



UNITED STATES

ENVIRONMENTAL PROTECTION AGENCY

REGION III

STATEMENT OF BASIS

BethWorks Now/Sands Retail LLC
ArtsQuest/PBS-39 Parcels
Bethlehem, Pennsylvania 18252

Formerly:
Bethlehem Steel Corporation
Bethlehem Structural Products

EPA ID NO. PAD 990824161

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I. Introduction

A. Facility Name/Ownership

The United States Environmental Protection Agency (EPA) has prepared this Statement of Basis (SB) for four (4) parcels (Parcels), totaling approximately 2.3 acres, at the Sands Retail, LLC tract (BW Tract) of the former Bethlehem Steel plant. This former steel plant was owned and operated by the Bethlehem Steel Corporation - Bethlehem Structural Products (BSC) and is located in the City of Bethlehem and Lower Saucon Township, Northampton County, Pennsylvania (hereinafter referred to as the BSC Facility or Site).

The BSC Facility is subject to the Corrective Action program under the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (RCRA) of 1976, and the Hazardous and Solid Waste Amendments (HSWA) of 1984, 42 U.S.C. Sections 6901 to 6992k. The Corrective Action program is designed to ensure that certain facilities subject to RCRA have investigated and cleaned up any releases of hazardous waste and hazardous constituents that have occurred at their property.

Information on the Corrective Action program as well as a fact sheet for the BSC Facility can be found by navigating <http://www.epa.gov/reg3wcmd/correctiveaction.htm>.

EPA has prepared this SB in cooperation with the Pennsylvania Department of Environmental Protection (PADEP). EPA reviewed all available Site data and has determined that no additional characterization or remediation is necessary for the Parcels to satisfy federal RCRA Corrective Action obligations. Based on this review, EPA is proposing a remedy for the Parcels and is proceeding with its remedy selection process, including providing opportunity for public comment and review.

B. Proposed Decision

This SB explains EPA's proposed decision to select compliance with and maintenance of institutional controls (ICs) as the final remedy for the Parcels. These controls would prohibit use of groundwater as a drinking water supply and restrict land use to non-residential activities. EPA is proposing that these controls on land and groundwater use will protect human health and the environment.

The proposed ICs are detailed in Section V, below.

C. Importance of Public Input

The public may participate in the remedy selection process by reviewing this SB and documents contained in the Administrative Record (AR). The AR contains the complete set of reports that document the Parcels' conditions, including a map of the Parcels, in support of EPA's proposed decision. EPA encourages anyone interested to review the AR. The AR is available for public review at the EPA Region III office, the address of which is provided in

Section V, below.

EPA will address all significant comments received during the public comment period. If EPA determines that new information or public comments warrant a modification to the proposed decision, EPA will modify the proposed decision or select other alternatives based on such new information and/or public comments. EPA will approve its final decision in a document entitled the Final Decision and Response to Comments (FDRTC).

II. Facility Background

A. BSC Facility Ownership

From approximately 1899 to 1995, BSC and its corporate predecessors manufactured steel at the approximately 1800-acre BSC Facility. In 1995, BSC discontinued steel manufacturing operations at the BSC Facility and in 2001, filed for bankruptcy under Chapter 7 of the United States Bankruptcy Code. In May 2003, with approval of the U.S. Bankruptcy Court for the Southern District of New York, International Steel Group Acquisition, Inc. (ISG) acquired substantially all of BSC's assets. Title to the BSC Facility was taken by Tecumseh Redevelopment, LLC (Tecumseh), a subsidiary of ISG. A 125-acre westernmost tract, the BW Tract, was sold to Sands Retail, LLC. In addition, Tecumseh sold approximately 1000 acres of the BSC Facility to Lehigh Valley Industrial Park (LVIP). That 1000-acre area is known as Bethlehem Commerce Center. In 2005, ISG merged with Mittal Steel USA, Incorporated (Mittal). Mittal sold 441 acres to Majestic Realty Company in 2007. Mittal retains the remaining acreage of the BSC Facility.

B. Parcels

The BW Tract comprises the westernmost 125 acres of the BSC Facility. The western portion of the BW Tract is known as Phase I and the eastern portion of the BW Tract is known as Phase II. This SB outlines EPA's proposed remedy for the four parcels, referred to collectively as "Parcels", located within the BSC Facility as identified on the attached map (Attachment 1), and as described below:

Parcel 1 – Phase II – Tool Steel Finishing (Turn and Grind Shop) constructed in 1863. The building foundation is expected to remain.

Parcel 2 – Phase II – Adjoins Parcel 1 and extends to the south and west. This parcel has been cleared of structures.

Parcel 3 – Phase I – Electric Furnace Building constructed in 1880. The building is expected to remain.

Parcel 4 – Phase I – Adjoins Parcel 3 to the north and has been cleared of structures.

These parcels are presently owned by Sands Retail LLC (Sands) and are listed per the

Northampton County Tax Assessor as P6 2 2-10 0204 (2.78 acres) and P6 2 2-10A 0204 (0.95 acres). ArtsQuest/PBS-39 hold Options for the Parcels on which they plan to build a Performance Arts Center and TV Studio. Once the Options are exercised, ArtsQuest/PBS-39 plan to take possession of 2.3 acres of the 3.73 acres in these areas to construct their respective facilities. The remainder of these parcels would remain with the Sands. EPA's proposed decision applies to the acreage that is purchased by ArtsQuest/PBS-39.

III. Summary of Environmental History

Soils and groundwater at the BW Tract were characterized by an extensive sampling program conducted by BSC with EPA and PADEP oversight. The program included collection of groundwater, soil and soil gas samples. The results of the sampling program were presented in the Remedial Investigation, Risk Assessment, and Cleanup Plan (RI/RA/CP) that was submitted to EPA in 1998. Additional characterization information and data for portions of the Site that could not be previously characterized because of ongoing manufacturing activities were submitted by BSC in a Supplemental Report in August 1998. A Final Report for Groundwater was submitted July 1998 and a Final Report for Soils was submitted April 2000.

The characterization of the site soils began in 1995 and concluded in 1998. Several samples at the Parcels contained concentrations of heavy metals; however, none of the concentrations exceeded Pennsylvania's Statewide Health Standards for non-residential use. EPA approved the soils investigation by letter dated May 6, 1999.

Groundwater was investigated by BSC across the entire BW Tract from 1995 through 2000. Some volatile organic compounds (VOCs) were found above their respective Maximum Contaminant Level established by the Safe Drinking Water Act, 42 U.S.C. Section 300g-1. In 2000, a supplemental monitoring program was completed which showed that those VOCs levels did not impact human health or the environment. No potable-use wells are on the BW Tract nor within a 1-mile radius of the BW Tract. No VOCs were found above their respective MCLs in either the wells next to the Lehigh River or in the Lehigh River. EPA approved this supplemental data and the groundwater investigation by letter dated January 22, 2001, stating that no additional investigation or remediation was necessary at the BW Tract.

PADEP approved Final Reports for groundwater and soils and provided BSC a release of liability for groundwater on April 5, 1999, for Phase I on September 14, 2000 and for Phase II on February 19, 2003. PADEP's approval was contingent upon the BSC Facility owners placing restrictive covenants on land and groundwater use on Site property. BSC complied with this requirement by recording a Declaration of Covenants, Conditions, Restriction, Release and Indemnification in the Office for the Recording of Deeds in Northampton County. This Declaration imposes land and groundwater use restrictions at the BW Tract and is applicable to all future property owners.

IV. Evaluation of EPA's Proposed Decision

This section provides a description of the criteria EPA uses to evaluate proposed

remedies under the Corrective Action program. The criteria are applied in two phases. In the first phase, EPA evaluates three criteria, known as Threshold Criteria. In the second phase, EPA sometimes uses as many as seven balancing criteria to select among alternative solutions, if more than one is proposed. The current conditions at the Parcels meet the threshold criteria established by EPA. Because EPA is not selecting among alternatives, a complete evaluation of the balancing criteria is not necessary.

The following is a summary of EPA's evaluation of the Threshold Criteria:

1. Protect Human Health and the Environment - EPA's proposed remedy of compliance with and maintenance of ICs protects human health and the environment from exposure to contamination given current and anticipated land use.

The proposed remedy restricts the current and future use to non-residential purposes and requires EPA to be notified of any proposed changes in use of the Parcels' property. The Parcels are expected to be redeveloped into an Events Center and Performing Arts and Broadcast Center. The Parcels will not be used for residential buildings or activities.

The proposed remedy also restricts groundwater use to non-potable purposes. Exposure to groundwater will be eliminated, as no wells currently exist on the Parcels and no new potable wells will be allowed on the Parcels' property since groundwater use across the BSC Facility has been restricted by a City of Bethlehem zoning ordinance requiring use of the municipal water supply.

2. Achieve Media Cleanup Objectives - EPA's proposed remedy meets the appropriate cleanup objectives based on current and reasonably anticipated land and water resource use(s).

Parcel soils meet Pennsylvania's Statewide Health Standards for non-residential uses. The Parcels will not be used for residential buildings or activities. The Parcels are expected to be part of a redevelopment project creating an Events Center and Performing Arts and Broadcast Center.

Groundwater investigation results show that VOCs in the groundwater at the Parcels are not having an unacceptable impact on human health or the environment. Exposure to groundwater will be eliminated, as uses are restricted to non-potable purposes. There are no wells currently located on the Parcels and no new potable wells will be allowed on Parcel property.

3. Remediating the Source of Releases - In all remedy decisions, EPA seeks to eliminate or reduce further releases of hazardous wastes or hazardous constituents that may pose a threat to human health and the environment. Given current and anticipated uses of Parcel property, soils and groundwater at the Parcels do not pose a threat to human health or the environment; therefore, no further remediation is necessary.

V. Institutional Controls

As stated above, VOCs remain in the groundwater and heavy metals remain in the soil above levels appropriate for residential and domestic uses. Therefore, EPA's proposed remedy requires ICs to restrict land and groundwater use at the Parcels while those media remain contaminated. ICs are generally non-engineered instruments such as administrative and/or legal controls that minimize the potential for human exposure to contamination by limiting land or resource use. The proposed ICs are:

1. an environmental covenant to be drafted and recorded in a manner consistent with environmental covenants under the Pennsylvania Uniform Environmental Covenants Act (UECA), 27 Pa.C.S. §§6501-6517 (February, 2008). The environmental covenant shall include the following restrictions and requirements:

(a) the Parcels shall not be used for residential or agricultural purposes or as unpaved playgrounds, campgrounds, day care centers, hospitals or cemeteries unless EPA provides written approval for such use;

(b) the groundwater at and under the Parcels shall not be used for any drinking or agricultural purpose unless EPA provided written approval for such use;

(c) no new wells will be installed on the Parcels unless EPA provides prior written approval to install such wells;

(d) in the event the Parcels' owner(s) intends to sell part or all of the Parcels, the owner(s) shall notify EPA at least thirty (30) calendar days prior to such sale and provide written documentation to EPA which demonstrates that the prospective buyer is aware of the restrictions placed on land and groundwater use;

(e) the Parcels' owner(s) and each subsequent owner shall submit, to EPA and PADEP, written documentation concerning proposed changes in use of the Parcel property; the filing of applications for building permits, or proposals for any site work affecting the contamination on the Parcel property;

(f) the Parcels shall be surveyed and described in an environmental covenant as prescribed below:

(1) Each Parcel and each use and activity limitation area shall be surveyed by a licensed professional surveyor, who shall provide a metes and bounds description of each parcel or area. Metes and bounds descriptions define boundaries based on distance and direction from point to point. The description defines a Point of Beginning and each subsequent point, returning to the Point of Beginning.

(2) In addition to the metes and bounds description for each Parcel or area, the survey shall provide geographic survey coordinates for each point identified in the metes and

bounds description. The survey coordinates shall be provided as follows: longitude and latitude in decimal degrees, to 7 decimal places, using the World Geodetic System (WGS) 1984 datum, with west longitude indicated as a negative number. The coordinates shall be provided in a tabular format, following the metes and bounds description. The first and last coordinate values in the table shall be the same, and shall represent the coordinates of the Point of Beginning of the metes and bounds description. The text introducing the table of coordinate values shall indicate that the table represents the geographic coordinates, in WGS 1984, of the preceding metes and bounds description.

(3) If the metes and bounds description includes arc segments (rather than straight line segments) defined by the beginning and ending of an arc of a specific radius, additional geographic control points shall be calculated along the arc so that a straight line approximation from point to point does not deviate from the true arc by more than 0.1 foot.

(4) The table of coordinate values shall also be provided separately as an electronic file, in a comma separated value (CSV) format.

Two Declarations of Covenants, Conditions, Restriction, Release and Indemnification (Declarations), one pertaining to Phase I and one pertaining to Phase II, have been recorded in the Office for the Recording of Deeds in Northampton County with the deed for the BW Tract, including the Parcels. The Declarations contain some of the above-listed restrictions and requirements. EPA proposes that those Declarations be modified to incorporate all of the IC components of EPA's final remedy and be drafted and recorded in a manner consistent with environmental covenants under UECA. If the owner fails to meet its obligations under such revised Declarations, PADEP or EPA can enforce the terms of the Declarations. In addition, if EPA, in its sole discretion, deems that additional ICs are necessary to protect human health or the environment, EPA will require and enforce such additional ICs.

VI. Environmental Indicators

Under the Government Performance and Results Act (GPRA), EPA has set national goals to address RCRA corrective action facilities. Under GPRA, EPA evaluates two key environmental clean-up indicators for each facility: (1) Current Human Exposures Under Control and (2) Migration of Contaminated Groundwater Under Control. The Facility met these indicators on January 7, 2004.

VII. Financial Assurance

EPA has evaluated whether financial assurance for corrective action is necessary to implement EPA's proposed remedy at the Parcels. Given that EPA's proposed remedy does not require any further actions to remediate soil or groundwater contamination, EPA is proposing that no financial assurance be required.

VIII. Public Participation

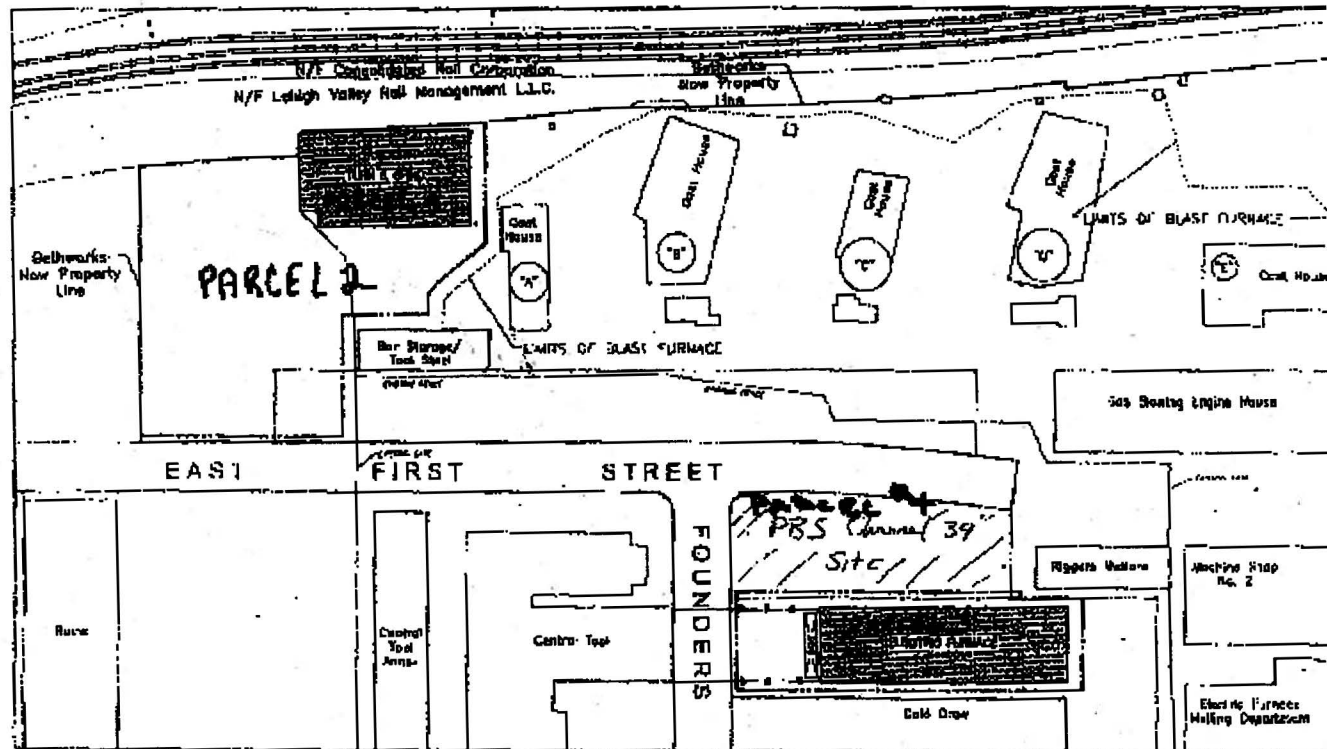
Interested persons are invited to comment on EPA's proposed remedy. The public comment period will last thirty (30) calendar days from the date that notice is published in a local newspaper. Comments may be submitted by mail, fax, e-mail, or phone to Ms. Linda Matyskiela at the address listed below.

A public meeting will be held upon request. Requests for a public meeting should be made to Ms. Linda Matyskiela at the address listed below. A meeting will not be scheduled unless one is requested.

The Administrative Record contains all the information considered by EPA for the proposed decision at these Parcels. The Administrative Record is available at the following location:

U.S. EPA Region III
1650 Arch Street
Philadelphia, PA 19103
Contact: Ms. Linda Matyskiela (3LC30)
Phone: (215) 814-3420
Fax: (215) 814-3113
Email: matyskiela.linda@epa.gov

Attachment A



STEELSTAX PROPERTY PLAN

For graphic representation only, shall not be considered a survey of miles and bounds.

November 4, 2005
No Scale

