GM Henkel LEICS posted

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2 attachments (1 MB)

gmhenkel-success.pdf; GM Henkel Technical Appendix 10Jun14_508 compliant.pdf;

Good afternoon Leah and Tom –

Thanks again for your assistance with the GM Henkel LEICS. The case study is posted and final at http://www.epa.gov/superfund/programs/recycle/impacts.html#local.

I have also attached a pdf for your files. Please let us know if you have any questions.

Sincerely,
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Reuse and the Benefit to Community

General Mills/Henkel Corp. Superfund Site

Executive Summary

Cooperation among EPA, the Minnesota Pollution Control Agency (MPCA), General Mills (the site's responsible party) and subsequent property owners has resulted in the cleanup and reuse of the General Mills/Henkel Corp. Superfund site. However, cleanup actions continue at the site to address vapor intrusion into nearby buildings. After industrial operations ceased in 1985, a new owner purchased the property. The owner pursued a plan to support small businesses by renovating existing buildings and leasing them at competitive rates to startup companies. Since the 1990s, the facility, located near downtown Minneapolis, has been home to many small businesses, including a glass-blowing studio, a metal design studio, a specialty coffee distributor and a caterer. This case study explores the site's cleanup and reuse, illustrating the positive impacts of Superfund redevelopment in action.

Positive Impacts

- **Fifteen buildings provide space for over 50 small businesses.**
- **The on-site businesses employ nearly 270 people, generate over $16 million in annual sales and provide over $12 million in annual income to the local community.**
- **Reuse of existing buildings and infrastructure meant new construction and demolition debris disposal were not required, minimizing potential environmental impacts.**
- **The estimated market value of the site property is about $2 million.**
- **In 2013, the property generated over $84,000 in local property tax revenues.**

Figure 1: The site's location in Minneapolis, Hennepin County, Minnesota

Introduction

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

The 7-acre site is located at 2010 East Hennepin Avenue in northeast Minneapolis, Minnesota. Neighborhoods along with light industrial and commercial areas surround the site. Downtown Minneapolis and the Mississippi River are about 2.5 miles to the west.

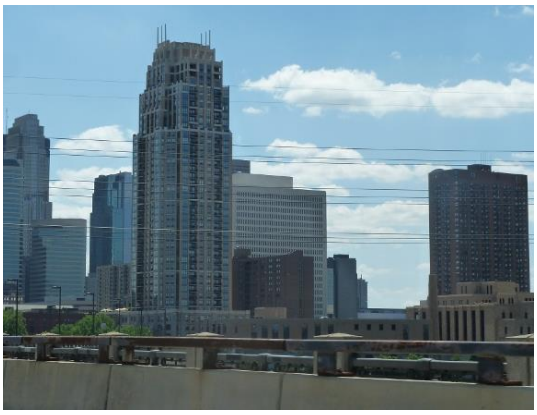

Figure 2: Downtown Minneapolis

Site History

General Mills conducted food research at the site from 1930 until 1947. At that time, the company began performing chemical research. Workers dumped 1,000 gallons of solvents in an absorption pit each year until 1962, resulting in volatile organic compound (VOC) contamination. The pit included a series of three stacked, perforated 55-gallon drums buried about 10 to 12 feet below the surface. General Mills investigated the soil absorption pit in 1981. The company reported to MPCA that VOCs and several other byproducts from food and chemical research processes contaminated area soils and ground water. General Mills sold the property to the Henkel Corporation in 1980. In September 1984, EPA placed the site on the Superfund program's National Priorities List (NPL). Henkel Corporation continued manufacturing operations there until 1985.

Property Cleanup and Transformation

General Mills led and funded the cleanup, with oversight provided by MPCA. The site's responsible party addressed soil contamination by removing drums and piping from the absorption pit in 1981, prior to the site's NPL listing. Ground water cleanup began in 1985. MPCA approved a cleanup plan that involved pumping, treating and discharging ground water into the Minneapolis storm sewer system. General Mills designed the pump-out system to make sure contamination would not migrate further through the underground aquifer. During ground water treatment, the Henkel Corporation also conducted asbestos abatement for on-site buildings.

Once the ground water treatment system was in place, the site could safely support reuse. After the Henkel Corporation put the property on the market, it eventually sold at auction to B.B.D. Holdings, a real estate investment group, around 1990. B.B.D. Holdings could have torn down on-

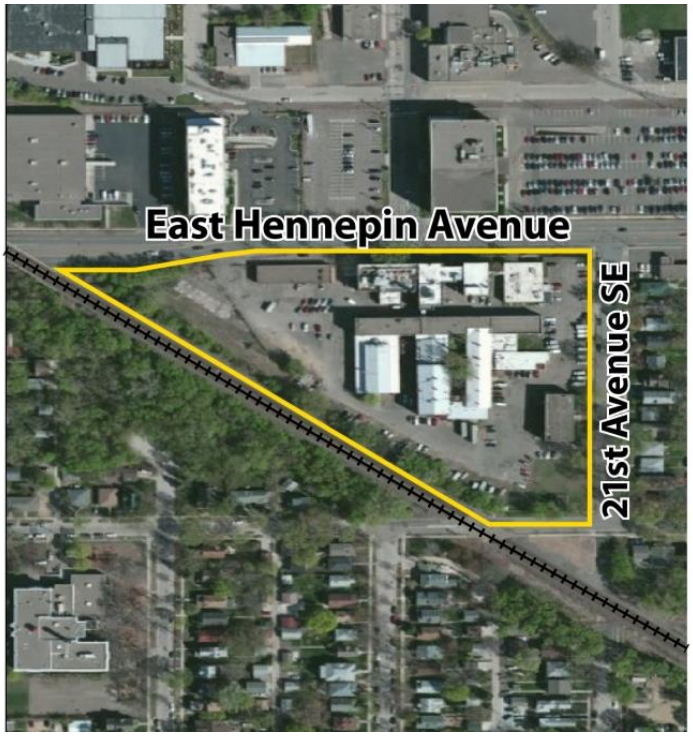

Figure 3: Aerial view of the site

site facilities located throughout the property. Instead, the group focused on the opportunity to reuse on-site facilities as a campus for small businesses. In particular, the property's extensive electrical infrastructure meant that it was well suited for a wide range of different business needs.

B.B.D. Holdings renovated the buildings to host office and commercial space as well as research and laboratory facilities. Following renovations, tenants began leasing available units and buildings. The owner advertised the property as the location of a business enterprise development program, or "business incubator," supporting the creation and growth of small businesses. Several incentives attracted tenants, including competitive lease rates, 24-hour access, and management and maintenance services. The property's electrical infrastructure and central location in the heart of Minneapolis were also important factors.

In August 2012, B.B.D. Holdings sold the property and buildings to the real estate company First & First LLC. The new owner has maintained the focus on small business development. The company also enrolled the property in MPCA's Voluntary Investigation and Cleanup (VIC) program to address any potential future liability issues.

Beginning in 2013, with oversight provided by MPCA, General Mills began installing vapor mitigation systems for affected buildings. The work will be complete in 2014.

Figure 4: Buildings in the 2010 East Hennepin Complex

Local Impacts

Today, over 50 businesses employ nearly 270 people at 2010 East Hennepin Avenue. The businesses – most of them small enterprises – generate over $16 million in annual sales and provide about $12 million in employment income to the community. Their growth shows how small businesses can provide local, regional and national impacts. These businesses provide a range of employment opportunities and help drive innovation.[1] More of the money spent at these businesses stays in the community. In addition, small businesses are often highly involved in their communities and various charities.[2] Following are highlights of some of the small businesses and other organizations located at the site.

[1] Rebecca O. Bagley. (May 5, 2012). "Small Businesses = Big Impact." *Forbes*. www.forbes.com/sites/rebeccabagley/2012/05/15/small-businesses-big-impact.

[2] Institute for Local Self-Reliance. (September 2003). The Economic Impact of Locally Owned Business vs. Chains: A Case Study in Midcoast Maine. Prepared by Stacy Mitchell. www.ilsr.org/wp-content/uploads/files/midcoaststudy.pdf.

B&W Specialty Coffee Company

This coffee distribution company was one of the first businesses to lease commercial space. It employs 10 people and provides an estimated $740,000 in annual employment income. The company sells coffee and brewing equipment, and installs and maintains in-home espresso machines. It also supports local fundraisers and sponsors community brewing events.

Figure 5: Businesses operating at 2010 East Hennepin

FOCI – Minnesota Center for Glass Arts

FOCI – Minnesota Center for Glass Arts (MCGA) is a nonprofit educational glass studio and education center. The organization offers glassblowing classes, including glass kiln casting, sand casting, fusing and stained glass making. FOCI – MCGA employs two people and provides an estimated $76,000 in annual employment income. FOCI Studio, located in the same building, offers workspace for artists and showcases projects completed at FOCI – MCGA. FOCI Studio employs two people and provides an estimated $225,000 in annual employment income.

B.T. McElrath Chocolatier

This family-owned chocolatier opened in 1996. The company now employs 10 people and provides an estimated $224,000 in annual employment income. It has won numerous awards for its products and was named one of the top 20 artisanal chocolate makers in the United States by *Chocolatier Magazine*.

Minnesota Independent Living Services

Minnesota Independent Living Services Inc. (MILS) is a state-licensed Class A Professional Home Care Agency. MILS offers patients home health aide and home management activities, including housekeeping, meal preparation and medication services. MILS employs 115 people and provides an estimated $2.7 million in annual employment income.

Environmental Benefits of Building Reuse

Compared with demolishing existing buildings and putting in new ones, the reuse of existing structures can have significant environmental benefits:

- Fewer materials used and less waste shipped to landfills.
- Fewer carbon dioxide emissions produced during demolition and waste removal, retrieval of new materials, and transportation of new materials.

Source: Preservation Green Lab[3]

[3] National Trust for Historic Preservation. (2011). The Greenest Building: Quantifying the Environmental Value of Building Reuse. Prepared by Preservation Green Lab. www.preservationnation.org/information-center/sustainable-communities/green-lab/lca/The_Greenest_Building_lowres.pdf.

The DECO Catering
This caterer has been in business for over 28 years, serving at more than 10,000 events. The company caters weddings, corporate events and other special occasions. The DECO Catering typically caters to one or two events per day. The business employs 20 people and provides an estimated $370,000 in annual employment income.

Marlaine Cox Metalworks
Marlaine Cox began running her metal shop and design studio in 2001. She has worked with metal for over 15 years and also works as a production welder and provides technical support to other sculptors. Her business currently employs three people and provides an estimated $137,000 in annual employment income.

Figure 6: More businesses operating at the complex

DIPSTIX
This business specializes in custom seasoning blends for dip mixes. Open for more than 16 years, DIPSTIX employs five people and provides an estimated $620,000 in annual employment income.

Nu Vue Studio
This art studio opened in in 1998; it provides vintage-style greeting cards and other materials to the wholesale market. It employs three people and provides an estimated $92,000 in annual employment income.

Property Value and Tax Revenue Impacts

In 2013, the site, located on a single property parcel, generated $84,000 in property taxes for Hennepin County. The total county-estimated value of the property in 2012, including redevelopment improvements, was $2 million. On-site businesses that produce retail sales and services also generate tax revenues through the collection of sales taxes, which support state and local governments.[4]

Conclusion

Cooperation among EPA, MPCA, General Mills and subsequent property owners has led to the cleanup and reuse of the General Mills/Henkel Corp. Superfund site. Cleanup actions continue at the site to address vapor intrusion. Real estate investment group B.B.D. Holdings' decision to reuse existing buildings and infrastructure provided environmental benefits and spurred the success of the small-business incubator on site, supporting the growth of more than 50 businesses near downtown Minneapolis. Many of these businesses focus on design and

[4] The combined sales tax rate in Minneapolis is 7.775 percent. This includes sales tax rates for the state, county, and the City of Minneapolis as well as for a regional transit improvement tax. For more information, see the Minnesota Department of Revenue: http://www.revenue.state.mn.us/businesses/sut/Pages/SalesTaxCalculator.aspx.

the arts and add to the cultural vitality of the area. The businesses also provide local residents with jobs and employment income, and generate sales tax revenue that supports state and local governments. Following the sale of the property in 2012, current site owner First & First LLC, a real estate company, remains committed to the property's reuse. MPCA and General Mills continue to work with the owner to ensure the protection of human health and the environment and enable small businesses to continue to thrive at 2010 East Hennepin Avenue.

Figure 7: More businesses found at 2010 East Hennepin Avenue

For more information about EPA's Superfund Redevelopment Initiative (SRI), visit: http://www.epa.gov/superfund/programs/recycle/.

Technical Appendix

Positive Impacts: Employment Information for On-site Jobs

The Dun & Bradstreet (D&B) database provided information on the number of employees and sales volume for on-site businesses. D&B provides information on businesses and corporations. It maintains a database of over 179 million companies globally and over 53 million professional contact names using a variety of sources, including public records, trade references, telecommunication providers, newspapers and publications, and telephone interviews. The Data Universal Numbering System (DUNS) number is a unique nine-digit identification number assigned by D&B to each business and its location within the D&B database for identifying each business. In instances where employment and sales volume for on-site businesses could not be identified, information was sought from the Manta database, which includes listings for millions of companies. Businesses identified were based upon research conducted primarily in June and July 2013.

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

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

The BLS Quarterly Census of Employment and Wages database provided average weekly wage data for each of the businesses located at the General Mills/Henkel Corp. Superfund 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 Hennepin 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 each of the businesses located at the General Mills/Henkel Corp. Superfund site, the average weekly wage figure was multiplied by the number of weeks in a year (52) and by the number of jobs (employees) for each of the businesses.

Table 1: General Mills/Henkel Corp. Superfund Site Businesses: NAICS Code and Title, Employees, Average Weekly Wage, Annual Wage per Employee, Total Annual Wages, and Annual Sales

October 2013

On-site Business	NAICS Code[a]	NAICS Title	Employees[b]	Average Weekly Wage (2012)c	Annual Wage (Mean Annual) per Employee	Total Annual Wages[d]	Annual Sales (2012)
AAA Delivery Service, Inc.	484110	General Freight Trucking, Local	2	$813	$42,276	$84,552	$150,000
AAA Taxi Cab Services Inc.	485310	Taxi Service	1	$534	$27,768	$27,768	$71,000
Applied Colloids	541614[e]	Process & Logistics Consulting Svcs[e]	1[e]	$2,206	$114,712	$114,712	NA
B & W Specialty Coffee Corp.	423440	Other Commercial Equipment Merchant Wholesalers	10	$1,430	$74,360	$743,600	$1,300,000
B.T. McElrath Chocolatier Inc.	3113	Chocolate and Confectionery Manufacturing	10	$431	$22,412	$224,120	$1,100,000
Big Horn Embroidery	424310[f]	Embroidery Products Merchant Wholesalers[f]	NA	$995	$51,740	NA	NA
Bioprofile Testing Laboratories, LLC	541380	Testing Laboratories	1	$1,145	$59,540	$59,540	$67,000
Busy B's Tees	323111	Commercial Printing (except Screen and Books)	2	$1,055	$54,860	$109,720	$150,000
CFM Chemical Corp	325998	All Other Miscellaneous Chemical Product and Preparation Manufacturing	4	$846	$43,992	$175,968	$ 390,000
Clear Science Inc.	541910	Marketing Research and Public Opinion Polling	1	$1,139	$59,228	$59,228	$110,000
Curt Goodrich Bicycles	451110	Sporting Goods Stores	2	$378	$19,656	$39,312	$100,000
D'Amico & Sons East Commissary	722514	Cafeterias, Grill Buffets, and Buffets	NA	$291	$15,132	NA	NA
Davis Specialty Transport	484110[f]	General Freight Trucking, Local[f]	NA	$813	$42,276	NA	NA
Dayworks Inc.	812990	All Other Personal Services	3	$596	$30,992	$92,976	$140,000
Deco Catering Inc.	722320[e]	Caterers[e]	20[e]	$360	$18,720	$374,400	NA
Duckyworld Products, Inc.	326299	All Other Rubber Product Manufacturing	5	$1,176	$61,152	$305,760	$570,000
Earth Sense	325620[e]	Toilet Preparation Manufacturing[e]	3[e]	$1,534	$79,768	$239,304	NA
Ecco Cab	485310	Taxi Service	2	$534	$27,768	$55,536	$58,000
Ernest John Enterprises Inc.	541611	Administrative Management and General Management Consulting Services	6	$1,983	$103,116	$618,696	$3,500,000

On-site Business	NAICS Code[a]	NAICS Title	Employees[b]	Average Weekly Wage (2012)c	Annual Wage (Mean Annual) per Employee	Total Annual Wages[d]	Annual Sales (2012)
Fast Computer Svc Co	443142	Electronics Store	2	$855	$44,460	$88,920	$110,000
Foci Minnesota Center For Glass Arts	611110	Elementary and Secondary Schools	2	$738	$38,376	$76,752	$100,000
Foci Studios	32721	Glass and Glass Product Manufacturing	2	$2,171	$112,892	$225,784	$98,000
Gallery Five Seven	453998	All Other Miscellaneous Store Retailers (except Tobacco Stores)	1	$621	$32,292	$32,292	$48,000
Golden Fig	311999[e]	All Other Misc Food Manufacturing[e]	1[e]	$1,093	$56,836	$56,836	NA
Green Machine Gallery	32721[f]	Glass and Glass Product Manufacturing[f]	NA	$2,171	$112,892	NA	NA
Grizzly Flagging Services Inc.	561990	All Other Support Services	3	$970	$50,440	$151,320	$50,000
Inked Publicity	51119	All Other Publishers	2	$1,567	$81,484	$162,968	$87,000
Kation Scientific	32721	Glass and Glass Product Manufacturing	1	$2,171	$112,892	$112,892	$50,000
Khat & Leaves Worldwide Corporation Serv. Inc.	541990	All Other Professional, Scientific, and Technical Services	1	$1,565	$81,380	$81,380	$44,000
Laser Wave Communications	423690[f]	Other Electronic Parts Merchant Wholesalers[f]	2[e]	$1,684	$87,568	$175,136	NA
Lighthouse Bay Foods	424490	Other Grocery and Related Products Merchant Wholesalers	20	$2,400	$124,800	$2,496,000	$1,700,000
Lipservice Inc.	711410	Agents and Managers for Artists, Athletes, Entertainers and Other Public	1	$580	$30,160	$30,160	$700,000
Marlaine Cox Metal Works	23839	Other Building Finishing Contractors	3	$884	$45,968	$137,904	$110,000
Mary Brown (DIPSTIX)	424490	Other Grocery and Related Product Merchant Wholesalers	5	$2,400	$124,800	$624,000	$380,000
Minnesota Independent Living Services Inc.	621610	Home Health Care Services	115	$466	$24,232	$2,786,680	$4,000,000
Nation Care Transportation	48899	Other Support Activities for Transportation	2	$671	$34,892	$69,784	$88,000
Neonics, Inc.	541712	Research and Development in the Physical, Engineering, and Life Sciences (except Biotechnology	4	$ 1,864	$96,928	$387,712	NA

On-site Business	NAICS Code[a]	NAICS Title	Employees[b]	Average Weekly Wage (2012)c	Annual Wage (Mean Annual) per Employee	Total Annual Wages[d]	Annual Sales (2012)
Northern Lights Proteomics	541711[e]	Research & Development in Biotechnology[e]	1[e]	$1,647	$85,644	$85,644	NA
Nu Vue Studio	812990	All Other Personal Services	3	$596	$30,992	$92,976	$110,000
Obento Ya Japanese Bistro	722511	Full-Service Restaurants	NA	$379	$19,708	NA	NA
Pad & Quill	332119	Metal Crown, Closure, and Other Metal Stamping (except Automotive)	4	$946	$49,192	$196,768	NA
Pampered Hair Haven	812112	Beauty Salons	2	$451	$23,452	$46,904	NA
Quinn Violins	339992[f]	Musical Instrument Manufacturing[f]	NA	$603	$31,356	NA	NA
Quita Food Products Inc.	445110	Supermarkets and Other Grocery (except Convenience) Stores	3	$488	$25,376	$76,128	$180,000
Roll Music Systems, Inc.	512240	Sound Recording Studio	2	$ 865	$44,980	$89,960	$70,000
Sahal Trucking Transport	484121	General Freight Trucking, Long-Distance, Truckload	1	$1,226	$63,752	$63,752	$81,000
Sobie	423910	Sporting and Recreational Goods and Supplies Merchant Wholesalers	1	$1,205	$62,660	$62,660	$40,000
The Elixery LLC	325620	Toilet Preparation Manufacturing	1	$1,534	$79,768	$79,768	$83,000
The People Place	561311	Employment Placement Agencies	3	$1,268	$65,936	$197,808	$230,000
Universal Framing, Inc.	453998	All Other Miscellaneous Store Retailers (except Tobacco Stores)	2	$621	$32,292	$64,584	$100,000
Viking Limousine Worldwide Service Inc.	485320	Limousine Service	3	$413	$21,476	$64,428	$95,000
Zakaria Catering	722320	Caterers	NA	$360	$18,720	NA	NA
Zelle Glass Studio	32721[e]	Glass and Glass Product Manufacturing[e]	1[e]	$2,171	$112,892	$112,892	NA
TOTALS			**267**			**$12,255,984**	**$16,260,000**

[a] NAICS code provided in D&B database unless otherwise noted.
[b] Employee data is from D&B database, except where otherwise indicated.
[c] Average weekly wage per employee is based upon BLS Average Weekly Wage data.
[d] Total annual wage figures were derived by multiplying "Employees" by "Annual Wage (Mean Annual) per Employee."
[e] Employee number, NAICS code and NAICS title obtained from Manta.
[f] NAICS code assumed.
NA: Not available or not applicable

Positive Impacts: Property Values and Local Tax Revenue Generated from Property Taxes

Property records accessible through Hennepin County's online property records database (http://www16.co.hennepin.mn.us/pins/pidsrch.jsp) provided data on the most recently assessed values and taxes for property parcels at the General Mills/Henkel Corp. Superfund site in January 2012 and 2011.

Table 2. Property Value and Tax Summary for Taxes Payable in 2013

Parcel ID No.	Current Parcel Owner (2012)	Acreage	Total Market Value of Land and Improvements (2012)[1]	Total Net Tax (2013)
19-029-23-22-0101	First & First LLC	6.68	$2,000,000	$84,295.20[2]

[1] Values established by Hennepin County Assessor as of January 2, 2012.

[2] This figure does not include a special assessment fee charged to the property owner in the amount of $5,068.28.