



Region 7

Iowa
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Fact Sheet

JUNE 2005

LAND REVITALIZATION **RCRA – AK Steel, Kansas City, Missouri**

SITE HISTORY



Sampling at the Former Melt Building

AK Steel (formerly ARMCO) consists of approximately 900 acres, formerly used for the manufacture of steel. The site is under a Resource Conservation and Recovery Act (RCRA) post-closure permit with the Environmental Protection Agency (EPA) and Missouri Department of Natural Resources (MDNR).

Approximately 90 percent of the data collected during the RCRA facility assessment was analyzed by the ITS Richardson Laboratory. ITS self-reported data quality problems to EPA, and following an extensive investigation, a number of individuals responsible for operations at the laboratory were criminally indicted for fraud by the U.S. Department of Justice. The federal government failed to convict. Due to the pervasive data quality problems

discovered during EPA's investigation, the data analyzed by ITS may not be used for decision-making purposes. This has presented challenges to progress toward cleanup of the site.

Of the 900 acre site, approximately 600 acres are owned by AK Steel, who bought the assets of the former ARMCO Steel; approximately 270 acres are owned by Compass Big Blue, L.L.C. (CBB), who bought the assets of the former GST Steel; and, approximately 30 acres are owned by American Properties, L.L.P. CBB, with oversight from EPA and MDNR, has been moving forward with the cleanup and demolition of the 270 acres in the middle of the AK Steel site for redevelopment.

A small portion of the CBB property was sold in 2004 to American Grinding Systems (AGS). CBB is negotiating the sale of two additional tracts of its property to a scrap metal dealer and a large rail car company. CBB and Kansas City have also discussed the possible sale or lease of the former Mill Ponds (SWMU22) to the City for ash storage from the incineration of sewage sludge at the Rock Creek wastewater treatment facility.

The portion of the property owned by AK Steel may be sold to another party. EPA has been contacted by AIG Insurance Company, who had been asked to insure a prospective purchaser. After learning of the data quality issues, AIG would not

underwrite the policy. In order to assist the prospective purchaser in getting insurance, AK Steel has agreed to re-sample and re-analyze a technically defensible portion of the RFI data. The site-wide human health and ecological risk assessments also need to be updated to include the technically defensible data.



Former GST Melt Shop

REVEVELOPMENT OPPORTUNITY

This is a highly coveted site presenting a unique opportunity for commercial users and industrial master plan developers. Transportation access is excellent; I-435 adjoins the property, Kansas City Southern Railroad runs through the property, and a significant number of on-site rail spurs can accommodate up to 350 railroad cars, with rail expansion potential exceeding 1,000 cars.

A number of government financing and tax abatement programs may be available to prospective buyers, including TIF and Chapter 100 and 349 bond financing, tax credits, Missouri Downtown Economic Stimulus Act) (MODESA), as well as several other programs. The property's appeal is significantly enhanced by its inclusion in Kansas City's Planned Industrial Expansion Authority (PIEA) area. This gives buyers the potential additional benefit of eligibility for the significant Chapter 353 tax abatement. The current owner is Compass Big Blue,

LLC, formerly owned by the national environmental remediation firm, Compass Environmental, Inc. Compass has been working virtually non-stop since August 2002 to reclaim the property and prepare it for future development. As a result of its efforts, two development tracts have already been sold-proving demand and assuring future growth in the area. These highly versatile industrial development parcels are ideal for warehousing, rail management and freight companies, other transportation-related firms, manufacturing, or heavy industrial.



Demolition Materials

ADDITIONAL INFORMATION

If you have questions, or need additional information, please contact:

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