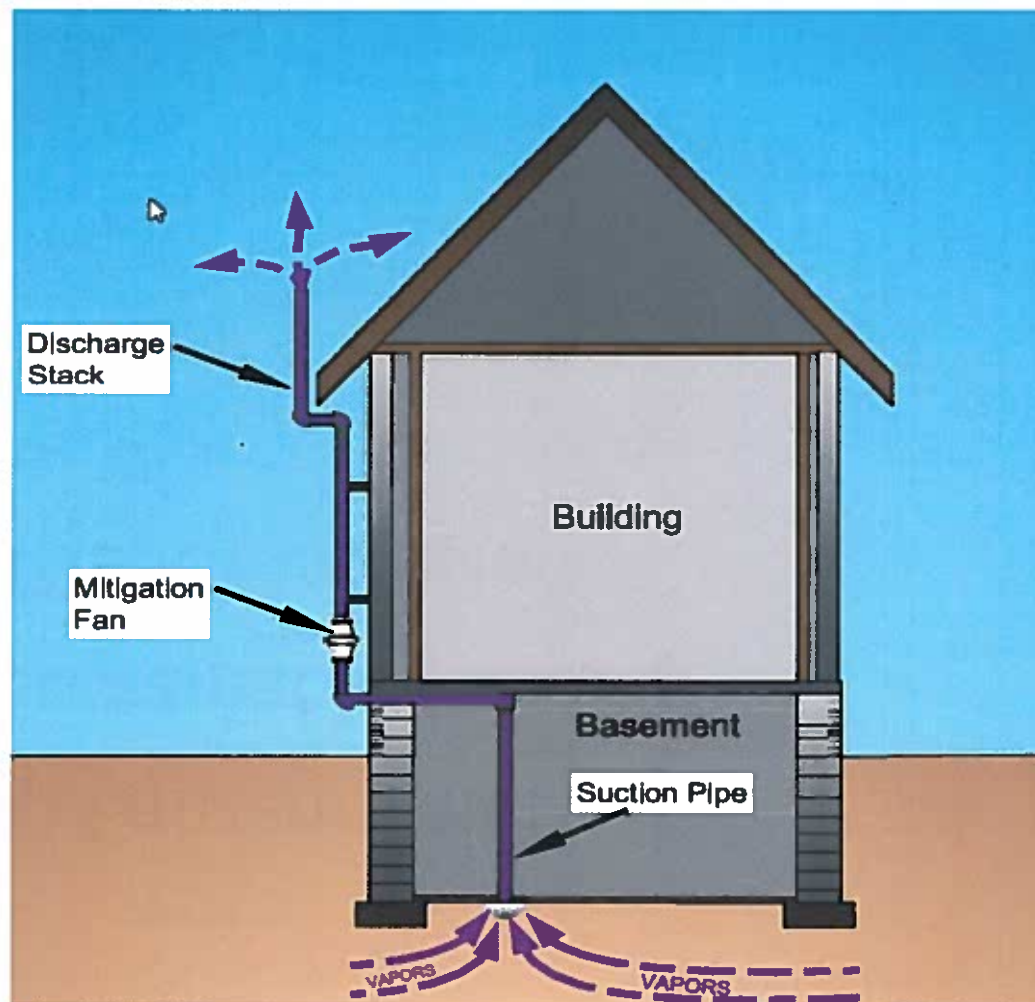
- Public Health Threat from Toxic Chemicals Migrating Indoors
- Collaborative Effort with DHHS
- \$2.6 Million of General Funds



# Step 1: Evaluate Risk



# Step 2: Address Risk



# Moving Forward

- Clean Up Contaminated Sites
- Assure Sustainable Funding
- Address Vapor Intrusion

# Questions





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***Michigan House District 100 – Representative VanSingel***

***Community Investment***

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**Lake Point Senior Apartments, Hart:** This scenic lakefront property in downtown Hart was contaminated with gasoline and diesel fuel. Underground storage tanks operated by the Oceana Electric Cooperative resulted in soil and groundwater contamination and left dangerous vapors. MDEQ awarded a \$279,150 grant to the City of Hart to demolish the old Oceana Electric building, remove the underground tanks and a portion of the contaminated soil, and install a barrier to prevent vapors associated with the remaining soil and groundwater contamination from entering the new building. Affordable downtown apartments for seniors were built on the Hart Lake shoreline (pictured above). The \$4 million private investment in this project resulted in a 2,000 percent increase in the property's State Equalized Value and leveraged \$2 million in downtown infrastructure investment.

**Lake Street Area, Grant:** Contaminated groundwater was discovered in 40 private drinking water wells in the small city of Grant, and another 60 were threatened by contamination from a former dry cleaner. The MDEQ invested nearly \$3 million to investigate groundwater contamination, build a clean municipal water supply for the city, and install and operate a treatment system that reduced the potential for harmful vapors to enter nearby buildings and structures. The MDEQ plans additional investigation and vapor mitigation to ensure that residents have safe drinking water and indoor air.



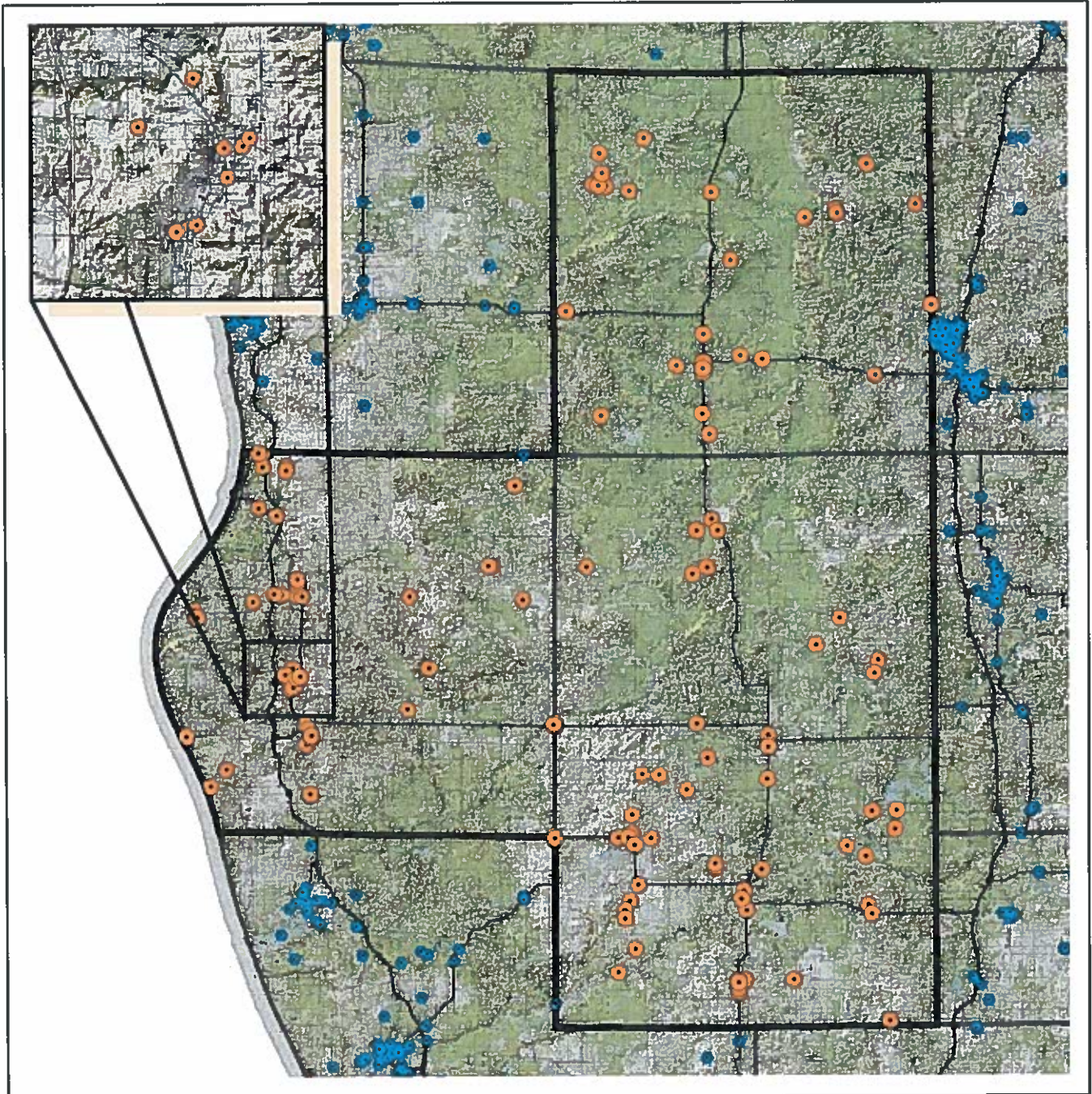
**232 West Main Street, Fremont:** The City of Fremont is working to acquire an abandoned contaminated site for a much-needed expansion by a community health service provider. The project is stalled because there is no local funding to demolish a functionally-obsolete building and clean up soil and groundwater contamination. MDEQ brownfield funding, if available, could pay for building demolition and removal of contaminated soils that pose a potential indoor air concern for the new development.

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# HOUSE DISTRICT 100 SITES OF ENVIRONMENTAL CONTAMINATION

Representative Scott VanSingel

162 Sites in District  
162 Sites in Lake, Newaygo & Oceana Counties  
15,914 Sites Statewide



- Sites of Environmental Contamination outside the district
- Sites of Environmental Contamination within the district





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cleanup funding protects the health of our citizens and helps preserve our precious natural resources.

**Michigan House District 88 - Representative Victory**

**Community Investment**

**8th Avenue and I-96 Drinking Water Wells, Tallmadge Township:** Two private drinking water wells in Tallmadge Township, near the 8th Avenue and I-96 intersection, were found to be contaminated with petroleum products. Petroleum contamination is typically associated with gasoline stations and the primary contaminant of concern, benzene, is a known carcinogen. MDEQ emergency funds were used to replace the two private drinking water wells, providing a safe drinking water source for the two residential properties.

**Former Truck Service, Georgetown Township:** After the land owner declared bankruptcy and abandoned this former truck servicing facility in Georgetown Township, an MDEQ investigation discovered contamination from dumped industrial waste solvents. Contamination had spread more than a half mile beyond the property boundary through the groundwater. The MDEQ used state funds to remove two underground storage tanks and 8,644 tons of contaminated soil where the solvents had been dumped, and to pump and treat the contaminated groundwater. After more than a decade of treatment, MDEQ staff collected and analyzed groundwater samples, verified that exposure to contamination was no longer a threat, and shut down the system.



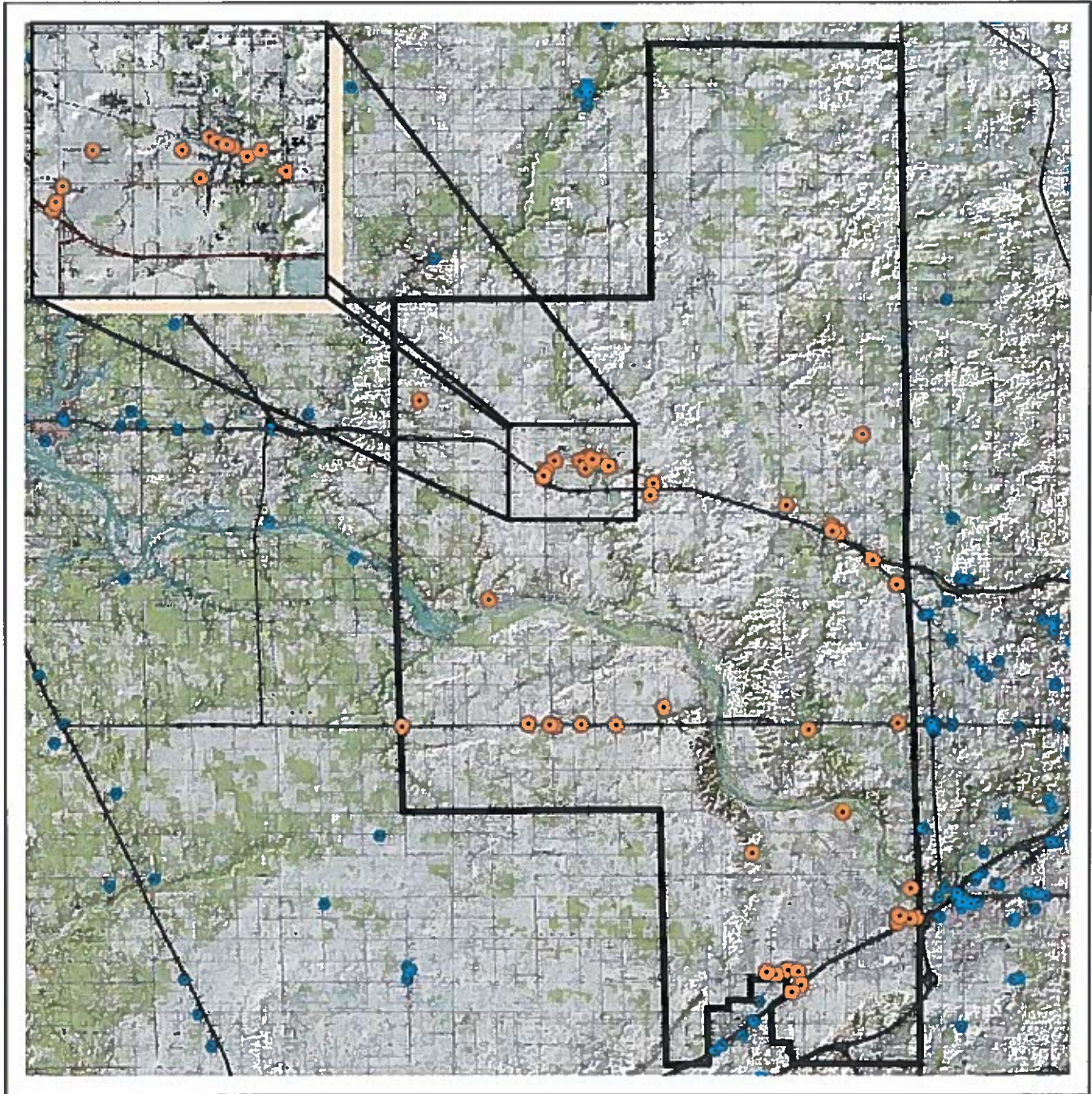
**Fenske Landfill, Tallmadge Township:** The abandoned 80-acre Fenske Landfill in southwest Tallmadge Township is adjacent to the scenic Grand River (pictured above). The landfill accepted municipal, commercial, and industrial waste that caused groundwater contamination. The MDEQ invested \$3,300,000 to cap the landfill and build and operate a leachate treatment system. MDEQ staff monitor groundwater to evaluate the potential for contaminants getting into the Grand River and regularly inspect the cap for erosion. Perimeter fencing and access roads must be maintained. The Michigan Land Bank Fast Track Authority owns the part of the landfill in Tallmadge Township (Ottawa County) while a small portion in Walker (Kent County) has been acquired by a developer. Redevelopment of the property will require extensive environmental cleanup.



# HOUSE DISTRICT 88 SITES OF ENVIRONMENTAL CONTAMINATION

## Representative Roger Victory

49 Sites in District  
271 Sites in Ottawa County  
15,914 Sites Statewide



- Sites of Environmental Contamination outside the district
- Sites of Environmental Contamination within the district





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Environmental Remediation and Redevelopment Program



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### Michigan House District 74 - Representative VerHeulen

### Community Investment

**DBV Partners, Walker:** H. Brown, a battery recycler, dumped as much as 460,000 gallons of battery acid on the ground at this 16-acre former landfill between 1961 and 1982 (pictured above). Lead and metal from batteries and uncontrolled dumping made the site so contaminated that the U.S. Environmental Protection Agency (EPA) made it a Superfund site and did not anticipate future reuse of the property. The EPA subsequently agreed that the site could be redeveloped provided that the public was protected from exposure to heavily-contaminated soil and groundwater. The City of Walker wanted to return the property to productive use and alleviate public concern about the site's Superfund designation. The city partnered with the EPA, MDEQ and a developer, DBV Partners, which was willing to develop the site if the environmental issues were addressed. Contaminated soils were consolidated, capped, and fenced; a venting system was installed for underground gases; and environmental conditions will be monitored indefinitely. DBV Partners constructed 360,000 square feet of commercial space and created 300 new jobs. Their \$7.5 million redevelopment has led to other new businesses in Walker's industrial district. The site has been removed from the federal Superfund list.

**Avastar Park, Walker:** The City of Walker and MDEQ invested \$908,113 to turn a 41.5-acre rundown former automotive and airplane parts manufacturing facility into a thriving industrial and commercial hub. A low-interest MDEQ brownfield redevelopment loan paid for removal of a creosote-treated floor and replacement with a sealed concrete floor to prevent exposure to vapors. Developer Alpinist Endeavors created Avastar Park, with multiple spaces for small manufacturing, and prepared the property's Alpine Avenue frontage for retail use. The 750,000 square foot building is completely occupied and more new businesses have opened on Alpine. Private investment has reached \$15 million, created 400 new jobs, and raised the property's State Equalized Value nearly 400 percent from \$2,050,000 to \$10,144,000.

**Former Sparta Foundry, Sparta:** When the Village of Sparta acquired the former Sparta Foundry by tax reversion, it inherited a blighted building and property with soil and groundwater contamination. To help return the property to productive use, Kent County demolished the building and MDEQ investigated the site's environmental condition and removed

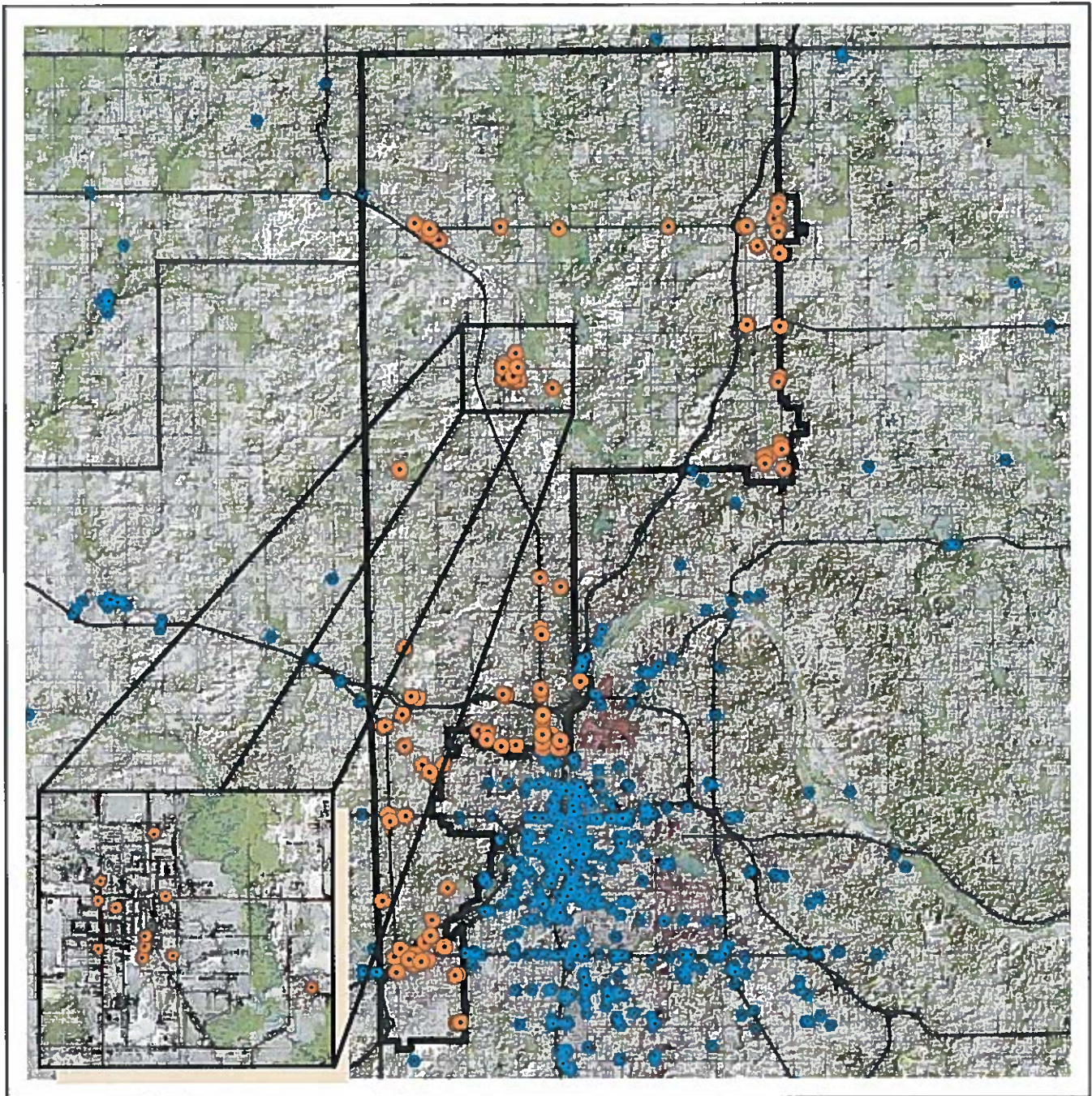


14,000 tons of contaminated soil. The Village of Sparta, the MDEQ, and a potential developer are working together to redevelop a portion of the property. More MDEQ funding is essential to safely redevelop the site.

# HOUSE DISTRICT 74 SITES OF ENVIRONMENTAL CONTAMINATION

Representative Rob VerHeulen

107 Sites in District  
929 Sites in Kent & Ottawa Counties  
15,914 Sites Statewide



- Sites of Environmental Contamination outside the district
- Sites of Environmental Contamination within the district





Michigan Department of Environmental Quality

Environmental Remediation and Redevelopment Program



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### **Michigan House District 60 - Representative Hoadley**

### **Community Investment**

**Bronson Healthy Living Campus, Kalamazoo:** Historically, foundry waste was utilized as fill material for a 34-acre property on the banks of Portage Creek. The fill helped make the property buildable at the time, but contaminants in the fill were an exposure risk to humans, making the site unsafe under contemporary standards. When the city of Kalamazoo was approached with a proposal for redevelopment, the MDEQ awarded the city a \$924,725 brownfield grant to remove 16,000 cubic yards of hazardous soils, consolidate the remaining contaminated soils under a concrete barrier to eliminate exposure, and place clean soils and vegetation along the creek. The property was safely redeveloped as Kalamazoo Valley Community's College Bronson Healthy Living Campus (pictured above). The project brought 100 new jobs to downtown Kalamazoo and turned a health risk into a healthy living campus.

**The Foundry, Kalamazoo:** MDEQ brownfield redevelopment grant, loan, and tax increment financing are being used to make a former steel foundry in downtown Kalamazoo safe to reuse as a modern, open concept office building and restaurant. The MDEQ brownfield incentives will pay for removal of some contaminated soils, while some left on the site will be covered with topsoil or pavement to prevent exposure. Clean fill and vegetation will prevent runoff of soil and stormwater and naturalize the banks of Portage Creek. When construction is finished, the project is expected to create 118 new jobs and raise the property's State Equalized Value from \$272,180 to \$1,350,000, a nearly 400 percent increase.

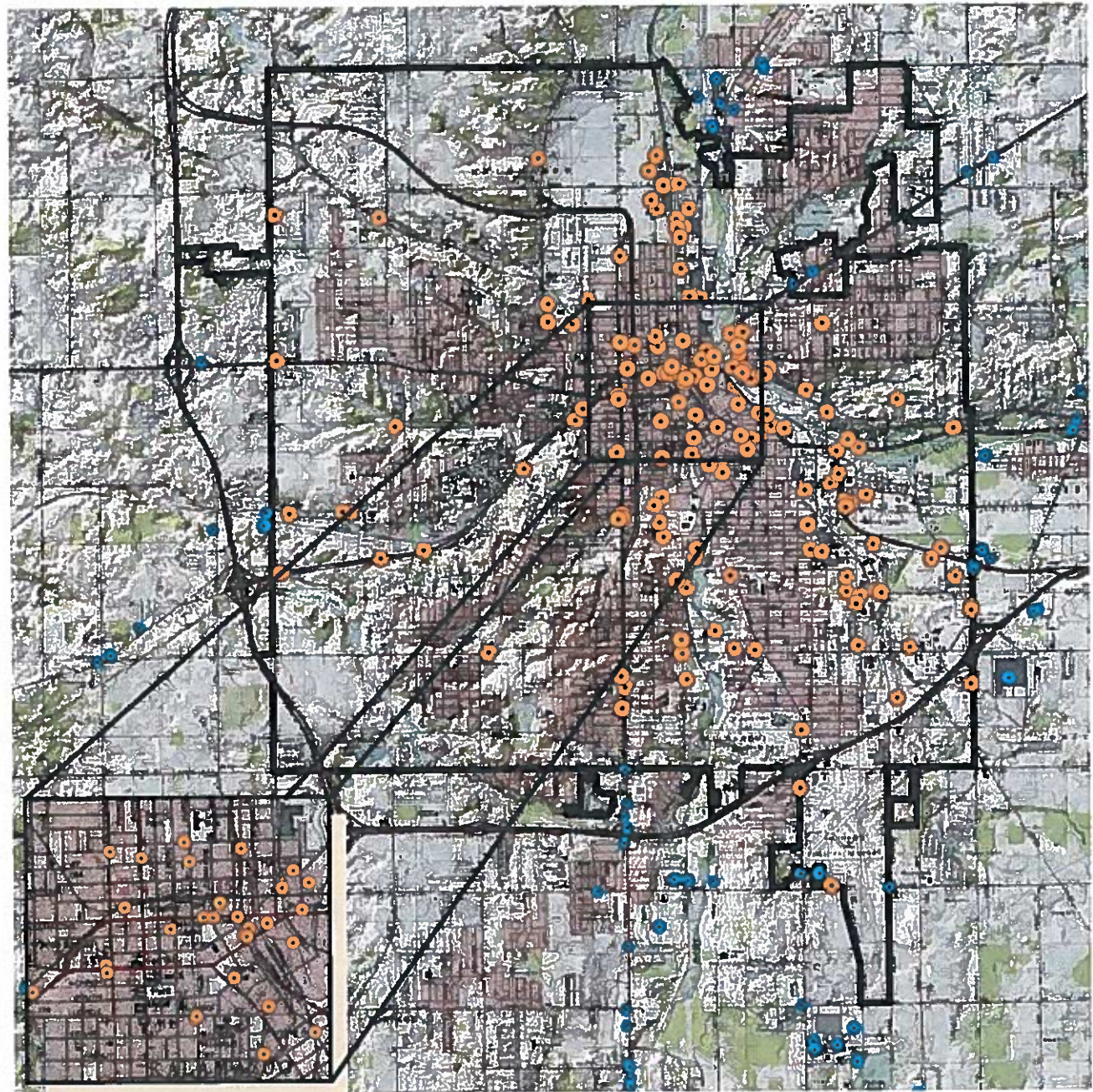
**Performance Paper Mill, Kalamazoo:** The MDEQ, the City of Kalamazoo and a developer are collaborating on a plan for redevelopment of the former Performance Paper Mill property. Once the redevelopment vision is finalized, MDEQ will remove 16,000 tons of contaminated soil and coal ash. The cleanup will improve groundwater quality and prevent surface water runoff into the section of Portage Creek restored with Great Lakes Restoration Initiative Funds.



# HOUSE DISTRICT 60 SITES OF ENVIRONMENTAL CONTAMINATION

Representative Jon Hoadley

144 Sites in District  
288 Sites in Kalamazoo County  
15,914 Sites Statewide



- Sites of Environmental Contamination outside the district
- Sites of Environmental Contamination within the district





February 22, 2017

**VIA FEDERAL EXPRESS**

Hon. C. Heidi Grether  
Director  
Michigan Department of Environmental Quality  
P.O. Box 30473  
Lansing, MI 48909-7973

**RE: RACER Trust in Michigan**

Dear Director Grether:

As you know, the Revitalizing Auto Communities Environmental Response Trust ("RACER Trust") was created in March 2011 by the U.S. Bankruptcy Court to clean up and position for redevelopment properties and other facilities owned by the former General Motors Corporation before its 2009 bankruptcy. When the RACER Trust was formed, it owned more than 44 million square feet of industrial space in 66 buildings across 7,000 acres in 14 states, principally in the Midwest and Northeast. RACER is one of the largest holders of industrial property in the United States and is the largest environmental response and remediation trust in U.S. history.

In performing our mission, we are responsible for conducting safe, effective environmental cleanups at approximately 60 locations. Of the 60 locations, 36 of those are in Michigan. Under the bankruptcy settlement MDEQ is the lead agency for 23 of these sites and USEPA is the lead agency for the remaining 13.

MDEQ is responsible for reviewing and approving site-specific remedial plans and related annual budgets for the 23 Michigan sites. The success of putting these former GM sites back into productive use depends on a capable and responsive MDEQ staff which in turn relies on agency budgets sufficient to support MDEQ and its environmental remediation, redevelopment and RCRA corrective action programs.

There are many examples of MDEQ RRD and OWMRP staff contributions to the goal of putting former GM sites in Michigan back into productive use. Examples include sites in Flint, Saginaw, Ypsilanti, Pontiac, Lansing, Detroit, Romulus and Grand Rapids. Several of the more notable MDEQ lead projects are described below.

MDEQ staff have been instrumental in shepherding environmental approvals in support of the proposed American Center for Mobility (ACM), in Ypsilanti Township. RACER sold Willow Run to the Willow Run Arsenal of Democracy Land Holdings Limited Partnership who in turn leased the site to ACM. RACER continues to work with MDEQ to secure final remedial approval for the site and integrate remediation with site redevelopment to ensure the success of ACM.

In Saginaw, the proposed transformation of the former GM Malleable Iron site into a public amenity is moving steadily forward because MDEQ staff have worked very hard to engage with

the local community, RACER and Michigan Department of Natural Resources to find solutions to historical site issues. The potential public recreational area would not be possible but for the diligent work of MDEQ and MDNR.

In the Flint area, active engagement by MDEQ staff in supporting timely remedial closures and preparing sites for redevelopment has positioned several former GM properties, including Davison Road and Atherton Road/GLTC, as desirable locations for redevelopment.

Similarly, in Pontiac, active engagement by MDEQ staff in supporting timely remedial closure to position sites for redevelopment allowed for the sale of the former GM Pontiac Employment Development Center to the George W. Auch Company, a long-time Pontiac construction management firm. AUCH plans to build its headquarters at the site, which will help fill a vacant site in downtown Pontiac thereby helping to revitalize that area.

RACER properties in Romulus and Lansing are also well positioned for redevelopment opportunities because MDEQ staff has provided high quality, timely responses to remedial information and plans.

Maintaining adequate stable funding for MDEQ remediation, redevelopment and RCRA corrective action programs furthers our common goals to rebuild Michigan communities by cleaning up these old sites and bringing back new redevelopment, tax base and job opportunities.

We are very appreciative of the working relationship we have established with MDEQ over the past six years and strongly support the continued engagement of MDEQ in Michigan's highly successful and nationally acclaimed brownfield redevelopment program and its continued efforts to cleanup and redevelop former industrial sites. Private investment cannot accomplish alone what can be done jointly with the State of Michigan. I look forward to meeting you in April and please do not hesitate to call on me if needed.

Sincerely,

RACER PROPERTIES LLC,  
a Delaware limited liability company

By: REVITALIZING AUTO COMMUNITIES  
ENVIRONMENTAL RESPONSE TRUST

By: EPLET, LLC, acting solely in its representative  
capacity as Administrative Trustee

By,

  
ELLIOTT P. LAWS, not individually, but acting  
solely in his capacity as Managing Member