



Former Northwestern Barrel Superfund Site¹ Superfund and Property Values²

South Milwaukee, Wisconsin

December, 1997

This fact sheet is intended to help residents near the former Northwestern Barrel Company site answer questions about property values. The information is very general and may not be applicable to all situations. For more information, contact the agencies listed at the end of this fact sheet.

Question: What is happening to property values in the neighborhood near the former Northwestern Barrel Company site?

Answer: The South Milwaukee City Assessor's Office is monitoring sales activity to identify any changes in property values as a result of the former Northwestern Barrel Company site and to try to determine whether any changes are long-term. U.S. EPA recommends you consult this office, real estate agents, banks and other lenders, appraisers, or private assessors for additional information about local property values.

Question: I think my property values have gone down because of my home's proximity to the site. Can U.S. EPA pay me for the property value I have lost?

Answer: U.S. EPA is concerned about any unintentional impacts that may result when a home is located on or in proximity to a Superfund site—for example, potential adverse effects to property values. However, the Superfund law does not authorize U.S. EPA to compensate individual homeowners for losses of property values associated with being near a Superfund site. U.S. EPA's mission under Superfund is to identify sites with existing contamination and to perform or

oversee necessary cleanup actions. U.S. EPA's experience has been that *the performance of a Superfund cleanup has an overall beneficial impact on the community, including restoring property values.*

Question: What can I do if my home's property value goes down because of the former Northwestern Barrel Company site?

Answer: Based on past cleanups, U.S. EPA believes that a Superfund cleanup has an overall beneficial impact on the community, including rebounding property values. In some cases, property owners have consulted an attorney about the possibility of recovering the lost property value from the Potentially Responsible Parties. Residents may want to consult with the South Milwaukee City Assessor's Office about the possibility of property tax abatements or adjustments, based on impacts on property values from pollution concerns. None of these actions are within the jurisdiction of the U.S. EPA.

Question: Can I be held responsible for pollution on my residential property?

Answer: Under the provisions of the Superfund law, the current property owners of a Superfund site, including areas designated for contamination investigation under Superfund, may fall within the definition of "owner" and thereby qualify as a potentially liable party. It is U.S. EPA policy not to take actions against a residential home owner, unless the owner polluted the site, does not cooperate with the response action, does not use the property for residential purposes, or has made

¹ In this fact sheet, the term "Superfund site" refers to a site being addressed under the authorities of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), more commonly known as the Superfund law. In this context, the former Northwestern Barrel site is considered a Superfund site.

² This fact sheet is adapted from "Frequently Asked Questions Concerning Superfund and Property Values," September 9, 1997 developed by U.S. EPA.

existing pollution problems worse (a release or threat of release of hazardous substances), and forced a cleanup action by U.S. EPA at the site.

Question: Is a bank or other lender liable for contamination if it lends money (or has lent money) to owners or developers of property on the former Northwestern Barrel property?

Answer: It is U.S. EPA's policy not to pursue cleanup cost repayment from lenders who merely provide money to an owner or developer of a contaminated property, provided that they do not participate in daily management. If it meets the requirements of Superfund's "secured creditor exemption," a bank or other lender that lends money to owners or developers of contaminated property will not be liable as an owner or operator of a Superfund facility. The secured creditor exemption describes various activities that lenders can undertake without losing their protection from owner/operator liability. For example, lenders can investigate a facility, require another person to clean up the facility, and provide financial advice to a borrower.

Question: What information can U.S. EPA provide to potential buyers?

Answer: U.S. EPA can provide information to potential buyers about the site, including background information on the Superfund program, the Agency's activities and responsibilities, site investigations and cleanup plans. Site-specific information can be accessed from the site information repository at the South Milwaukee Public Library.

Question: Do I have to disclose the contamination on my property to potential buyers?

Answer: Disclosure to potential buyers is governed by state law. Many, but not all, states have laws called *disclosure* laws—that require an owner to give information on known or possible pollution problems on or near their property. It appears that Wisconsin allows disclosure to be a matter negotiated within the contract for sale of property. Contact a real estate representative, state and/or local government agencies, or an attorney; they should be able to quickly tell you if your state has such a law or if there is a deed restriction on your property. (At present there are no deed restrictions

related to the former Northwestern Barrel Company site cleanup on residential property in the vicinity of the site.)

Question: Can I refuse or limit U.S. EPA access to my property? If U.S. EPA uses my property for sampling, will I be paid?

Answer: Property owners can refuse to allow U.S. EPA onto their property, unless U.S. EPA representatives have court papers that give them a legal right to conduct specific activities on a property. U.S. EPA does have the right under the Superfund law, CERCLA, to come onto private property to investigate possible contamination or perform cleanups. In most cases, U.S. EPA personnel are willing to work around a property owner's schedule and will conduct investigative or sampling activities with as little inconvenience to property owners as possible.

U.S. EPA does not pay property owners for taking samples from their property. For one-time or short-term sampling, U.S. EPA tries to not disturb the property. In the event that the property is disturbed, U.S. EPA tries to restore any damaged area—such as replacing soil taken during sampling. For long-term events like ground water monitoring, U.S. EPA tries to minimize changes to the property and takes responsibility for maintenance and safety of sampling equipment and areas.

Question: Can U.S. EPA take part or all of my property? Will I be paid if U.S. EPA does take my property?

Answer: U.S. EPA makes every attempt to clean up sites with minimum inconvenience to property owners. In extraordinary situations, U.S. EPA has the authority to acquire property when necessary to protect residents' health or their environment. In previous situations where U.S. EPA felt that it was necessary to address a serious threat to human health or that a cleanup strategy could not proceed without a portion of a property, U.S. EPA has acquired a part or all of a property. U.S. EPA will provide an explanation to the property owner for this action. By law, U.S. EPA must pay the property owner fair market value for any land acquired.

Question: Can U.S. EPA move me from my property? How long can they keep me away from my property?

Answer: In unusual situations, U.S. EPA can move property owners for short periods of time, or permanently, as part of a cleanup action to protect human health and the environment. For instance, a resident might be temporarily relocated if the contamination is located very near or under a home. Relocating a resident is typically not necessary and extremely rare in Superfund cleanups.

Relocation may be temporary or permanent depending on U.S. EPA's ability to clean property to a condition where the contaminant(s) no longer threaten human health or the environment.

Question: Will U.S. EPA release specific addresses of homeowners at which samples have been taken?

Answer: No, U.S. EPA does not release specific addresses to the general public, but will provide information to the homeowner if a sample was taken in the home. However, general information concerning the fact that samples have been taken in a particular area is part of the administrative record for site action.

Question: Will there be an immediate appraisal of my property to adjust my tax status?

Answer: The City Assessor's Office reports that sale information available to date indicates no documentable off-site loss in value. If concerned, you should contact this office with additional questions regarding appraisal activities. U.S. EPA does not have jurisdiction to appraise property or adjust tax status or request tax authorities to reassess properties.

Question: Will I be able to refinance my loan due to devaluation of my property?

Answer: Although there is no evidence of property devaluation at this time, this is a question that is best answered by your lending institution.

Question: As a prospective purchaser of a piece of property that is on or near the former Northwestern Barrel site, what would my responsibility be for contamination which existed at the time of purchase?

Answer: For purchases of site property, U.S. EPA has developed a model prospective purchaser agreement. Using this tool, U.S. EPA can enter into an agreement with prospective purchasers not to sue the purchaser for contamination that existed at the time of the purchase. For purchasers of property near a Superfund site, the possibility of liability for site cleanup costs is very slight.

Question: Do property values rebound? How long will it take?

Answer: U.S. EPA suggests that you contact the South Milwaukee City Assessor's Office or a local representative of the real estate community for information on local property value trends and forecasts. The City Assessor's Office will thoroughly consider any evidence regarding changes in value for the 1998 assessment year.

For Additional Information

If you have questions or concerns about the former Northwestern Barrel site, please contact the following individuals.

Property Values, Tax Appraisals:

City of South Milwaukee Assessor's Office
2424 15th Avenue
South Milwaukee, WI 53712
(414) 768-8052

Perspective Purchasers Agreements:

Thomas Krueger
Office of Regional Counsel, U.S. EPA
77 West Jackson Blvd.
Chicago, IL 60604
(312) 886-0562 or 1-800-621-8431

Cleanup Issues:**Bri Bill**

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U.S. EPA
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