

**INDUSTRI-PLEX SUPERFUND SITE
WOBURN, MASSACHUSETTS
WINNER – BROWNFIELDS 2000 PHOENIX AWARD**

BEFORE:

The Property: 245-acres bordering Interstate Highway 93 about twelve miles north of Boston.

The Environmental Challenge: Initially ranked number 3, today Industri-plex is ranked the 5th most contaminated waste site out of some 1400 federal superfund sites nationwide. Over a century of manufacturing pesticides, munitions and leather-related manufacturing has resulted extensive metals contamination in the soils and sediments, piles of odor-producing animal hides and volatiles and metals contamination in the groundwater. The environmental conditions at the site were substantially aggravated by a developer, who purchased the property after manufacturing ceased in the 1960's and began excavating and stockpiling buried contaminants.

Political and Economic Challenges:

By the 1980's, the then-bankrupt real estate developer held title to all undeveloped land within the site, including the hide piles, which produced an odor akin to rotten eggs (later dubbed the "Woburn odor"). Deemed a liability by all the stakeholders, no entity was willing to take title to the developer's property. Even worse, the community, traumatized and polarized by allegations that contamination in the City's drinking water supply (later attributed to the Wells G&H Superfund Site in Woburn) had caused a cluster of childhood leukemias. A \$400 million class action lawsuit provided no answers, resulted in no winners, and left the community with a legacy of broken trust with both industry and government. (This litigation was documented in Jonathan Harr's bestseller, *A Civil Action*.) Any value assigned to the developer's real estate in 1989 was "nominal," at best in 1989 due, in part, to the stigma created by two high profile federal superfund sites in Woburn, fear of liability that the property created under the Superfund laws and the community's strained relations with both industry and government.

Alignment of Interests:

To break the gridlock, to ensure that the property issues did not interfere with the EPA-selected remedy for the site and to solve the problem created by the unwillingness of any stakeholder to own the property, the Environmental Protection Agency (EPA) established a real estate trust—designated the Industri-plex Custodial Trust—to take title to, manage, facilitate the redevelopment, effect the sale of the insolvent real estate developer's property and distribute the sale proceeds to the three beneficiaries of the Custodial Trust. These beneficiaries included the three major stakeholders to any superfund site: the community; the private companies/PRP's; and the EPA and the state Department of Environmental Protection (MDEP). Cynthia Brooks (now a Greenfield Managing Director) has served as Trustee for the Custodial Trust since 1989. (Ms. Brooks is President of Resources for Responsible Site Management, Inc. (RRSM), a subsidiary of Greenfield International. RRSM is the court-approved Trustee for the Industri-plex Custodial Trust.)

To implement a successful redevelopment, the Custodial Trust sought to align the divergent interests of the three beneficiary/stakeholders to the project. Ultimately, the City of Woburn recognized that redeveloping Industri-plex created an opportunity to do something positive for the community's image as well as to create new jobs, new sources of tax revenues, and improved quality of life. To reduce their clean-up costs and contain and/or minimize their long-term liability, the PRP's wanted the property developed for its highest and best use and sold to large Fortune 500 companies and/or public agencies who would ensure the long-term protection of the remedy, thereby limiting the PRPs long-term liability. The EPA and MDEP wanted a redevelopment that was broadly supported by the community and fully protective of public health and the environment.

The Redevelopment Process:

After forging a critical alliance with the community, and, ultimately, collaborating with all project stakeholders, Ms. Brooks led complex negotiations with three state transportation agencies that resulted in a series of public-private sector agreements with the Massachusetts Highway Department (MHD), the Massachusetts Port Authority (MassPort) and the Massachusetts Bay Transportation Authority (MBTA).

Under these public-private agreements, the Custodial Trust assembled and donated the required land, secured private sector funds to perform the permitting and engineering design and, in exchange, the state transportation agencies have invested more than \$40,000,000 in state-funded infrastructure improvements at the site. These improvements were critical to unlocking the trapped value of the real estate, implementing the highest and best use of the property, and helping to overcome the stigma and market fears about the viability of redeveloping land that was part of the fifth most contaminated waste site in the country.

With the infrastructure underway, Brooks led a host of initiatives that led to private sector investments of \$16.2 million in the acquisition of Custodial Trust property (which had a 1989 market value of \$1,000,000, "as if clean") and investments in excess of \$200,000 million in site development costs. The Custodial Trust initiatives included: taking the property through two re-zoning initiatives; clearing a host of monetary and other liens encumbering property title, coordinating the integration of the redevelopment into the remedy; initiating development permitting for portions of site; and assisting the Custodial Trust's buyers in securing their development permits for the site. The EPA issued separate Prospective Purchaser Agreements to all buyers of Custodial Trust property to address their concerns about superfund liability.

Public Sector Site Improvements:

- ◆ A \$15 million new interstate highway interchange for direct highway access to the site opened in October of 2000;
- ◆ A \$23 million state-of-the-art Regional Transportation Center (RTC), sited atop the former manufacturing plant area—one of the most contaminated areas of Industri-plex. The RTC, scheduled to open by year-end 2000, will offer commuter rail, airport shuttle bus, park-and-ride and a host of other amenities and services from a central passenger station and accompanying parking for 2,400 cars.

- ◆ New and improved public roads to access landlocked parcels of the Custodial Trust property have been constructed under a collaborative agreement between the City, the Custodial Trust and its purchasers.

Private Sector Improvements:

- ◆ Under a complex Purchase & Sale Agreement (P&S) negotiated by Ms. Brooks, the Target Corporation (f/k/a Dayton Hudson Corporation) paid \$11.5 million for ~18 acres of buildable land in 1997. Construction of the 200,000 sf shopping center, anchored by Target Stores, is virtually complete and scheduled to open in October of 2000.
- ◆ Under a separate P&S, also negotiated by Brooks, National Development of New England and/or Genuity (f/k/a GTE Internetworking, Inc.) purchased all remaining developable land at the site. Their development plan includes an 850,000 sf high-end office park and hotel complex, including a three phase corporate campus for Genuity, a multi-tenant office building, 100% structured parking, a 150-room extend-stay Marriott hotel. Genuity occupied their Phase I development this summer.

AFTER

Economic Results:

- ◆ Combined, the community, the PRPs and the EPA/MDEP received the millions of dollars in sale proceeds paid by the buyers of Custodial Trust property due to the new real estate value created by the public-private infrastructure agreements, property re-zoning and other Custodial Trust initiatives that resulted in the dramatic increase in the Custodial Trust land value.
- ◆ The redevelopment of Industri-plex has resulted in a significant increase in Woburn property values, particularly in the vicinity of the Industri-plex Superfund site, resulting in the conversion of existing industrial uses to new, higher end uses and helping to dispel the stigma associated with establishing a business presence in Woburn, MA.
- ◆ To date, the redevelopment is credited with the creation of ~3,600 mostly highly skilled permanent professional jobs as well as ~2,000 short-term construction jobs. A study, commissioned by the City of Woburn, projects that when the build-out of the Industri-plex and surrounding properties has been fully implemented, up to 12,000 new jobs are expected to be created by 2010.
- ◆ The City of Woburn is realizing new tax revenues of approximately \$3,000,000 per year as a result of the redevelopment plan.

Beneficial Public Uses:

- ◆ The new Interchange and RTC provide badly needed improvements in roadway safety and performance as well as mass transit facilities to help reduce traffic on overburdened regional and local road systems.
- ◆ The RTC helps to bring the state into compliance with the Clean Air Act by reducing the number of vehicles traveling to/from Boston.
- ◆ The mixed use development plan for the site includes scenic open-space that is expected to benefit the community and further enhance the quality of life for this community.
- ◆ Once regarded by the former six-term Mayor of Woburn as “the albatross of the City,” today, Industri-plex represents this community’s economic future and its most important source of community hope, pride and restoration.

Winner of the Brownfields 2000 Phoenix Award for the New England Region, Ms. Brooks and RRSM have led redevelopment of the Industri-plex Superfund Site since 1989. According to a Woburn minister who worked with the families whose children were lost to leukemia and helped bring this site to the attention of the regulators,

“To have done ...what RRSM accomplished in Woburn truly merits an award. I believe... [that] those who transformed the Industri-plex 128 Site will stand as a beacon of hope and offer a blueprint of management excellence to those who look at brownfields and ask, ‘How can we ever remediate [and redevelop] this site? It is so large and complex.’ The answer—the model—is found at Industri-plex 128.”

*---The Reverend Bruce Young, Woburn, Mass. June
27, 2000*