



Kenosha Engine Plant Investigation & Cleanup

RR-894

October 2014

The former Chrysler Engine Plant property is located in the heart of Kenosha in southeast Wisconsin. The plant first opened for automobile production in 1902 under Thomas B. Jeffery and was part of Kenosha's long-standing history in auto manufacturing, later housing Nash Motors and American Motors Company.

The Kenosha Engine Plant property is 107 acres in size, and approximately 3,700 residential-related properties – of which 2,400 are single-family homes – and eight schools are located within one-half mile of the plant. Its general boundaries are:

- 52nd Street to the north;
- 60th Street to the south;
- 24th Avenue to the east; and
- 30th Avenue to the west.

Over the years, a series of mergers and buyouts changed the company name several times – Nash Motors, Nash-Kelvinator and American Motors are a few examples. Eventually the Chrysler Corporation bought the site, and in 1998 Chrysler itself was bought by DaimlerAG, which owned the site until 2007, when Cerberus Capital Management bought the company.

The facility produced a number of famous vehicles and their parts, including Nash Ramblers, Dodge Diplomats and AMC engines used in Jeeps. After a resurgence in engine building at the plant in the late 1990s and early 2000s, the plant was a casualty of the 2007-2009 recession after the Chrysler Corporation declared bankruptcy. The engine plant was shut down in the fall of 2010.

Old Carco, a liquidation bankruptcy trust, owned the property after the Chrysler bankruptcy proceedings were finalized in May 2010. A settlement agreement, filed in the US Bankruptcy Court in October 2011, was reached with the state of Wisconsin, city of Kenosha, the United States Government, JP Morgan Chase Bank (the first lien holder of the property), and the Old Carco Liquidation Trust for abandoning the property. In the settlement agreement, the Trust agreed to continue to operate and upgrade the groundwater “pump and treat” remedial systems, demo the buildings to the concrete slabs, and abandon the property. The city of Kenosha agreed to take ownership of the property. Ten million dollars in federal funds would be placed in an escrow account for DNR's use and is available for environmental cleanup on the property. The state of Wisconsin agreed to oversee the environmental cleanup. The U.S. EPA and DNR would have to approve of any monies spent for environmental cleanup using the \$10M. The first lien holders agreed to release their lien on the property. The first lien holders and the Old Carco Liquidation Trust would not retain any liability for cleanup of the environment after the property is abandoned.



A sign describing the history of auto production in Kenosha on the fence outside the Kenosha Engine Plant (photo courtesy DNR).



In October 2013, an escrow agreement was finalized that directed Old Carco Liquidation Trust to pay \$10M to an escrow account for environmental cleanup. In February 2014, Old Carco Liquidation Trust abandoned the former Kenosha Engine Plant, and the city of Kenosha accepted title to the property.

The DNR is working with the city of Kenosha and the city's partners – the Wisconsin Department of Health Services (DHS), the EPA and the Kenosha County Health Department. The partners have identified the Kenosha Engine Plant for environmental assessment and cleanup. Contamination issues associated with the plant are similar to contamination found at former automobile properties in Kenosha that were eventually cleaned up and redeveloped.

Environmental History

Prior to declaring bankruptcy, the Chrysler Corporation conducted a number of investigative and clean-up actions often associated with the development of new buildings on the site. However, since the 1990s Chrysler had not completed a comprehensive environmental investigation of the entire property. An updated, but limited engineered system is currently in place at the site that captures contaminated groundwater and treats the water on the property.

To date the type of soil and groundwater contamination found on site includes:

- Petroleum compounds, including benzene and toluene;
- chlorinated solvents, including trichloroethene;
- hydraulic fluid;
- polychlorinated biphenyls (PCBs); and
- metals, including lead, chromium and zinc.



Looking in at the northeast portion of the Kenosha Engine Plant (photo courtesy DNR).

Because the degree and extent of contamination at the Kenosha Engine Plant property was unknown at the time of bankruptcy, the DNR worked with the city, DHS and EPA to assess the level of contamination in and around the property. In 2010 and 2011, the EPA conducted a soil vapor study around the property to determine if contaminant vapors in the soil and groundwater at the plant were posing a vapor intrusion risk to the neighboring properties. The EPA's study determined that the adjacent properties were not at risk from contaminant vapors from the Kenosha Engine Plant property.

Since acquiring the property, the city has continued with the contamination investigation on the property.

The city has also identified and remediated areas where petroleum product was floating on the groundwater at the site. Due to the clay-based nature of the soils, it was more cost effective for the city to excavate the petroleum saturated soils rather than trying to extract the petroleum product through groundwater recovery wells.

Health Information

Information is available through the Wisconsin Department of Health Services (WDHS) about health consultations and environmental and public health impacts from exposure to certain toxic chemicals.

- **Health Consultations and Public Health Assessments**
www.dhs.wisconsin.gov/eh/WISites/index.htm

Other Links & Contact Information

- **Wisconsin DNR**
dnr.wi.gov/topic/Brownfields
 - DNR Cleanup Plant Project Manager – Dave Volkert, 262-574-2166
 - DNR Liability & Financial Assistance – Christine Haag, 608-266-0244
- **Wisconsin Department Health Services (WDHS), Environmental Health Resources** – DHS is involved with many contaminated sites where immediate or long-term health concerns may exist.
www.dhs.wisconsin.gov/eh/
 - Project Manager – Ryan Wozniak, 608-267-3227
 - Public Health Educator – Elizabeth Evans, 608-266-3393
- **City of Kenosha**
www.kenosha.org/
 - Shelly Billingsley, Deputy Director of Engineering, 262-653-4149
- **Kenosha County Health Department**
www.co.kenosha.wi.us/dhs/Divisions/Health/
 - Division of Health – Mark Melotik, 262-605-6745
- **U.S. Environmental Protection Agency (EPA), Region 5 Emergency Response & Removal** – EPA’s Superfund Emergency Response Program provides quick responses to immediate threats from hazardous substances. The Program's first priority is to eliminate dangers to the public and make sites safe for those who live or work nearby.
www.epa.gov/R5Super/erf.html
 - Craig Thomas – On-scene Coordinator, 312-886-5907
 - Susan Pastor – Community Involvement Coordinator, 312-353-1325
- **U.S. Environmental Protection Agency (EPA), Region 5 Brownfield Program**
<http://www.epa.gov/R5Super/brownfields/index.html>
 - Kyle Rogers – Environmental Scientist, 312-886-1995

Frequently Asked Questions

1. **Where is the Kenosha Engine Plant located?**
The plant is located at 5555 30th Avenue, between 52nd and 60th streets (north and south) and between 24th and 30th avenues (east and west) in Kenosha, Wisconsin.
2. **How big is the Kenosha Engine Plant?**
The property encompasses 107 acres. Prior to demolition, the total square footage of the former buildings on the site was estimated at 1.87 million square feet.
3. **Why do we need to do an environmental investigation at the Kenosha Engine Plant?**
Over time, hazardous substances have been released to the soil and groundwater at the plant and could potentially pose a risk to human health and the environment. While some investigative work and cleanup has occurred, additional work is needed.
4. **What kind of contamination could be at the Kenosha Engine Plant?**

Possible contamination present at and around the property could include soil and groundwater contamination from releases of petroleum products, solvents, paints and other hazardous materials used in the production of automobiles.

5. What types of environmental and health impacts could occur at the Kenosha Engine Plant?

Hazardous substances in the soil could potentially pose a direct contact threat to human health or to the environment. Contamination could potentially migrate off the property via utility corridors – such as an underground gas or sewer line – or via groundwater as it naturally moves underground. In addition, hazardous materials that are volatile could potentially migrate as vapors out of the groundwater and move toward the surface, posing an inhalation risk.

6. If there are environmental or health impacts at the Kenosha Engine Plant, how will they be addressed?

Prior to the abandonment of the property the state of Wisconsin requested the US EPA to assess potential vapor migration off of the property. EPA collected soil gas samples around the plant and the city has conducted groundwater sampling around the perimeter of parts of the property. It was determined that the contamination on the Kenosha Engine Plant property was not migrating off-site and not affecting the adjacent properties.

Currently there is an operating groundwater “pump and treat” system to clean up known areas of groundwater contamination at the plant. As a result of the Chrysler bankruptcy proceedings, the liquidation trust was required to upgrade the “pump and treat” system, which was effective in keeping contamination from migrating off of the property.

7. Who is paying for the assessment work at the Kenosha Engine Plant?

The city has received grants from EPA and the DNR to conduct additional assessment work. Funds from the bankruptcy escrow account are also being used to complete environmental investigation. Earlier as part of the abandonment agreement the Trust was required to undertake limited actions. The city has also set aside their own funds for this project.

8. If there is a cleanup, how much would cleanup activities cost at the Kenosha Engine Plant and who will pay for it?

Cleanup costs at brownfield sites vary greatly, but it is estimated that the cost may range up to \$30 million for assessment, demolition, cleanup and monitoring. In addition, until the degree and extent of contamination is known, it is difficult to gauge the exact environmental work needed.

Some initial investigation and cleanup costs were paid by Chrysler and the Old Carco Liquidation Trust. The city received grants and loans from state and federal funding to pay for investigation and remedial work. Future cleanup costs will be covered by the bankruptcy escrow fund until it is exhausted. Efforts will be made to ensure the remedial work is only completed if necessary.

9. Once the site cleanup is completed, what will happen to the site?

Kenosha city officials will work with community leaders and residents to create redevelopment plans for the neighborhood where the Kenosha Engine Plant is located.

This document contains information about certain state statutes and administrative rules but does not necessarily include all of the details found in the statutes and rules. Readers should consult the actual language of the statutes and rules to answer specific questions. The Wisconsin Department of Natural Resources provides equal opportunity in its employment, programs, services, and functions under an Affirmative Action Plan. If you have any questions, please write to Equal Opportunity Office, Department of Interior, Washington, D.C. 20240. This publication is available in alternative format upon request. Please call 608-267-3543 for more information.