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Pasadena Star-News (California)

May 6, 2007 Sunday

SECTION: NEWS

LENGTH: 687 words

HEADLINE: Retail project stalled as cleanup of toxic landfill bogs down

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BODY:

MONTEREY PARK - Negotiations have stalled between developers and a company created to clean up the region's largest Superfund site, U.S. Environmental Protection Agency officials said Friday.

Ten acres of a 190-acre former dump have been designated for the Monterey Park Market Place, a retail site projected to bring in \$1 million in sales-tax revenue annually to the city.

Cleaning the 60-year-old landfill and preparing a portion of it for development, however, has been arduous.

So far, \$325 million has been invested by federal, private and municipal agencies, and it is estimated that another \$50 million is needed to complete the cleanup.

The progress has stalled because the developers, Zellman Development, Home Depot and New Cure, a trust created to operate, monitor, and maintain the long-term cleanup on behalf of the responsible companies, can't agree on who should pay to cap the landfill, said Fred Schauffler, an EPA representative.

"The problem we've been having is who is going to pre-finance the development costs," said Schauffler.

Other businesses that have been suggested to be built there are Target, Starbucks and In-N-Out Burger.

The EPA has been cleaning the site, broken into the northern and southern parcels, for the past three years. It is located along the 60 Freeway. Contamination on the northern 45-acre parcel is limited to construction debris, unlike the southern parcel that received more than 80,000 tons of liquid chemical waste and other various toxic chemicals.

"I am just as frustrated as any of the residents," said City Clerk Dave Barron. "We see a piece of empty land, prime land, and we want to see it developed." The site has a history that dates to 1948, although it wasn't until the 1980s that developing the site for commercial use entered the public arena.

Former Gov. George Deukmejian urged the EPA to exempt the 45 acres of the site from the federal Superfund cleanup list. By preventing it from being on the list, the dump's owners, Operating Industries, would have been able to sell the land for \$7.2 million.

Operating Industries owner Jack Arakelian, who had been friends with Deukmejian for nearly 20 years, contributed nearly \$20,000 to his 1982 campaign. Deukmejian later pulled his request off the table, and the site was added to the Superfund list in 1986.

While offers in the '80s suggested that Operating Industries could get \$7.2 million for the site, EPA officials said Friday that any profit the property owner receives for the site will go toward the \$375 million cleanup cost. Assemblyman Mike Eng, who served on a Market Place subcommittee while he was a Monterey Park councilman, said the project will produce regional benefits, including nearly 500 jobs.

But the project is not moving as quickly and smoothly as he hoped, Eng said, noting the difficulty in coordinating efforts between the various state and federal agencies involved, including Caltrans, the developers, the EPA and New Cure.

"There is a lot of history, yet there is a lot of potential. I would urge people not to give up on the process," Eng said.

Home Depot and Zellman Development representatives declined to comment. The landfill was constructed by filling a former quarry that was cut into the side and top portion of the Montebello Hills, and more than 4,000 companies and cities dumped commercial, residential and industrial wastes.

The landfill was eventually constructed to a height higher than the Montebello Hills.

The site is regarded as one of the worst sites in the country, said New Cure spokeswoman Mary Urashima.

"We are very committed to the development project that has been envisioned by Monterey Park," Urashima said.

Some critics aren't so sure.

"New Cure has been entrusted with millions of dollars, and they have not been acting in good faith," said Monterey Park Councilman Frank Venti.

Margarita Cruz, director of economic development, expects the ground-breaking to

be at least another two to three years out.

"Everything has to be done within the circle of process with the cleanup act," Cruz said. "We can't go any faster or slower."

LOAD-DATE: May 6, 2007