OFFICE OF THE CITY MANAGER
241 W. South Street
Kalamazoo, MI 49007-4796
Phone: (269) 337-8047
Fax: (269) 337-8182
www.kalamazoocity.org

MEDIA RELEASE

Media Contact for City of Kalamazoo:
Jeff Chamberlain, Deputy City Manager
chamberlainj@kalamazoocity.org
(269) 337-8047

Allied Superfund Site Redevelopment Proposed

Recent discussions between the City of Kalamazoo, State of Michigan and federal USEPA representatives have provided redevelopment opportunities for the Allied Superfund Site.

For Immediate Release

December 19, 2014, Kalamazoo, Michigan – The City of Kalamazoo, the U.S. Environmental Protection Agency and the Michigan Department of Environmental Quality have re-energized talks to resolve Kalamazoo's Allied Superfund Site redevelopment challenge.

Preliminary work on a new "redevelopment" option that addresses groundwater concerns, financial limitations and the future of surrounding neighborhoods was unveiled to community stakeholder groups on December 17, 2014. An opportunity to share the tentative proposal with the general public and seek further input is being scheduled for after the first of the year.

City officials who have been involved in renewed Allied Site meetings since early 2014 say they're hopeful a new approach will establish environmental safety at the 80-acre Superfund site, open the land to recreational and potential redevelopment and provide for ongoing groundwater monitoring to assure continuing compliance. Officials also believe a redevelopment option is financially possible.

Clean-up talks have been ongoing with community and city officials supporting total removal of the PCB soil in a site bounded by Alcott Street to the north, Cork Street to the south, Portage Street on the east, and west to Burdick Street. The EPA has said that option would cost three times the approximately $50 million available for the project and it has supported simply soil-capping and restricting access to the entire area.

According to City officials involved in the discussions, MDEQ encouraged the solution talks earlier this year, suggesting a redevelopment middle ground.

The fundamental framework for the proposed redevelopment would:

- Reduce the 42 existing acres of PCB-contaminated soil to 23 acres by consolidating existing materials into a larger hill on part of the site and safely capping it. Conversely, the

option to dig out and remove all PCB soil would result in creation of an expansive unbuildable wetland at the Site as well as thousands of semi-truck trips through the adjoining neighborhoods.

--Reclaim 15-20 acres of the site for potential redevelopment that would improve the neighborhoods, create employment opportunities, and add to the tax roll.

--Create a fund for ongoing environmental monitoring to assure future groundwater quality. Recent testing has shown no indication that the PCBs originating from carbonless paper production have migrated away from the Site.

--Create new recreational space adjacent to neighborhoods with an opportunity for community input on how it's developed. Fencing currently surrounding the area could be eliminated and a trail linking the cities of Kalamazoo and Portage could traverse the land, improving connectivity.

--Establish a more economically feasible solution. Officials peg the rough cost estimate for the redevelopment option at $57-$67 million, compared to $120-$360 million estimated for total removal. Assets from a bankruptcy settlement with the former industrial owner now stand at close to $50 million. City officials said the redevelopment option would still require some local fundraising and there are no federal funding earmarks available to supplement either option.

- Interact realistically with EPA's priority for the Allied Superfund site. According to City officials, on a scale of 1 to 10 where 10s are considered the most serious environmental contamination sites, EPA assesses Allied as a 1 (lowest priority) among the hundreds it overseas nationwide.

City officials characterized the three-party talks over the past eight months as intense at times but always cordial and professional. They consider the redevelopment plan an option that achieves groundwater and neighborhood protection, reconnects the former Allied site to the surrounding community, prepares the site for redevelopment and recreation and revitalizes it for productive reuse.

City officials credit the activism of local residents and environmental stakeholders with keeping the EPA at the negotiating table, garnering a compromise that assures more groundwater monitoring and better land use while recognizing the financial realities.

The City of Kalamazoo will be announcing a public meeting to outline the redevelopment proposal and receive public comment after the first of the year. A new option will require the EPA to amend its current Feasibility Study.

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