

JOHN P. JUDGE, LAND AIR WATER LEGAL SOLUTIONS, LLC

<https://landairwater.com/john-p-judge>

<https://www.linkedin.com/in/john-p-judge-0a719561/>

THOMAS NOWLAN PE, RAMBOLL

<https://www.ramboll.com/contact-us/people/bd666133-2752-4344-8732-8c6773c194c1>

ED KONJOYAN, MAJESTIC REALTY COMPANY

<https://www.majesticrealty.com/team/ed-konjoyan/>



**Bethlehem Steel
East Lehigh Area
Transforming
Industrial
History into
Modern
Commerce**

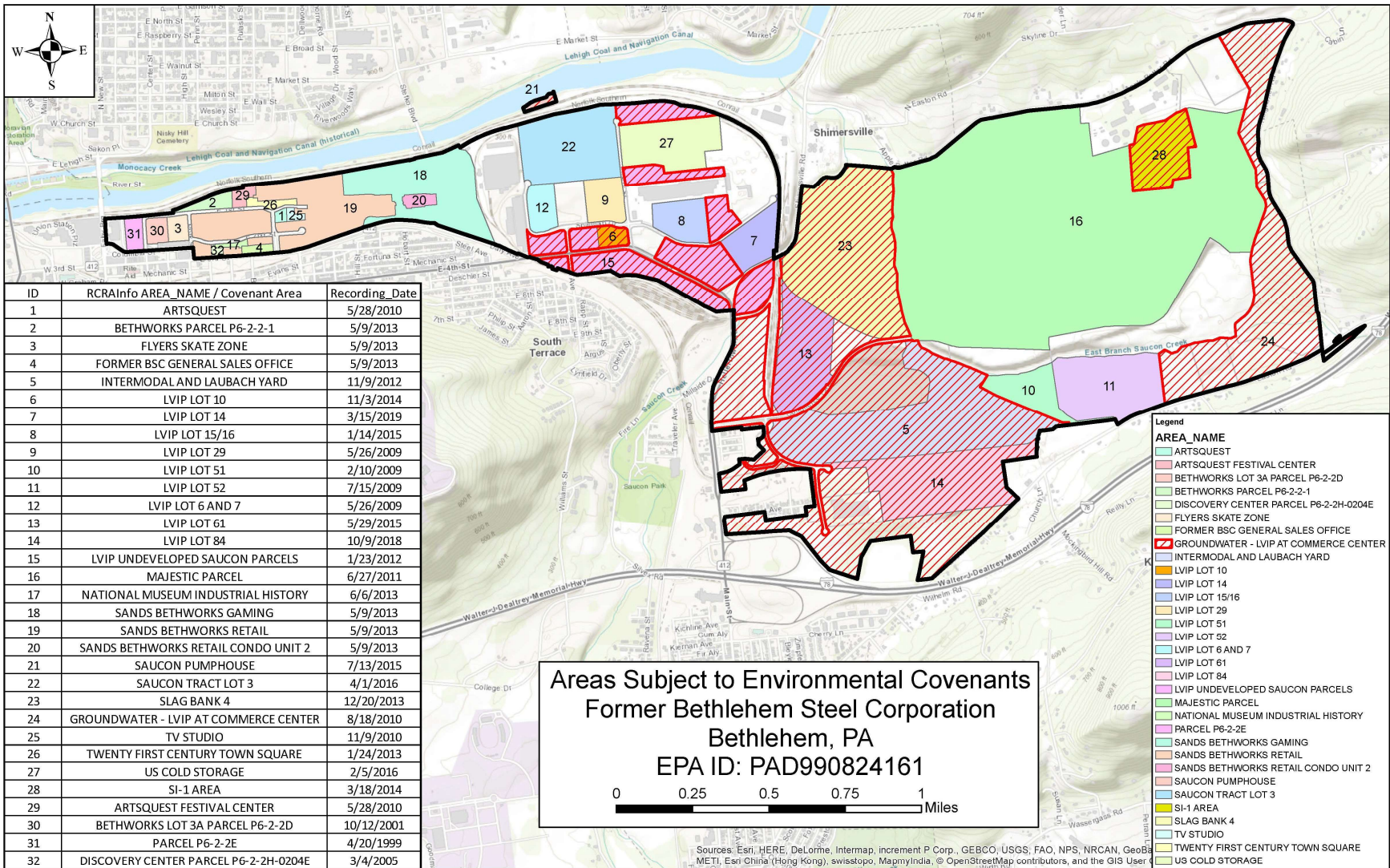


SCHEDULE

- I. **ED KONJOYAN**- The Developer's Perspective
- II. **JOHN JUDGE**- Historical Background and navigating the legal challenges
- III. **THOMAS NOWLAN**- Addressing the environmental investigation/remediation issues.
- IV. **ED KONJOYAN** - Majestic Bethlehem Center Today

INTRO: DEVELOPER'S PERSPECTIVE

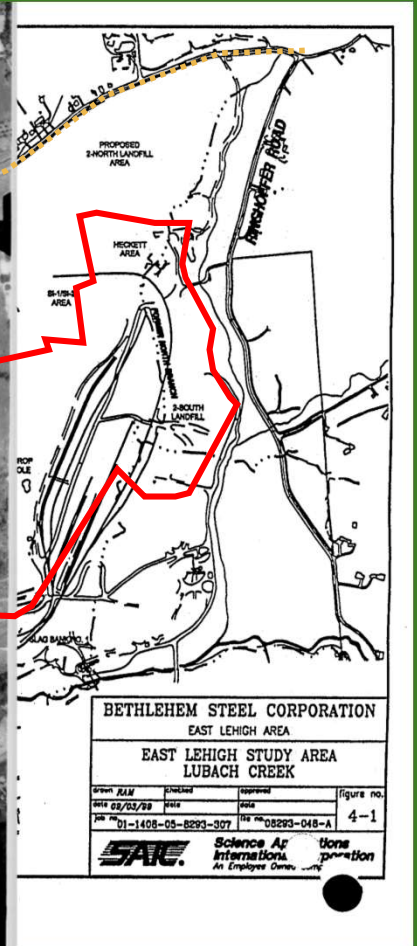
- **Majestic:** Privately-held, national developer founded in 1948 (HQ in CA).
- **Late 1990s:** Looking for land near NYC and Philadelphia metros.
- **Availability:** A lot of prime greenfield / farmland was available back then.
- **Bethlehem Steel Land:**
 - Revitalize fallow land and local economy
 - Re-create jobs near housing (jobs housing balance)
 - Solve environmental issues (while minimizing risk)
- **Keys for Success:**
 - Identify acceptable property boundary
 - Minimize liability for new owner, tenants or lenders
 - Need experienced, local team



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4	FORMER BSC GENERAL SALES OFFICE	5/9/2013
5	INTERMODAL AND LAUBACH YARD	11/9/2012
6	LVIP LOT 10	11/3/2014
7	LVIP LOT 14	3/15/2019
8	LVIP LOT 15/16	1/14/2015
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10	LVIP LOT 51	2/10/2009
11	LVIP LOT 52	7/15/2009
12	LVIP LOT 6 AND 7	5/26/2009
13	LVIP LOT 61	5/29/2015
14	LVIP LOT 84	10/9/2018
15	LVIP UNDEVELOPED SAUCON PARCELS	1/23/2012
16	MAJESTIC PARCEL	6/27/2011
17	NATIONAL MUSEUM INDUSTRIAL HISTORY	6/6/2013
18	SANDS BETHWORKS GAMING	5/9/2013
19	SANDS BETHWORKS RETAIL	5/9/2013
20	SANDS BETHWORKS RETAIL CONDO UNIT 2	5/9/2013
21	SAUCON PUMPHOUSE	7/13/2015
22	SAUCON TRACT LOT 3	4/1/2016
23	SLAG BANK 4	12/20/2013
24	GROUNDWATER - LVIP AT COMMERCE CENTER	8/18/2010
25	TV STUDIO	11/9/2010
26	TWENTY FIRST CENTURY TOWN SQUARE	1/24/2013
27	US COLD STORAGE	2/5/2016
28	SI-1 AREA	3/18/2014
29	ARTSQEST FESTIVAL CENTER	5/28/2010
30	BETHWORKS LOT 3A PARCEL P6-2-2D	10/12/2001
31	PARCEL P6-2-2E	4/20/1999
32	DISCOVERY CENTER PARCEL P6-2-2H-0204E	3/4/2005

- Legend**
- AREA_NAME**
- ARTSQEST
 - ARTSQEST FESTIVAL CENTER
 - BETHWORKS LOT 3A PARCEL P6-2-2D
 - BETHWORKS PARCEL P6-2-2-1
 - DISCOVERY CENTER PARCEL P6-2-2H-0204E
 - FLYERS SKATE ZONE
 - FORMER BSC GENERAL SALES OFFICE
 - GROUNDWATER - LVIP AT COMMERCE CENTER
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 - SANDS BETHWORKS RETAIL
 - SANDS BETHWORKS RETAIL CONDO UNIT 2
 - SAUCON PUMPHOUSE
 - SAUCON TRACT LOT 3
 - SI-1 AREA
 - SLAG BANK 4
 - TV STUDIO
 - TWENTY FIRST CENTURY TOWN SQUARE
 - US COLD STORAGE

2001



BETHLEHEM STEEL CORPORATION
EAST LEHIGH AREA
EAST LEHIGH STUDY AREA
LUBACH CREEK

Drawn	Checked	Reviewed	Figure no.
RAM	RAM	RAM	4-1
DATE	DATE	DATE	
02/02/99			

JOB NO. 01-1408-05-8293-307
SITE NO. 08293-048-A
SAC Science Ap International
An Employee Owned Company

2026

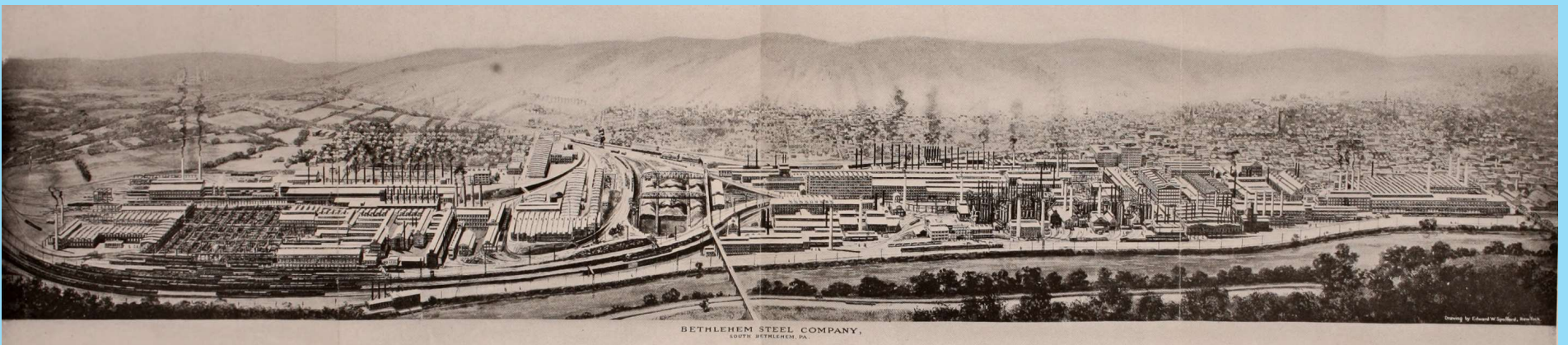


HOW DID WE MAKE THIS HAPPEN?

- ***Client Willing To Invest*** in the environmental evaluation & approval
- ***Thorough Investigation-*** impressed upon the USEPA and PADEP that the investigation would be thorough.
- ***Innovative Approach*** Proposed
- ***Real Time Data*** shared on an ongoing basis with agencies.
- ***One Cleanup Program Memorandum*** (USEPA & PADEP together)
- Groundwater Liability was not acquired.
- ***Cooperation*** with the USEPA and PADEP

I. A. HISTORICAL BACKGROUND

John Judge





BETH STEEL USE OF THE EAST LEHIGH AREA

- **LEVELED OUT THE SLAG FOR BUILDINGS**
- **PROCESSING AND ROLLING OF INGOTS INTO PRODUCTS**
- **LAYDOWN AREAS**
- **HEAT TREATMENT**
- **MACHINE SHOPS- FORGES, PRESSES, GRINDERS**

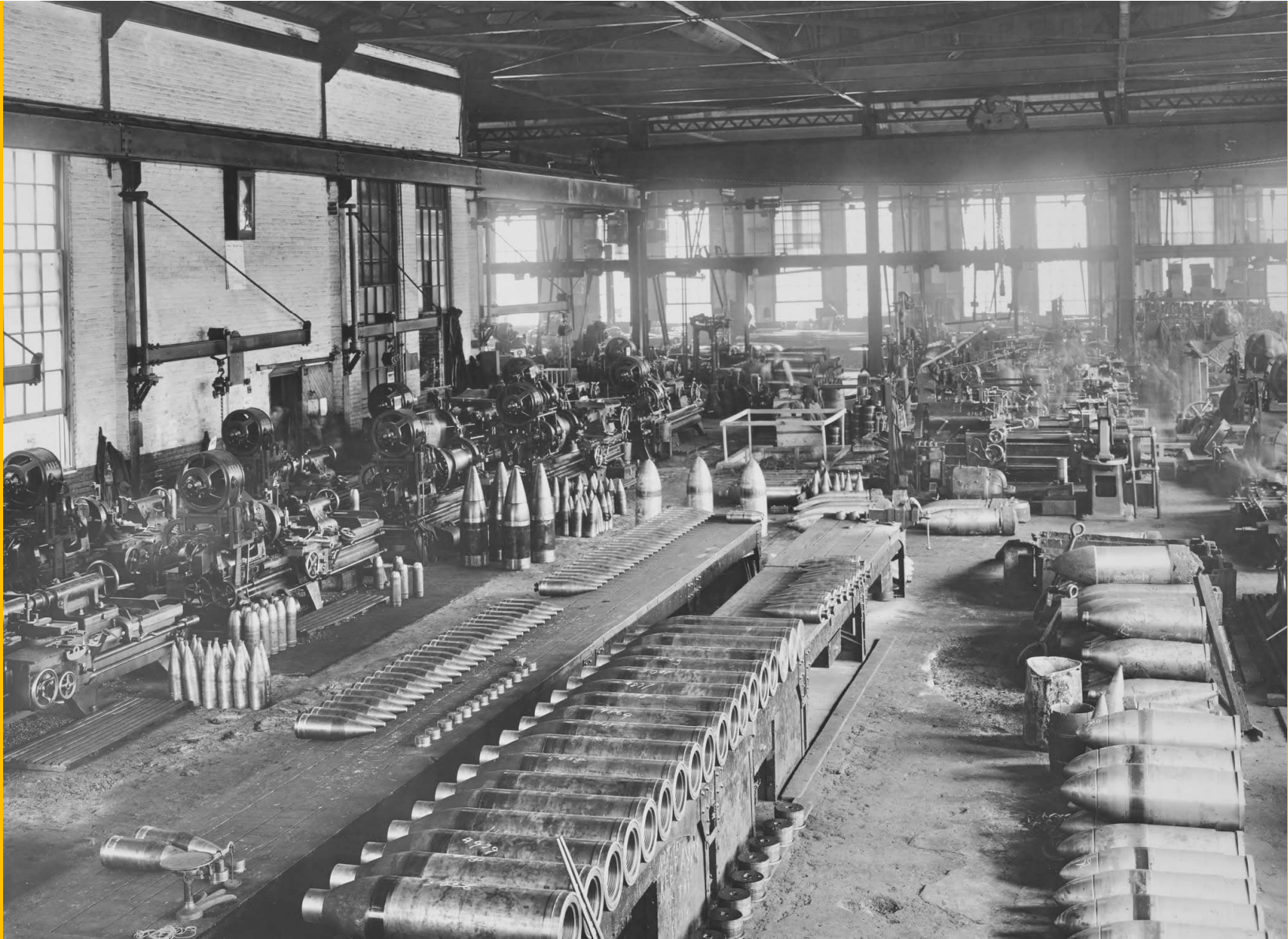
WW II – US War Department Expands Manufacturing on East Lehigh Area





US Destroyer Gun and Turret Production

ORDINANCE



POST WWII PERIOD

- **Beth Steel Production Peaks in early 1960s**
- **East Lehigh Area use gradually shrinks to storage of machinery**
- **All steel making operations cease by 1995.**
- **Plant completely shut down by 1998.**

I. B. NAVIGATING THE LEGAL CHALLENGES

John Judge

**A. LEGAL
CONSIDERATIONS-
1999-2001
PRELIMINARY
NEGOTIATIONS
WITH BETH STEEL**

ENTIRETY OF BETH STEEL IS A RCRA SITE

**CLIENT OBJECTIVE: NOT ASSUMING LIABILITY
FOR GROUNDWATER OR RCRA AND CARVE OUT
MAJOR AOCs**

**HOW TO PROCEED UNDER ACT 2 AND NOT
ASSUME LIABILITY UNDER RCRA?**

**ACT 2 TECH MANUAL FINALIZED 1997; RCRA
CORRECTIVE ACTION STANDARDS**

B. LEGAL CONSIDERATIONS-2001 to 2004



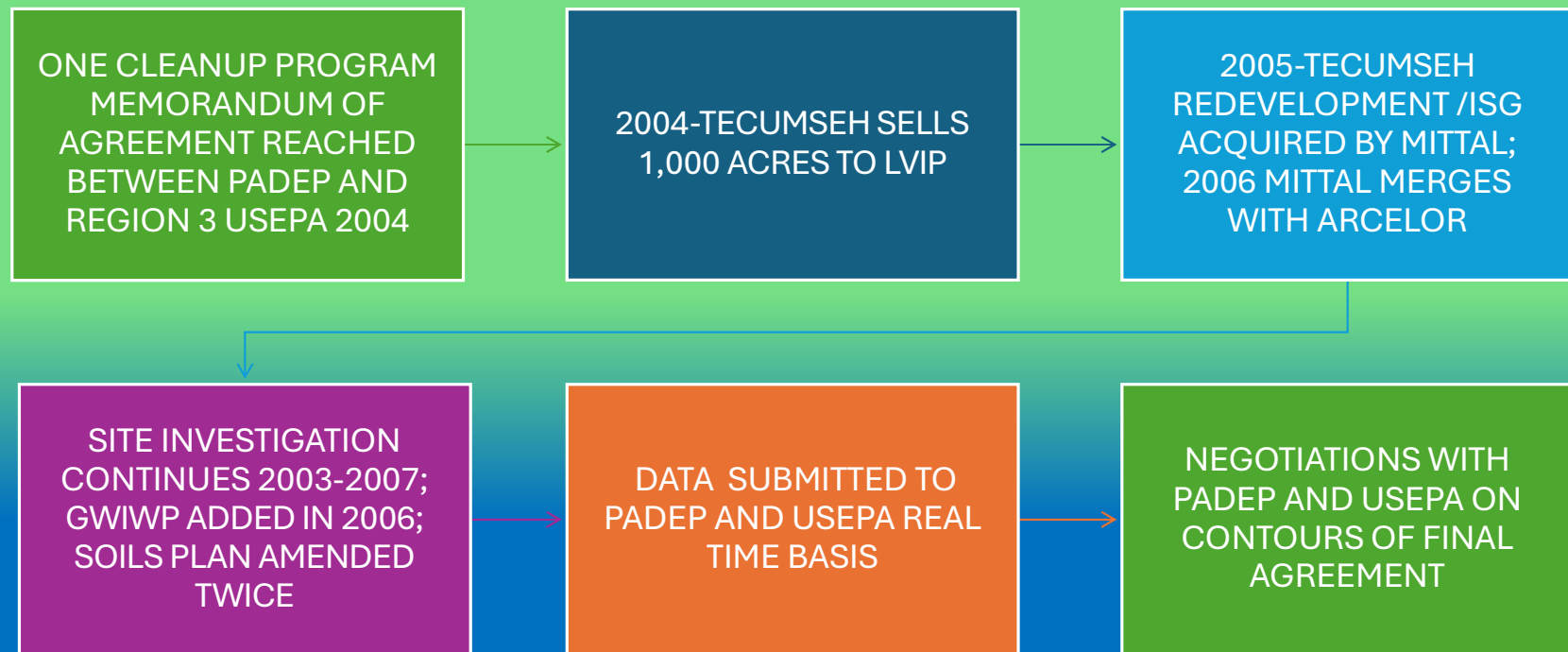
AGREEMENT OF SALE- October 2002

- DELINEATION OF AREAS OF RESPONSIBILITY
- **BETH STEEL RETAINS** RESPONSIBILITY FOR GROUNDWATER (AND OBTAINING ACT 2 RELEASE FOR IT) AND THE MORE CHALLENGED AREAS
- **MAJESTIC ASSUMES** RESPONSIBILITY FOR LESS CONTAMINATED AREAS (MAJOR AOCs CARVED OUT)
- AREAS WERE IDENTIFIED IN BETH STEEL'S *East Lehigh Area Phase I Environmental Site Assessment Report (2001)*
- **“AS IS-WHERE IS”** Asset Purchase

2003 – Fallow Structures, Padlocks & Weeds



C. LEGAL CONSIDERATIONS-2004 to 2007



2006 – Structures Removed



D. LEGAL CONSIDERATIONS-PADEP SEPTEMBER 2007

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

In the Matter of: :

Bethlehem Commerce Center, LLC and : Remediation/Reuse of a
Majestic Realty Co. : **Special Industrial Area Site**

re: Former Bethlehem Steel Corporation : **{ACT 2}**
East Lehigh Area, Northampton County :
City of Bethlehem and Lower Saucon :
Township :

CONSENT ORDER AND AGREEMENT

1. SPECIAL INDUSTRIAL AREA CONSENT ORDER AND AGREEMENT (SIA COA) TERMS

- Section 305 Act 2 - Special Industrial Areas [**SIA**]
- **Why a SIA?** Beth Steel Bankruptcy; Enterprise Zone.
- **Remediation Standard-** Eliminate any Immediate, Direct or Imminent Threats; or contamination that prevents the occupation of the Site for its *Intended Purpose*.
- **Consent Decree** Required (And Desired)
- Liability Protection is linked to the Baseline Environmental Report (**BER**)
- **Soil Management Plan** approved and incorporated into BER
- Operating Principle of Act 2: You are only as safe and protected as the breadth and quality of your BER, or site investigation and assessment

SIA COA SITE SPECIFIC TERMS

- REFERENCES ***ONE CLEANUP PROGRAM*** MEMO
- ACKNOWLEDGES THAT ***LVIP RESPONSIBLE FOR GROUNDWATER***
- ACKNOWLEDGES ***PARCEL BY PARCEL*** DEVELOPMENT
- DEFINITION OF ***IDENTIFIED CONTAMINATION***-BROAD ENOUGH TO INCLUDE THE CONTAMINATED GROUNDWATER IDENTIFIED BY LVIP, AND ANY CONTAMINATION THAT MIGRATES ONTO MAJESTIC PARCEL FROM THE 1,000 ACRES

2. BER

Final Report

Baseline Environmental Report

**Majestic Realty Co. and Bethlehem Commerce Center, LLC
Bethlehem, Pennsylvania**

July 2007

3. **SOIL MANAGEMENT PLAN (SMP)**

The established trust and credibility with USEPA and PADEP facilitates the approval.

Excavated material **may be utilized** as fill or grading material on Site, **unless** the material is **unsuitable** for that purpose.

- **Unsuitable material** (to be removed off site): likely to interfere with implementation of the approved Remedial Measures:
 - **Sludge**
 - **Flowable product**
 - **Soil/fill saturated** with separate phase liquids (e.g., oil, grease), and
 - **Storage tank remains** containing flowable product and/or separate phase liquids

SMP p.2. Construction/Demo Wastes

Asphalt, concrete and those materials specified in the facility's General Permit ***are not considered*** C&D debris and may be reused on-site; Unless commingled with ***unsuitable materials***

C&D debris such as re-bar, railroad ties, steel structural members excavated from the ground ***goes off-site***

SMP p.3 FILL MATERIALS

Use of Fill Materials

- **On- site Sources Fill Materials** characterized in accordance with Act 2 or acceptable for re-use in accordance with the General Permit, may be used as general fill ***provided*** that the materials ***are ultimately covered*** in accordance with the Remedial Measures. Target on-site areas (eg parking lots) identified in Master Plan for designated fill requiring impervious cover.
- **Off-site Sources Fill Materials** must qualify as regulated fill in accordance with PADEP's Management of Fill policy.

4. SEQUENTIAL PARCEL DEVELOPMENT

USEPA AND PADEP APPROVAL ISSUED ON A PARCEL-BY-PARCEL BASIS

ESSENTIAL FOR TENANTS' LEVEL OF SECURITY AND COMFORT.

**ACT 2 FINAL REPORT SUMMARY
LOT 1 – MAJESTIC BETHLEHEM
CENTER**

OCTOBER 2012



**MAJESTIC BETHLEHEM CENTER
SITEWIDE FINAL SUMMARY REPORT
(COMPRISING SITE AS A WHOLE)**

JUNE 2025



E. ENVIRONMENTAL COVENANT

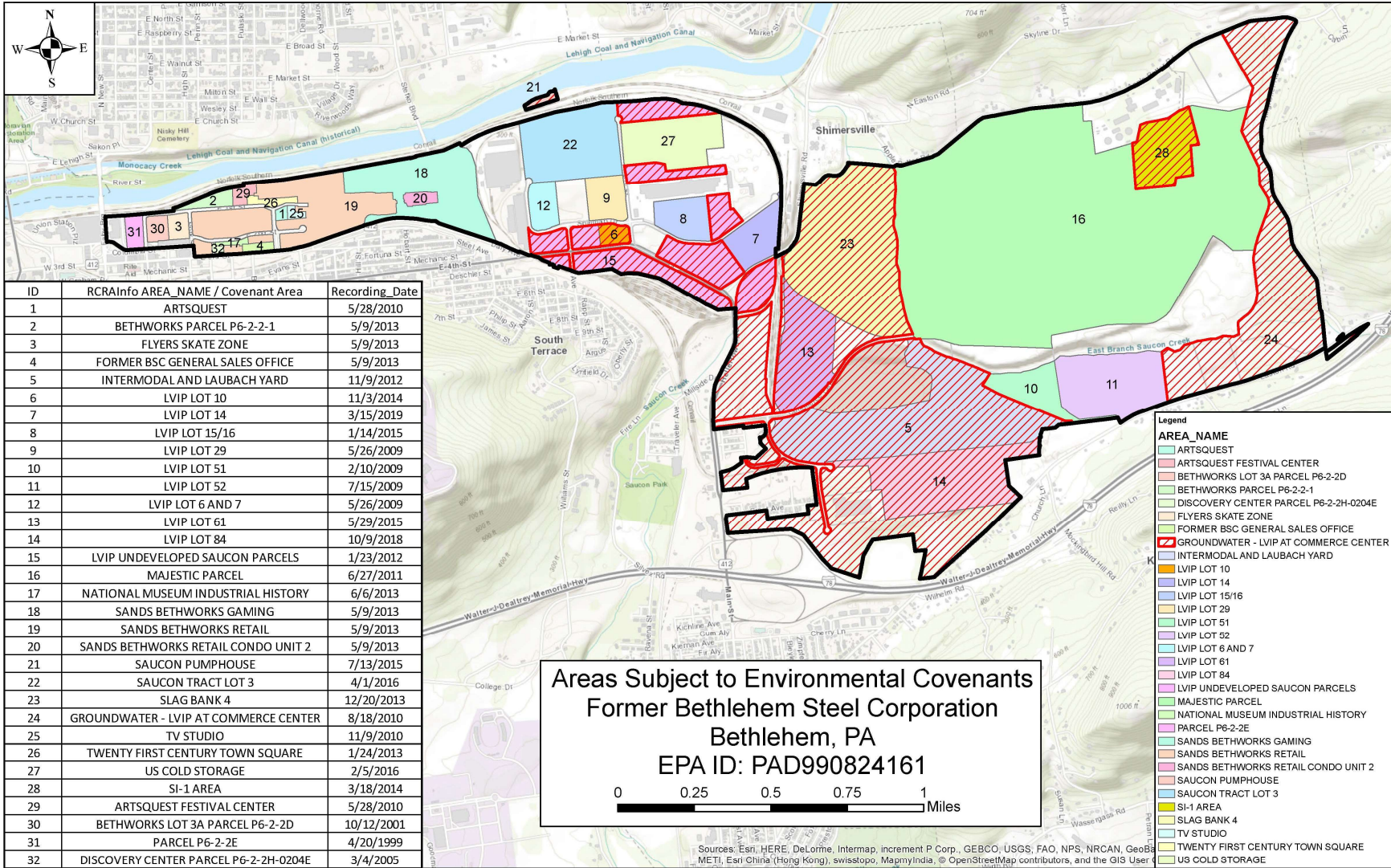
- **UECA**-UNIFORM ENVIRONMENTAL COVENANT ACT IN PA
- INCLUDE A **PROPERTY MAP**
- INCORPORATE THE **BASELINE REPORT** BY REFERENCE

GRANTOR: PROPERTY ADDRESS:
BETHLEHEM COMMERCE CENTER, LLC FORMER BETHLEHEM STEEL PROPERTY BETHLEHEM PA
ENVIRONMENTAL COVENANT



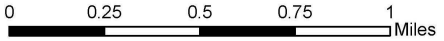
This Environmental Covenant is executed pursuant to the Pennsylvania Uniform Environmental Covenants Act, Act No. 68 of 2007, 27 Pa. C.S. §§ 6501- 6517 (UECA). This Environmental Covenant subjects the Property identified in Paragraph 1 to the activity and/or use limitations in this document. As indicated later in this document, this Environmental Covenant has been approved by the Pennsylvania Department of Environmental Protection (Department).

- 1. Property affected. The property affected (Property) by this Environmental Covenant is comprised of approximately **441.52 acres** located south of Applebutter Road, north of Laubach Creek and the BCC Intermodal facility, east of Laubach Creek and west of Ringhoffer Road in the East Lehigh Area of the former Bethlehem Steel Works in the City of Bethlehem PA, Northampton County. The Property is delineated on the legal description and map attached hereto and incorporated by reference as Exhibit "A", and as shown on the Site Location Map which is attached hereto and incorporated by reference as Exhibit "B" (which is Figure 1 of the Final Baseline Environmental Report dated September 11, 2007 and approved by the Department by letter dated September 26, 2007. (Baseline Environmental Report)).



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Areas Subject to Environmental Covenants
Former Bethlehem Steel Corporation
Bethlehem, PA
EPA ID: PAD990824161



Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoB, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User

F. LEGAL CONSIDERATIONS-USEPA NOVEMBER 2007

FINAL DECISION AND RESPONSE TO COMMENTS UNDER RCRA SECTION 3004(u)

Mittal Steel USA, Incorporated Bethlehem, PA 18252

**Majestic Realty Co. Parcel of the Former Bethlehem Steel
Corporation-Bethlehem Structural Products**

EPA ID NO. PAD 990824161

• {RCRA}

1. ONE CLEANUP PROGRAM MEMORANDUM OF AGREEMENT REACHED BETWEEN PADEP AND REGION 3 USEPA-2004

- PURSUANT TO THIS MOA, USEPA AGREED TO ACCEPT THE ACT 2 REGULATIONS AND TECHNICAL MANUAL AS SATISFYING THE RCRA INVESTIGATION AND REMEDIATION STANDARDS**
- USEPA ACKNOWLEDGED THIS IN THE FINAL DECISION DOCUMENT**

2. USEPA FINAL DECISION DOCUMENT RCRA

- EPA ACCEPTS THE **BER** AS COMPLETE INVESTIGATION
- REMEDIATION is “preapproved” if done consistent with the **SMP**
- RCRA BOND-\$600 K Required. Reduced over time
- **RCRA CORRECTIVE ACTION COMPLETE** WOULD BE ISSUED ON A PARCEL BY PARCEL BASIS

USEPA FINAL DECISION ON GROUNDWATER JANUARY 2010

- NATURAL ATTENUATION- MONITOR ONLY
- TWO TECHNICAL IMPRACTICABILITY ZONES
- INSTITUTIONAL CONTROLS

- ISSUED TO LVIP WHO ACQUIRED THE LIABILITY WHEN IT PURCHASED THE 1,000 ACRES FROM TECUMSEH

G. LEGAL CONSIDERATIONS ENVIRONMENTAL INSURANCE

- ***MIND THE GAP***-COVER THE UNFORESEEN CIRCUMSTANCES
- ***MOST LIKELY BAD CASE SCENARIO***- TURN TO YOUR CONSULTANT TO ESTIMATE POTENTIAL FOR unexpected
- ***MATCH THE COVERAGE*** TO THE MOST LIKELY bad case SCENARIO
- ***REASONABLE DEDUCTIBLE*** WHAT IS YOURS?
- ***EXPERIENCED BROKER*** is critical



II. THOMAS NOWLAN- STRATEGIC INTEGRATION OF INVESTIGATION AND "REMEDICATION" INTO SITEWIDE REDEVELOPMENT PLAN

Investigation Strategy

Client Strategic Risk Management philosophy

Leverage extensive prior studies & investigations in addition to Concept Master Redevelopment Plan

Geophysical/geotechnical studies followed by soil and soil vapor sampling - biased as appropriate and statistically significant

Methodology for Groundwater data analysis and additional sampling

Integrate findings with updated/revised Master Site Plan for strategic alignment including cut/fill, final grading & structures

SAMPLING OVER 440 ACRES

- SOILS – > **1,200 SAMPLES** AT VARIOUS DEPTHS (0-2ft-80 ft)
- GROUNDWATER - >**100 SAMPLES** PLUS **11 ADDITIONAL WELLS** INSTALLED BY MAJESTIC
- SURFACE WATER, STORMWATER AND SOIL VAPOR PATHWAYS EVALUATED & ADDRESSED

Q: What was the investment?

A: From the BER Statement of Public Benefits...

- Majestic has already invested ***more than \$3 million in conducting the investigations*** of the property
- Once it has consummated its purchase of this property, Majestic invested ***more than \$300 million to develop*** the Majestic Parcel

IV. Ed Konjoyan - Majestic Bethlehem Center Today

CHRONOLOGY

- 1863 – Bethlehem Plant begins operations
- 1998 – Bethlehem Plant closes (135 years later)
- **1999 – Option Agreement with Majestic**
- 2001 – Beth Steel Files Chapter 11 Bankruptcy
- 2002 – Agreement of Sale
- 2003 – ISG purchases Bethlehem Assets
- 2003 – Investigation Begins
- 2004 – One Cleanup Program Memorandum
- 2007 – Investigation Concludes; BER and SMP Published
- **2007 – SIA COA Entered; USEPA Final Decision Issued; Property Acquired**
- 2008~2011 – Great Recession
- **2012 – First building completed**
- **2025 – Final EPA/DEP Approvals for last phase and overall site**

DEVELOPMENT ISSUES

- **FINANCING** – Needed to minimize liability for lenders in order to finance building construction (Act 2 provided)
- **TENANTS** – Needed to minimize liability for tenants in order to be able to lease the new buildings (Act 2 provided)
- **TIMING**
 - Closed Escrow on property acquisition in December 2007, which was the beginning of the Great Recession.
 - Down-cycle is the best time to work on entitlements, plans and permits, infrastructure, etc.

PLANNED DEVELOPMENT



ORIGINAL
CONCEPT-
1999:



NEW, LIGHT
MANUFACTURING
BUILDINGS TO BE
CONSTRUCTED TO SPEC;
WAREHOUSING
INCLUDED



COMPLETED
AS BUILT IN
2025:



WAREHOUSING AND
DISTRIBUTION FACILITIES









QVC BUILDING 3



A Development of:



www.MajesticBethlehem.com



TRANSFORMATION & REVITALIZATION

2001

- VS -

2026

- Zero (0) Buildings being used
- Zero (0) Sq. Ft. Office Space being used
- Zero (0) Jobs on Site
- Minimal real property taxes being assessed
- Environmental issues outstanding

- Seven (7) new large Buildings
- 175,000± Sq. Ft. of new Office Space
- 3,000± Jobs on Site
- \$7.5 Million in real property taxes being assessed
- Environmental issues resolved