



Bethlehem Steel Plant

LOCATION: Bethlehem, PA

SIZE: 1600 acres

FEATURES: large parcel, flat land, riverfront, rail service

OWNER: Lehigh Valley Industrial Park, BethWorks Now and other companies

CURRENT USE: Mixed-use (industrial, recreational, entertainment, residential)

PAST USE: Steel Mill

CONTAMINANTS: Arsenic, lead, PAHs, TCE

TOTAL ACTUAL COST: \$7.5 million for environmental assessment and remediation

TIMELINE

1863 Bethlehem Steel Plant begins operations

1904 Bethlehem Steel Corporation is officially formed

1995 Bethlehem Steel Plant closes

2003 Plant is sold to Tecumseh Redevelopment

2004 Lehigh Valley Industrial Park (LVIP) purchases 1000 acres of land

2004 BethWorks Now buys 163 acres of land

HISTORY

Initially, the Bethlehem Steel Plant was a producer of rails for the expanding railroad industry. Eventually, it became one of the leading suppliers of steel to the construction industry. It provided steel for the army during both World Wars and it was also responsible for the construction of several skyscrapers located in New York City during the 1940s. Due to various reasons, the plant eventually closed in 1995. This greatly impacted the City of Bethlehem since not only did thousands of people lose their jobs, the city also lost a good portion of its tax revenues from the land.

TOPOGRAPHY

The old Bethlehem Steel Plant is located on the south side of Bethlehem, PA. This relatively flat piece of land is also within Northampton County. Railroad tracks can be seen on the borders of the site. The Lehigh River is directly north of the site while Interstate 78 is to the south of the site.

MARKET CONDITIONS

The City of Bethlehem has been in an economic slump since the 1970s. By redeveloping the whole



Photo courtesy of epodunk.com



Picture courtesy of Google Maps

site of the old Bethlehem Steel Plant, which makes up 20 percent of the city's taxable land, it is projected that the site will generate more than 6000 new jobs, \$70 million a year in taxes and more than \$1.5 billion in investments.

The plan is to redevelop the site for mixed-use. Majority of the site will be for industrial use while the remaining parcels will be for entertainment, recreational and residential use.

SITE ASSEMBLY AND CONTROL

The initial owner of the site was Bethlehem Steel Corporation. When Bethlehem Steel filed for bankruptcy in 2003, Tecumseh Redevelopment purchased its assets

and eventually became the owner of the site. BethWorks Now purchased 163 acres from Tecumseh Redelopment. BethWorks Now plans on constructing a casino on the property. Lehigh Valley Industrial Park (LVIP) obtained approximately 1000 acres from Tecumseh and now, LVIP is currently trying to sell parcels of the land. Another company, Majestic Realty Co. purchased 450 acres from Tecumseh to be used as warehousing.

As for institutional controls, part of the redevelopment, which will be known as the Bethlehem Commerce Center, will be used for non-residential purposes only. In addition, the groundwater cannot be used as drinking water.

ENVIRONMENTAL PROBLEMS

The primary contaminants in the groundwater are PAHs (polycyclic aromatic hydrocarbons), and solvents, such as TCE (Trichloroethylene) and tetrachloroethane. The main contaminants in the soil are PAHs, solvents and heavy metals like arsenic and lead. Approximately 375 tons of the contaminated soil had to be excavated and taken to a permitted landfill. Remediation has benn completed.

SOCIAL/COMMUNITY INFRASTRUCTURE

Several community groups, such as Save Our Steel, were created at the time of the plant closing to preserve the old buildings. In general, the surrounding community is supportive of the redevelopment and has a positive outlook about the planned uses, with the notable exception of the casino. There is a well-organized resistance to the gambling issue.

PHYSICAL INFRASTRUCTURE

The sites proximity to Interstate 78 and Route 412 make it very appealing to investors. Surrounding roadways have been improved and an access road to the site has been constructed to make the site more accessible. LVIP has completed the infrastructure network which consists of roadways, sanitary sewer and municipal water, a storm drainage system, natural gas, cable, electric and a telecommunications network which includes fiber optics.

COSTS & ECONOMIC INFRASTRUCTURE

The Commonwealth of Pennsylvania has already contributed roughly \$7.5 million for the environmental assessment and remediation work. Northampton County has given approximately \$13 million towards the

construction of the Commerce Center Boulevard, an access road to the site. The US Department of Commerce has given a \$2 million grant for the redevelopment infrastructure. Various private entities, have also contributed to the redevelopment of the site.

CURRENT STATUS AND LESSONS LEARNED

The site has been partitioned into two separate areas for redevelopment: Bethlehem Works and Bethlehem Commerce Center.

BethWorks Now currently owns Bethlehem Works, an \$879 million redevelopment project. The center piece for Bethlehem Works will be the National Museum of Industrial History, the first museum in the Smithsonian Institute's Affiliation Program. The museum, which will be located in one of the former production buildings located on the site, is expected to open in 2009. Bethlehem Works will also include a casino, which began construction in 2007. There will also be residential, retail and entertainment venues located in Bethlehem Works.

The majority owner of the Bethlehem Commerce Center, which is intended for commercial and industrial use, is LVIP. Currently, there is an intermodal facility present on the site. BethIntermodal, which is the intermodal facility, is a six-track transfer station for truck-to-rail and vice-versa shipping. It is projected to move more than 80000 containers yearly. United States Cold Storage, Brandenburg Industrial Services Corp and Conectiv Energy are just some of the businesses already present on the site. More private entities like Receivables Management Services and Eastern Engineered Wood Products, are also expected to move into the site.



Photo courtesy of epa.gov

Completed by Ronald Papa, Summer '08

SOURCES

Pennsylvania EPA. "Bethlehem Steel / Lehigh Valley Industrial Park." April 2008.

Marsh, Jim. "Old Steel Mills Giving Way to Industrial Park." Eastern Pennsylvania Business Journal. June 26, 2006.

EPA. "ISG Tecumseh Redevelopment Inc. - Bethlehem Works and Bethlehem Commerce Center." January 31, 2008.

EPA. "Bethlehem Steel Company."

Matyskiela, Linda and Randy Roush. "Environmental Strategies for Redevelopment at the Former Bethlehem Steel Facility Bethlehem, PA."

Bethlehem, PA Online. "Bethlehem Steel Company." July 1, 2008 <<http://www.bethlehempaonline.com/bethsteel.html>>.

Ayers, Chuck. "LVIP to Buy Abandoned Steel Land." The Morning Call. May 3, 2003.

EPA. "Bethlehem Commerce Center Wins Top Environmental Award for Innovative Redevelopment." December 14, 2006. July 1, 2008. <<http://yosemite.epa.gov/opa/admpress.nsf/90829d899627a1d98525735900400c2b/f12f944d009a3f35852572440071fca1!OpenDocument>>.