



The Shops at Atlas Park

NEW YORK, NY

2007 REGION 2 WINNER

Key Project Lesson: Proactive integration of the brownfield regulatory process can be vital to the timely revitalization of contaminated properties.

Overview

A 12-acre portion of the former Atlas Terminals industrial park site in Queens was one of the first sites to enter into the State of New York's new Brownfield Cleanup Program (BCP) in January 2004, and to receive the liability and tax credit benefits available to private sector developers. The owner and developer, Atlas Park LLC, viewed the project as an opportunity to bring high-quality retail development to the borough on an underutilized industrial park. The redevelopment was envisioned as New York City's first "lifestyle center," which includes a central, two-acre, "green" area used for farmers markets and community events, surrounded by retail specialty shops, restaurants, and movie theaters.

Featured Partners

- Atlas Park LLC
- Atco Properties
- Langan Engineering & Environmental Services
- Knauf Shaw LLP
- Earth Technologies, Inc.
- Chubb & Son

Primary Reason for Redevelopment

The developer was also the site's long-time landowner, and thus was considered a responsible party for the site. Even though the owner did not contribute to contamination, industrial tenants caused on-site contamination over the 80 years that the family leased portions of the property. The owner was interested in cleaning up the property and converting it to a more productive use. The owner decided to enter New York's new state BCP, which encourages responsible parties to enter the program voluntarily rather than mothball their sites, and receive its benefits in exchange for complete site remediation.

Approach

Atlas Park LLC submitted its BCP application in December 2003, shortly after the new program took effect. The site was separated into two parcels, Atlas Park and Atlas Park Parcel B, because different remediation strategies and different schedules were proposed for each. The remedial investigation for both parcels took most of 2004 to complete. Remediation of Atlas Park, which comprises 8.5 acres of the 12-acre site, began in October 2004 and was completed in May 2005. A Final Engineering Report was prepared in September 2005, and a Certificate of Completion was issued in December 2005. The Final Engineering Report for Atlas Park Parcel B was completed in December 2006, and the Certificate of Completion was issued in December 2006.

The site was separated into two parcels because different remediation technologies were needed at each. Remediation of Atlas Park involved demolition of almost 40 abandoned industrial buildings, excavation and removal of buried drums, PCB-contaminated soil, and lead-contaminated soil. Five historic industrial buildings on Parcel B were preserved and reused as restaurants and retail venues. Parcel B remediation involved selective soil excavation and installation of two air sparge/soil vapor extraction systems. Since the site is the first brownfield in the neighborhood to be redeveloped, sub-slab vapor mitigation systems also were required on the Atlas Park parcel to prevent vapor intrusion from the low-level, subsurface, volatile organic compound contamination that migrated from source areas in Atlas Park Parcel B.

Innovative Techniques

Atlas Park LLC initiated public outreach to obtain early acceptance of this project, which significantly facilitated project development. Environmental insurance and the new BCP tax credit incentives proved to be an innovative financing combination for the project. The Shops at Atlas Park devoted two acres of land for open space—an important amenity in New York City. Open space was important to the development of the “lifestyle center” the owner envisioned rather than a traditional retail mall project. In response to the new state vapor intrusion policy, the developer installed vapor mitigation systems in all occupied buildings.

Challenges

The most significant challenge, which presented itself midway through the project, was the vapor intrusion issue and need for an off-site investigation. The state was not sure how far the off-site investigation should extend. Atlas Park was one of the first projects in the BCP to confront vapor intrusion. The new BCP law did not address this issue, and Atlas Park LLC was asked to perform a vapor investigation after completing the investigation and remediation on Parcel A.

Another challenge the developer faced was that the site investigation did not uncover all hot spots of contamination, which were only later found during site excavation. Six previously unknown releases had to be reported to the state during site remediation activities. These surprises stemmed from unknown tenant activities that took place decades ago. Surprise discoveries during the remediation process included hazardous lead levels from a rubber-like material under one of the former building foundations, buried drums containing mineral spirits, vaults containing glue, and a sub-slab drainage network found to contain materials with high levels of PCE and TCE. Each of these events delayed the construction schedule and had to be treated as an emergency interim remedial measure.

Additionally, remediation and redevelopment activities were occurring concurrently, which presented a constant challenge, particularly when new areas of contamination were discovered. When project planning began, Atlas Park LLC was also concerned about what it viewed as an unwieldy and adversarial environmental regulatory process associated with site investigation and remediation. But these barriers were overcome when the State of New York adopted its BCP law, which enabled Atlas Park LLC to volunteer to clean up its own site.

Benefits

A \$300 million private investment went into this 300,000 square-foot retail project, which opened in April 2006. The Shops at Atlas Park are expected to generate an estimated \$6.2 million in annual sales tax revenues for the city. The tax credit incentives will be paid back in terms of tax revenues generated based on current value to the city six times over during the next thirty years according to an independent economic analysis prepared by the City of York. This does not include revenues that will also be paid to the state. In addition to the construction jobs, more than 750 permanent, specialty retail jobs were created, (which equates, based on industry norms to 2.5 jobs created per 1,000 square-feet of retail space). Finally, this development is part of a larger, area-wide redevelopment strategy. Based on the success of the initial development project, the remaining portion of the original Atlas Terminals property may be revitalized in the future for compatible commercial or mixed-use development.

Before



After



Address:	8000 Cooper Avenue at 80th Street, Glendale, New York 11385
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Names of Participants:	Atlas Park LLC c/o A&Co., Langan Engineering & Environmental Services, Knauf Shaw, LLP, Earth Technologies, Inc., Chubb & Son
Number of Acres:	12.088 acres (Parcel A: 8.474 acres; Parcel B: 3.61 acres)
Former Uses:	oil company, laundry, and a specialty plastics manufacturer
Current Uses:	lifestyle center with retail and open space
Former number/Types of jobs:	50 workers were present in the on-site buildings
New number/Types of jobs:	750 permanent retail jobs
Type of Site:	mix of industrial and terminal uses
Regulatory Program:	state brownfield cleanup program
List of Major Contaminants:	polycyclic aromatic hydrocarbons, metals-contaminated ash, cinder fill, lead-contaminated soil, volatile organic compounds
Greatest Challenge:	off-site vapor investigation in adjacent residential community
Length of Time to Remediate Site:	2 years
Primary Reason for Redevelopment:	responsible owner entered BCP to clean up and reuse their own site
Years Abandoned or Challenged:	last 8-year history provided only partial leasing of some buildings for non-manufacturing warehouse uses with some buildings being vacant
Cleaned up under Consent Decree:	no
List of Financial Assistance:	government financial incentives in form of BCP tax credits
Other Financial Techniques Utilized:	private equity
New Tax Revenues:	\$6.2 million per year
Community Outreach Activities:	public notice, fact sheets mailed to nearby property owners at each stage in the BCP process; meetings with neighbors during off-site investigation to explain vapor results
Innovative Environmental Regulatory Techniques:	direct meetings with neighbors to explain vapor intrusion issue
Innovative Remediation Techniques:	fast-track remediation during simultaneous construction on a tight development parcel
Innovative Economic Development:	use of the State's BCP program designed to promote economic development on brownfield sites
Land Conservation:	2 acres dedicated to open space
Sustainable Development:	2-acre open space in the middle of the lifestyle center for the community
Federal Partners:	None