

October 12, 2007

Environmental Management Support, Inc.
Attn: Mr. Don West
8601 Georgia Avenue, Suite 500
Silver Spring, MD 20910
Phone: (301) 589-5318

United States Environmental Protection Agency
Attn: Mr. Michael Norman
Atlanta Federal Center
61 Forsyth Street
Atlanta, GA 30303
Phone: (404) 562-8792

Re: City of Covington, Kentucky U.S. EPA Brownfield Cleanup Grant Application

Dear Mr. West and Mr. Norman:

Thank you for the opportunity to submit this grant application. This application is for a cleanup grant for hazardous substances. **The City is also submitting applications under separate cover for community-wide assessment of petroleum and hazardous substances.**

The following information is provided per the application guidelines:

1. **Applicant Identification:** City of Covington, Kentucky, 638 Madison Ave., Covington, KY 41071
2. **Funding Requested:**
 - a. Grant Type: Cleanup
 - b. Amount: \$200,000
 - c. Contamination: Hazardous
3. **Location:** City of Covington, Kentucky (Kenton County), "Butch" Callery, Mayor
4. **Project Director:** Beth Robinson, Covington Economic Development Department
638 Madison Avenue, Covington, Kentucky 41071
Phone: (859) 292-2168; Fax: (859) 292-2339; Email: brobinson@covingtonky.gov
Chief Executive: "Butch" Callery, Mayor,
638 Madison Avenue, Covington, Kentucky 41011
Phone: (859) 292-2127; Fax: (859) 292-2137; Email: mayor@covingtonky.gov
5. **Date Submitted:** October 12, 2007
6. **Project Period:** October 1, 2008 through September 30, 2011 (not to exceed 3 years)
7. **Population:** 43,370 (2000 Census)
8. **Other:** N/A
9. **Cooperative Partners:** Individuals that have agreed to participate in the implementation of this project include:

Organization	Contact Name	Phone
Center for Great Neighborhoods	Tom DiBello, Executive Director	859-491-2220
Covington Independent Public Schools	Jack Moreland, Superintendent	859-392-1000
Northern Kentucky Area Planning Commission	Dennis Gordon, Director	859-331-8980
Northern Kentucky Health Department	Steve Divine, Director Env. Health	859-341-4264
Covington Business Council	Neil Blunt, Advocacy Committee Chair	859-431-1500
Wallace Woods Neighborhood Association	Kerry Risner, President	859-421-2955
Levassor Park Neighborhood Association	Terry Simpson, President	859-743-4849
Covington Neighborhood Collaborative	Bill Clark, Chairperson	859-409-3483
Latonia Business Association	Marvin Wischer, President	859-261-1100
Friends of Peaselburg Neighborhood Association	Susan Barnett, Chairperson	859-468-4177
Austinburg Neighborhood Association	Rick Ludlum, President	859-307-0209
Historic Licking Riverside Civic Association	Charles King, Vice President	859-491-3608
Botany Hills Neighborhood Association	Raymond L. Kingsbury	859-261-4052
Westside Action Coalition	Faye Massey	859-491-2220

Project Description: Since its inception, Covington, located at the confluence of the Ohio and Licking Rivers directly across from Cincinnati, has had a long, prosperous industrial and commercial heritage. However, a decline in the economy in the 1960s left the City with significant economic and environmental impacts resulting from the brownfields left behind by industry for the City to address. Today, according to the 2000 Census, about 15.5% of families and 18.4% of the population live below the poverty line, including 25.0% of those under age 18 and 13.4% of those age 65 or over. Covington has worked very hard to redevelop its valuable riverfront and downtown corridor. Indeed, some of its success can be attributed to the City's previous U.S. EPA Assessment grant (2000), which allowed for the assessment of over 20 acres of property and began the City's brownfields initiative.

Additional funds are sorely needed to further address these properties, complete cleanup activities and promote redevelopable areas to generate new economic investment. If awarded, the city intends to use cleanup funding to remediate the Former Donaldson Art Sign Company site, which has been used since the late 1880s as soap factory, oil works, and sign company. The City would like to return this idle and blighted property to a beneficial reuse and see the area as a great opportunity for redevelopment. Continued funding for cleanup of this site will help the City realize its goals of creating market-ready sites, increasing property values and revitalizing surrounding neighborhoods.

By receiving the funding assistance from the U.S. EPA, the City will be able to: 1) remove an extremely blighted eyesore and hazard to the community; 2) further define and eliminate threats to human health and the environment; 3) contribute to the reuse of existing vacant land; 4) reduce the demand for urban sprawl development; and 5) remove the stigma of environmental issues in order to create a market-ready site for redevelopment and community revitalization.

Thank you for your support of our application. Please do not hesitate to call us at (859) 292-2127 or (859) 292-2168 if we can provide any additional information or clarification on any issue.

Sincerely,

"Butch" Callery, Mayor

Beth Robinson, Economic Development

THRESHOLD CRITERIA

A. Applicant Eligibility

The City of Covington is an eligible applicant as a general purpose of local government, in compliance with 40 CFR Part 31. The City and Kenton County currently own the subject property included in this application, the Former Donaldson Art Sign Company site located at 2125-2141 Donaldson Avenue, Covington, Kentucky. The City secure sole ownership of the property prior to June 30, 2008 and will maintain sole ownership until all cleanup work funded by the grant has been completed.

B. Letter from the State

A letter of support from the Kentucky Department of Environmental Protection is included as Attachment A.

C. Site Eligibility and Property Ownership Eligibility

1. Basic Site Information. (a) The site is named the Former Donaldson Art Sign Company; (b) The site is located at 2125 Donaldson Avenue, Covington, Kentucky; (c) The current owner of the site is the City and Kenton County.

2. Status and History of Contamination at the Site

- (a) The site is contaminated by hazardous substances.
- (b) The site is comprised of Areas A through D on Parcel No. 005-23-12-001.00. The earliest known uses include as Carnival Park and the Heckman & Company Soap Factory in 1884. The Property was occupied by the Wilburne Oil Works in 1909. From 1943 through 1965 the Gold Metal Oil Company occupied 2141 through 2141 Donaldson Ave. The Donaldson Art Sign (DAS) Company operated on the property from approximately 1912 through 1987. Since 1987 the site has been vacant.
- (c) Remedial actions and assessment activities were performed between 1988 and 1997 by U.S. EPA Region IV and under the direction of the Kentucky Department for Environmental Protection (KDEP) Department of Waste Management (KDWM) Superfund Branch. The remedial actions included the removal of polychlorinated biphenyl (PCBs) impacted soil, the removal of a heating oil Underground Storage Tank (UST) and impacted soils, and the removal of asbestos containing materials (ACM); the property file was closed by KDEP on November 17, 1997. Additional remediation is needed to address soils impacted with Chemicals of Concern (COCs) including: volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), and metals, including cadmium, chromium and lead, above the U.S. EPA Region 9 Preliminary Remediation Goals (PRGs); and groundwater impacted with 1, 2-timethylbenzene and naphthalene.
- (d) Current environmental concerns include soils impacted with volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), and metals, including cadmium, chromium and lead, above the U.S. EPA Region 9 Preliminary Remediation Goals (PRGs). Groundwater impacts include 1, 2-timethylbenzene and naphthalene. The COCs were released into the subsurface as the result of former rail spur operations, releases from ASTs and USTs, improper chemical storage/handling, and on-site painting operations. The extent of contamination was delineated during the Phase II ESA, by the installation of 30 soil borings and 8 groundwater monitoring wells. Eleven soil samples from these borings contained concentrations of Chemicals of Concern (COCs) that exceed the Region 9 Preliminary Remediation Goals (PRGs). The subsurface remediation will consist of the excavation, removal/disposal of approximately 400 tons of soils impacted with VOCs, SVOCs and metals above the Region 9 PRGs.

3. Sites Ineligible for Funding. (a) The site is not listed or proposed to be listed on the National Priorities List; (b) is not subject to unilateral administrative orders, court orders, administrative orders on consent, or judicial consent decrees issued to or entered into by parties under CERCLA; and (c) is not subject to the jurisdiction, custody or control of the United States government.

4. Sites Requiring a Property-Specific Determination. The site does not require a property-specific determination. It is not subject to planned or ongoing CERCLA removal actions; it is not subject to unilateral administrative orders, court orders, administrative orders on consent, or judicial consent decrees and has not been issued a permit under Solid Waste Disposal Act, FWPCA, TSCA, or SDWA. The site is not subject to corrective actions under RCRA and is not a land disposal unit. It is not currently subject to remediation of PCBs under TSCA and no funding for remediation has been obtained from the LUST Trust Fund.

5. Environmental Assessment Required for Cleanup Proposals. A Phase I Property Assessment Report was completed for the site in accordance with ASTM E1527-00 on April 17, 2001 by SRW Environmental Services, Inc. (SRW). In addition, a Phase II Property Assessment Report was completed for the site by SRW on October 24, 2001. A preliminary Corrective Action Plan was prepared for the property by H.C. Nutting Company (HCN) on August 2, 2004.

6. Property Ownership Eligibility (CERCLA Section 107 Prohibition). The deed was conveyed over to the City and Kenton County in July 1999 by the Master Commissioner, with official conveyance on September 2, 1999. The City and County pressed the sale for back taxes and thus the City and County are both current owners of the site. The City completed the Phase I on the property on April 17, 2001 and a Phase II was completed on October 24, 2001. Thus, the City could be potentially liable as a current owner under CERCLA § 107. However, the City affirms that they are not potentially liable for contamination at the site under CERCLA § 107 as they meet the requirements of exclusion for state or local governments that involuntarily acquire property under CERCLA § 101(20)(D). The City will meet the required continuing obligations during their property ownership in order to maintain liability protection, including complying with any applicable land use restrictions and institutional controls; taking reasonable steps to stop and prevent releases and prevent or limit human, environmental and natural resource exposure to releases; providing full cooperation, assistance and access to authorized persons; complying with CERCLA information requests and administrative subpoenas; and providing legally required notices related to releases at the site.

7. Enforcement Actions. There are no known current enforcement actions for the Property. Assessment activities and remedial actions were performed by U.S. EPA Region IV and KDEP between 1986 and 1997. The KDEP property file was closed out on November 17, 1997.

8. Information on Liability and Defenses/Protections

- (a) Information on the Property Acquisition: The City and County acquired the property on September 2, 1999 from the Donaldson Art Sign Company. It was jointly acquired by the City and County when, in July 1999, the Master Commissioner pressed the sale of the property for back taxes. The City and County fall under the CERCLA 101(20)(D) exclusion for state and local governments that involuntarily acquire property. While the City currently shares ownership of the property with the County, it is the intent of the City to secure sole ownership by June 30, 2008. The City affirms that it has no familial, contractual, corporate or financial relationships or affiliations with prior owners or operators of the property, including the Donaldson Art Sign Company.
- (b) Timing of Hazardous Substance Disposal: Hazardous substances were previously removed from the property under the direction of KDEP KDWM in the mid-1990s. The City affirms that it has not arranged for the disposal or transportation of hazardous substances to or from the Property.
- (c) Pre-Purchase Inquiry: An ASTM Phase I PA was completed on April 17, 2001 and a Phase II PA was completed on October 24, 2001 by SRW of Milford, Ohio. The property was conveyed to the City and Kenton County on September 2, 1999.
- (d) Post-Acquisition Uses: The Property is currently vacant and has been vacant since the City and County acquired ownership in 1999. The property has not been used by any persons or entities since it was acquired by the City and County. Regarding anticipated uses, the City has been in negotiations with an adjacent property owner who is interested in purchasing the property for redevelopment into office condos following cleanup.

(e) Continuing Obligations: Since acquiring the property the City has taken reasonable steps to stop continuing releases, prevent threatened future releases, and prevent/limit exposure to previously released hazardous substances. A Phase II Property Assessment Report was completed for the site on behalf of the City by SRW on October 24, 2001 and a preliminary Corrective Action Plan was prepared by H.C. Nutting Company on August 2, 2004. In addition, the City has placed a fence around the property to ensure site security, prevent vandalism, and prevent exposure to the site. The City is committed to remediating the site to applicable regulatory standards in accordance with the intended property re-use. Operations and Maintenance plans will be developed and administered to ensure that any engineering or institutional controls that are put in place as part of remedial measures meet all regulatory obligations. The City will initiate and assist with site cleanup by providing access. The City will also comply with all information requests and/or subpoenas issued in connection with the property and will provide all legally required notices.

D. Cleanup Authority and Oversight Structure

1. Cleanup Oversight. All budget tasks under the contractual category will be completed in compliance with the Kentucky Department of Environmental Protection rules and regulations. Additional technical expertise will be required to conduct, manage and oversee the cleanup. The City will hire a qualified environmental professional consistent with the competitive procurement provisions of 40 CRF 31.36 and ensure this expertise is in place prior to beginning cleanup activities.

2. Adjacent Properties. Cleanup activities are not anticipated to affect any adjacent properties.

E. Cost Share

The City is committed to the cleanup and redevelopment of this property and has allocated 20 percent of the proposed grant, or \$40,000, from the City’s general fund to support the required cost share. An ordinance of support from the City was passed on October 9, 2007 providing the commitment for these funds (Attachment C).

RANKING CRITERIA

A. Cleanup Grant Budget

The City is requesting a grant in the amount of \$200,000 and is not requesting a waiver for the \$40,000 cost match. All budget tasks under the contractual category will be performed by a qualified environmental consultant under the Kentucky brownfield program.

Cleanup Grant Budget

Budget Categories	Task 1: Risk Assessment / Remedial Action Project Plan / HASP	Task 2: Subsurface Remediation	Task 3: Remediation Monitoring and Remedial Action Completion Report	Task 4: Remedial Planning and Design	Total
Personnel					
Travel					
Equipment					
Supplies					
Contractual	20,000	111,000	104,000	5,000	240,000
Other					
Total	20,000	111,000	104,000	5,000	240,000

Task 1: Remedial Planning and Design. The City will complete a Remedial Action Project Plan (RAPP), to be performed by an experienced environmental consulting firm in accordance with applicable KDEP and U.S. EPA requirements. As part of

the RAPP, a Human Health Risk Assessment will be performed to further develop site-specific clean-up standards. Remedial cost estimates will be prepared and request for proposals and subcontractor selection tasks will also be performed under this task. In addition, a project-specific Health and Safety Plan (HASP), to be included as part of the cleanup, would fall under this task.

Task 2: Subsurface Remediation. The subsurface remediation will consist of the excavation and removal/disposal of approximately 400 tons of soils impacted with VOCs, SVOCs and metals above the Region 9 PRGs. The soils will be removed from nine "hot spot" locations located on the property. Prior to backfilling, verification samples will be collected in accordance with KDEP and U.S. EPA requirements.

Task 3: Remediation Monitoring and Remedial Action Completion Report. To evaluate successful remedial results and to ensure compliance with groundwater standards, an additional downgradient MW-9 will be installed on-site. The qualified environmental firm will perform semi-annual groundwater monitoring from the nine property monitoring wells for three years. A status report will be prepared and submitted to KDEP following each sampling event. Following completion of the site monitoring and confirmation of compliance with applicable standards, a Remedial Action Closure Certification/Completion Report will be prepared for submittal to the KDEP.

Task 4: Community Involvement and Outreach, Programmatic Expenses, and Travel. Several meetings with the public at various steps in the project will be required. This task also includes funds for programmatic activities including: set up and provision of notice for public meetings; presentations to explain the cleanup to neighborhood representatives and other affected parties; preparation of brochures and other printed program materials; and travel to brownfield-related meetings with Kentucky DEP, U.S. EPA, and other project partners.

The City understands that there are additional costs associated with implementing a grant and will commit to providing the costs for legal fees associated with access agreements, staff time to administer the grant, conducting bidding activities for the procurement of a qualified environmental consultant, overseeing consultants and contractors, and staff participation in public involvement meeting and meetings with Kentucky DEP and U.S. EPA staff.

B. Community Need

1. Target Community Description. The City of Covington is located in the northeastern portion of Kenton County, Kentucky, directly across the Ohio River from Cincinnati, Ohio. It is the fifth most populous city in Kentucky and is one of two county seats in Kenton County. Covington is located at the confluence of the Ohio and Licking Rivers. Covington is part of the Cincinnati-Northern Kentucky metropolitan area and is separated from Cincinnati by the Ohio River and from Newport by the Licking River. Covington is located just south of the Ohio River, the actual dividing line between North and South, and the Mason-Dixon Line. Historically one of the most influential cities in the state, this region was key in the movement of slaves to freedom in Ohio, and many of the area's towns were important stops on the Underground Railroad. In its infancy, most of the commerce in Covington was connected with the rivers that formed the northern and eastern boundaries of the city. Because the Kentucky side of the Ohio River was relatively shallow compared to the Ohio side of the river, Covington was never able to develop its riverfront as a viable public landing for boats and steamships, which instead moored on the Cincinnati side of the river, where steamship building facilities were located. Major manufacturing began in the early 1800s along the City's Riverfront, including a cotton factory, rolling mill and nail factory. Covington's history can be seen in its aging housing stock; the City ranks second in the state behind only Louisville with 21 historic districts.

As of the 2000 Census, there were 43,370 people, 18,257 households, and 10,132 families residing in the city. The population density was 3,301 persons per square mile. There were 20,448 housing units at an average density of 1,556 houses per square mile. The racial makeup of the city was 87.05% White, 10.14% African American, 0.24% Native American, 0.34% Asian, 0.03% Pacific Islander, 0.63% from other races, and 1.57% from two or more races. Hispanic or Latino of any race comprised 1.38% of the population. There were 18,257 households out of which 28.8% had children under the age of 18 living with them, 34.3% were married couples living together, 16.5% had a female householder with no

husband present, and 44.5% were non-families. 36.5% of all households were made up of individuals and 12.0% had someone living alone who was 65 years of age or older. The average household size was 2.31 and the average family size was 3.08. The age distribution of the City's population includes 25.9% under the age of 18, 10.0% aged 18 to 24, 33.3% aged 25 to 44, 19.0% aged 45 to 64, and 11.9% aged 65 years of age or older. The median age was 33 years. For every 100 females there were 95.9 males. For every 100 females age 18 and over, there were 92.0 males. The median income for a household in the city was \$30,735, and the median income for a family was \$38,307. Males had a median income of \$31,238 versus \$24,487 for females. The per capita income for the city was \$16,841. **About 15.5% of families and 18.4% of the population live below the poverty line, including 25.0% of those under age 18 and 13.4% age 65 or over.**

Since the late 1950s, when the City's population peaked at 64,275, Covington has struggled to compete with the explosive growth of suburban Northern Kentucky. Between 1960 and 1990, Covington's population significantly declined and many local businesses closed or relocated as a result. Illustrative of the serious economic conditions facing the city, the U.S. Department of Housing and Urban Development (HUD) placed Covington on the "most distressed city" list in the late 1970s. Since that time, the City has worked hard to attract new investment into the City. Today, Covington's population has stabilized and the city is experiencing renewed interest in its downtown area. Young professionals and mid-aged people are now moving back to the City in rehabilitated historic homes and infill housing. The City has created an Arts & Technology District in an attempt to attract creative professionals to live and work downtown. Over the past decade, Covington has also experienced significant investment along its riverfront area with the development of the RiverCenter Complex which includes an Embassy Suites Hotel, Marriott Hotel, the Courtyard by Marriott, and over a dozen new businesses, including Ashland Oil and Omnicare, in the Class A office complex. The development of an industrial park in South Covington has brought in employers such as Atkins & Pearce, Esco Corp., White Castle Distribution Center, Club Chef, and Fidelity Investments, creating more than 3,800 new jobs in the city. Despite these gains, however, funding is needed to make additional reinvestment. Cleanup funding would help to support and continue the City's redevelopment momentum.

2. How will the target community benefit from grant funds? By receiving funding assistance from U.S. EPA, potential risks to human health and the environment can be further identified and quantified. In addition, redevelopment planning can be completed to eliminate, minimize, or mitigate against these risks, while returning the subject property to a beneficial or more suitable use. Not only will sensitive populations of our area directly benefit from the health risk identification and potential reduction of environmental threats, the redevelopment of the DAS property will help the City turn the corner on environmental justice issues. The environmental remediation work envisioned in this proposal will provide needed public health information, heavily-weighted toward the impacts on some of our region's most sensitive populations. Through our brownfield program, including real estate development and community outreach efforts, the City and its partners are working toward bridging the economic gaps between the significantly disadvantaged populations and lesser impacted communities in the region. The proposed cleanup will eliminate the specter of contamination that discourages investment on this brownfield site and the surrounding neighborhood. U.S. EPA funds will aid the City to continue the momentum of its efforts to: 1) increase the local tax base; 2) facilitate job creation; 3) utilize existing infrastructure; 4) encourage the reuse of built land vs. the development of undeveloped, open land and greenspace; and 5) improve measures to protect human health and the environment. U.S. EPA funding will help to attract residents and visitors and act as a catalyst for the Covington Strategic Plan and revitalization of the entire city. By receiving cleanup funding from U.S. EPA, the City will be able to: 1) remove an extremely blighted eyesore and hazard to the community; 2) further define and eliminate threats to human health and the environment; 3) contribute to the reuse of existing vacant land; 4) reduce the demand for urban sprawl development; and 5) remove the stigma of environmental issues in order to create a market-ready site for redevelopment and community revitalization.

3. Characterize the impact of brownfields on the City: Brownfields have had significant **economic impacts** on the City of Covington and funds are badly needed to assess properties and promote redevelopment areas to generate new economic investment in the City's business climate. The City intends to use funding to assess, characterize and prioritize

multiple sites that meet the federal definition of brownfields and are determined eligible by U.S. EPA in two key areas: the **River District Revitalization Area** and the **Covington Downtown Commercial and Arts District Area**.

Over the past several decades, the prime developable land in Covington has been consumed, leaving industries and factories with no opportunities to expand their operations. Companies have been forced to merge with larger firms or relocate to the suburbs. Additionally, to protect residents, the city adopted a zoning code in 1930 that required industrial properties to "down-size" near residential neighborhoods. The combination of these two situations has created a flight to the suburbs by both industry and residents who could afford to relocate. Covington has been left with deteriorating, vacant and potentially contaminated properties.

According to the City's Finance Director and City's Comprehensive Annual Financial Report, the economic impacts of lost revenue from brownfields (including lost income taxes and net profit taxes collected by the City) have been significant over the past years. The City is heavily dependent on the payroll and net profit taxes of businesses within City limits for its revenue. Covington currently has only a 2.5% payroll tax for employees working in the City and a net profit tax of 2.5%. Idle, vacant property and companies that have closed hurt these revenues. In the 2006-07 Fiscal year (ending June 30, 2007), City payroll taxes collected were approximately \$21.6 million and net profit taxes collected were \$2.9 million. Combined, these \$24.5 million are a very large portion of the City's General Fund Revenue, which totals \$43 million.

Despite the City's ability to recapture additional revenues, which have increased in the last 2-3 years, City expenses have also increased. One example of this is the pension costs for uniform positions (police and fire). In 2005, the City was required by the state retirement system to contribute 22.08% (or \$3.1 M) of these employees' salary to their pension fund. For 2008, the City is required to pay 33.87% (or \$4.6 M) of their salary to the pension fund. The City has seen similar increases in health care rates for City employees. In 2005, the City spent \$4.6 million in health care costs and in 2008, that cost is expected to be \$5.5 million. A significant sign of this impact on our economy can be seen in our general fund balance (total revenue minus total expenses). Bond rating agencies and Government Financial Officers recommend retaining 5% of total revenues as an indication of financial status and capability. For Covington, this would equate to \$2.2 million (or 5% of \$43 million). In 2005, our retained earnings were only \$235,000 – a direct result of withdrawing from our saved retained earnings due to lack of revenue taxes to cover expenses. In 2006, we cut 10 city staff positions so as not to be in default.

Without additional funds from the revitalization of brownfields that would result in revenues, we may face state or county financial watch in the coming years to formulate a plan to withdraw from this structurally unbalanced revenue and expense crisis. Therefore, if substantial new economic development does not occur, and income tax revenues do not increase to accommodate for increased expenses, the City will be severely hampered in its growth and progress. To spur economic development while restoring and rehabilitating the City's more impoverished neighborhoods, potentially contaminated sites and designated brownfields need to be addressed and remediated.

Although the City is experiencing renewed private sector interest and investment, Covington faces many challenges as it moves forward into the future. First, Covington's residents lag behind the region in educational attainment. According to 2002 Census data, 6.75% of the City's residents over the age of 25 have obtained a Bachelor's Degree compared with about 13% for the Cincinnati MSA. Covington also has higher number of 25+ year old residents without a high school diploma (about 18%) compared with the region (about 12% of the Cincinnati MSA). Furthermore, given the lower level of educational attainment, Covington residents generally have lower incomes than the region as delineated below:

	<u>Covington</u>	<u>Kenton Co.</u>	<u>State of KY</u>	<u>Cincinnati MSA</u>
2000 Average Household Income	\$40,879.00	\$55,835.00	\$45,277.00	\$58,360.00
2000 Per Capita Income	\$17,094.00	\$21,910.00	\$17,807.00	\$22,833.00
2000 Median Household Income	\$31,656.00	\$44,092.00	\$33,831.00	\$44,327.00

Covington's resident population is fairly diverse in terms of employment with a lower than average (as compared to the surrounding areas) percentage of people in managerial and professional occupations and a higher than average number of manual labor/service oriented positions. The City's minority and low income populations are concentrated in the northern portion of the city where most of the brownfield sites are located. Of the total population, about 10% of Covington's residents are African American, representing the largest concentration of this population in Kenton County. The County's African American population is 3.5% according to the latest census. The highest percentage of minorities in Covington lives in Census Tract 671 where the African American population makes up 57% of the total. The other Census Tract with a minority concentration is Tract 651 where the African American population makes up 22% of the total. The median household incomes for Tract 671 and Tract 651 are \$20,678 and \$25,021 respectively, reflecting a much lower income than the City as a whole (\$31,656). Covington has also experienced a dramatic growth in Hispanics living in the City. Between 1970 and 2000, the number of Hispanics increased by 77% from 135 to 600. This exceeds the 61% increase in the Cincinnati MSA and a 68% increase in Kenton County, but is less than the 84% increase experienced statewide. The majority of the City's Hispanic population resides in the northern portion of the city; with the largest percentage found in Census Tracts 671 and 603.

While Covington has experienced success in attracting investment into the city, many of the city's poorest residents remain in the city's central area and reinvestment is inhibited by contaminated sites that require clean up to induce redevelopment. The City hopes to fund cleanup projects in economically challenged neighborhoods where there are lower than average income levels. Remediation of brownfield sites for commercial/industrial redevelopment could potentially increase the number of jobs available to members of the community and the conversion of brownfields to green space would increase neighboring property values and lead to private and public investment. Regardless of the end use, the remediation of contaminated sites will improve the health and safety of Covington residents.

Brownfields have a number of serious **environmental and health impacts** to residents of Covington:

1. Covington purchases potable water from the Northern Kentucky Water District. The Water District has a water intake between the cities of Covington and Taylor Mill along Licking River, which transects Covington on the East. The Licking River intake supplies water to the Taylor Mill Water Treatment Plant which serves the western portion of Northern Kentucky Water District, including the City of Covington. Approximately 20% of the NKWD customers (~37,000) are served by the Taylor Mill WTP. Several brownfields in Covington are located adjacent to the Licking River near the water intake and could potentially impact water quality.
2. Banklick Creek is a shallow, highly meandering waterway that flows eastward through Kenton County, over a distance of 11 miles, flowing through Covington from east to west and emptying in to the northward-running Licking River. Banklick Creek is considered an impaired water body, since it has been impacted by pollution sources and does not meet its designated use requirements for aquatic life and swimming. Such streams are listed on Kentucky's 303(d) list, a list updated every two years to provide priority ranking and targeting of waters for allocation of pollutant loadings under USEPA's Total Maximum Daily Load (TMDL) program. Water quality monitoring conducted in the 1990s confirmed that Banklick Creek does not meet water quality standards primarily due to high levels of fecal coliform and low levels of dissolved oxygen. Sources of impairment include hydromodification, urban runoff, CSOs, sanitary sewer overflows (SSOs), and upstream agricultural runoff.
3. Brownfields pose a health threat and blighting influence to low income neighborhoods because of their location in areas of historic disinvestment. The remediation of certain brownfield areas within the City of Covington would yield marked improvements on several communities denoted as CDBG-eligible.
4. Health and safety risks are present from the deteriorating condition of the structures, which invite crime. Additionally, the presence of petroleum and/or hazardous substances in soil and groundwater, as well as asbestos, solvents and other potential concerns present in the brownfields may exceed the standards for cleanup and redevelopment.

5. Environmental health risks were found in soil and groundwater at the DAS property during previous Phase I and II environmental assessments. Further cleanup funding will allow for the completion of additional remedial planning cleanup and redevelopment at this site.

C. Sustainable Reuse of Brownfields

1. To what extent will the grant prevent pollution and reduce resource consumption. The City is working towards incorporating strategies into our ordinances and putting together a brownfield redevelopment handbook. The handbook would be required to be used by developers who are partnering with the City on brownfield redevelopment projects and would be available to guide private parties making the venture on their own. Guidelines that would be located in the handbook would include but not be limited to: preservation of existing landscape elements such as wooded areas and inclusion of native plants; on-site reuse of demolition materials such as concrete; and innovative approaches to storm water management, which will provide aesthetic, habitat and water quality benefits. Design criteria discussed in previous planning efforts, including the Strategic Plan, Madison Avenue Corridor Redevelopment Plan, and the Linden Gateway Area Study, have included resource conservation, transportation or infrastructure availability, preservation of natural topography and character, and satisfactory surface drainage or provision for drainage through construction of alternative stormwater management.

The City will consider brownfield development before selecting greenfield properties for development. Redeveloping brownfield properties would complement the City's and Community's Downtown revitalization efforts, and prevent urban sprawl, thus, preserving surrounding agricultural land. Although the City does not currently have regulations requiring the use of "smart growth" or "green building" techniques, the City is currently considering these strategies as part of the Linden Gateway Small Area Study. This study will identify strategies to stabilize existing urban residential neighborhoods, and plan for future redevelopment. The City's recently updated Zoning Code includes regulations designed to promote redevelopment of the older urban core by reducing lot size requirements and other design considerations in accordance with smart growth principles.

The target property has access to streets, sewers, water supply, rail and other infrastructures previously established and continually updated. The City will encourage the reuse of existing infrastructure, where applicable, in the redevelopment of the DAS site. The reuse of streets, gas, water, and sanitary and storm sewer systems will save the City money and promote sustainable reuse. The development of the DAS site will benefit water quality and storm sewer quality and the stormwater discharges on adjacent properties will in turn improve. The City and several industries have experience in reusing existing infrastructure, improving it where necessary, and creating smart compact development on formerly contaminated, vacant industrial property. For example, the City reused existing water and sewer lines at the 510 Thomas Street project, which resulted in the construction of new market rate townhomes in Austinburg on previous commercial land.

The City continues to improve its education and outreach opportunities and work with our existing businesses to prevent the creation of additional brownfields within the City. By identifying and cleaning up older sites, such as the DAS property, it is our intention to provide either increased residential, commercial, industrial, or greenspace opportunities for our residents. This will not only increase our tax base, but will provide for the reuse of blighted properties. Each site will be evaluated and required to conform to existing land use plans and the specific needs within its particular neighborhood. Moreover, the City will be initiating a more aggressive planning and zoning strategy to give notice to existing blighted sites. The intention is to give notice to owners that site conditions are unacceptable to human health and the environment. This will be achieved by aggressive inspections and written communication to site owners by the Health Department. The City will be the lead in consultation with the Departments of Engineering, Building, Economic Development and the Northern Kentucky Area Planning Commission to work with existing owners of properties in order to achieve the best use of properties consistent with the Covington Strategic Plan. The City will also put forth significant effort to retain existing businesses, thereby reducing abandonment of properties.

2. To what extent will the grant promote economic benefits. The City of Covington's ability to secure federal funding to focus on brownfield remediation and redevelopment is essential for enabling and sustaining the growth of the local economy. With only a 2.5% payroll and 2.5% net profit revenue tax, the City relies heavily on businesses and alternative tax revenue sources in order to operate. As the population of Covington continues to grow, it is essential that business opportunities grow as well. Brownfield remediation yields an opportunity for the City to encourage new business stimulation by offering commercial, retail, greenspace, and residential opportunities that are collectively conducive to new economic investments and endeavors, thus increasing the City's revenues with additional real estate, payroll and net profit taxes.

3. To what extent will the grant promote a vibrant, equitable and healthy community. Brownfield remediation will help the City of Covington achieve goals set by its Strategic Plan. The core strategy of the plan is to interconnect neighborhoods green spaces and community gathering spaces in a manner that allows for effortless resident interaction. The plan calls for creating walkable communities tied throughout the City. By cleaning up brownfields and making way for alternative transportation systems such as walking and biking routes and trails, the City can connect the following physical assets in a unique and marketable way: neighborhoods, downtown, parks, greenspace and riverfronts, community focal points including churches and schools, art venues, cultural destinations and preservation sites, and commercial districts. One strategy identified in the City's Plan was to develop a "green beltway" of walking trails and bikeways to connect greenspace within and between neighborhoods and with other cities of Northern Kentucky. The plan calls for a working partnering with the Vision 2015 team to create a regional greenspace plan implanting multi-use trails throughout Northern Kentucky's urban core, and specifically creating a levee walking/running/biking trail along the Licking River. Brownfield remediation will also help the City achieve another one of its most sought after smart-growth goals, increased development of downtown residential dwelling. Urban dwelling offers residents the opportunities of bike-to-work, walk-to-work, and public transportation as alternatives to the traditional automobile commute. The intended goal is to offer residents and visitors a choice in regards to methods of transportation. Grant funding and the resulting brownfield remediation will directly affect the feasibility of such a vision.

D. Creation and/or Preservation of Greenspace/Open Space or Other Nonprofit Purpose

The City's strategic plan strives to expand upon and improve existing greenspace. Appreciation of the City's abundant green space was a major theme throughout the planning process – people want to improve existing greenspace, build/develop additional greenspace throughout the City (including pocket parks) and connect those areas and neighborhoods with walking and biking trails. This is a critical element in creating a user friendly environment that will retain and attract residents. Active use of greenspace is an important aesthetic and environmental amenity that greatly enriches the quality of life in Covington. Greenspace improves the ecology of a neighborhood by cooling ambient air temperatures on hot summer days. In addition, use of greenspace promotes a healthy lifestyle for youth and adults. Attractive neighborhood parks can increase property values, provide a vehicle for resident participation, and connect neighborhoods to one another. Environmental remediation of brownfields will help to create additional greenspace, promote a positive image of Covington and serve as an economic stimulus.

Specific regulations, policies and programs that will be in place to assure long-term management, care or preservation were outlined in the City's Strategic Plan. The plan set a priority on working with the Project for Public Spaces to model work in other cities to create new and improve existing greenspace, and to explore new ways to generate revenue to create and maintain greenspace. The plan also discussed using lease agreements in City owned lots to ensure that community groups properly maintain their greenspace areas such as neighborhood gardens and parks. Another policy discussed is to prepare a safety and security plan for all publicly-owned greenspace. The City plans to pass ordinances that promote appropriate land uses in areas throughout the City as a result of the Plan. Neighborhood revitalization and maintaining and enhancing neighborhoods are essential to preventing future brownfields, while community planning, economic assistance, rehabilitation, and infrastructure improvements are essential to building sustainable uses of the City of Covington.

E. Pre-Award Community Notification

1. Describe how the targeted community was or will be notified of your proposed plans should your proposal be selected for funding. After the City receives notice of funding, we will present an overview of our City's application for U.S. EPA grants at the Board of Commissioners in a public meeting at Commission Chambers of City Hall. A public notice of this meeting will be placed three weeks in advance in the Kentucky Post, a paper of general circulation to the residents of Covington. Attendees will be asked to provide input and comments, and a copy of the City's application will be made available to the public. Public notice will also be placed on the City's website. Prior to the submission of this grant application, a copy of the draft application was made available during a public meeting held by the Covington City Commission on October 9, where a resolution of support was passed. The City of Covington intends to conduct public meetings at major project milestones, including: 1) a kickoff meeting for the inception of the project; 2) a meeting upon the completion of remedial action plan activities; and 3) a meeting during cleanup activities. The public meetings will be announced in the paper, City website, local public access television station and local radio broadcast. Also, brochures and fact sheets will be developed and distributed to the community with utility bills. The City's website will be used to provide an overview of the brownfield program and post updates when quarterly reports are filed with U.S. EPA on project successes. The public will be encouraged to participate by submitting comments or questions.

2. Explain why the notification method proposed above was/is the most appropriate way to reach your target community. By including every type of media, including radio, newspaper, web, and utility bills, our notifications will reach a majority of the residents of City of Covington. It is our experience that multi-faceted means of communication is the most appropriate means to reaching the majority of the residents. As of the 2000 Census, the racial makeup of the city was 87.05% White, 10.14% African American, 0.24% Native American, 0.34% Asian, 0.03% Pacific Islander, 0.63% from other races, and 1.57% from two or more races. Hispanic or Latino of any race comprised 1.38% of the population. Based on these demographics, communication from the City will be English, which is the customary language for City communications. The City will also include updates or press releases to the local Hispanic Chamber of Commerce to accommodate Hispanic residents and will make every effort to communicate to accommodate all residents.

3. How long of a comment period did you propose (if less than 2 business weeks please explain why)? We propose to use a three week outreach and comment period at each of the four major milestones in the project, including: 1) a kickoff meeting for the inception of the project; 2) a meeting upon the completion of remedial action plan activities; and 3) a meeting during cleanup activities. Forms of outreach, as detailed in F.1, include newspaper and radio announcements, website announcements, utility bill mailings and public meetings.

4. What were your plans for addressing comments received? Comments received will be discussed openly in public meetings, or made available through the website, depending on when and where the comments are received. Every effort will be made to answer questions as quickly and directly as possible at the time they are received. Questions for which a direct and immediate response is not forthcoming will be directly addressed with the individual or group which has made the inquiry, with the intent of making each and every response available to the public. City staff will personally contact the person giving the comment (if contact information is available) to follow up on concerns they may have and to document it so it can be addressed. At a minimum, such responses will be discussed in the City meetings and recorded in the meeting minutes, which will be available to the public through the City's web site.

F. Ongoing Community Involvement

1. Discuss the plan for involving the targeted community. Covington's plan to involve the community in cleanup decisions and reuse planning includes the continuation of its Brownfield Technical Committee. The City has an existing Brownfields Technical Committee made up of representatives from neighborhood associations, lending institutions, real estate companies, environmental consultants, institutions of higher learning and city staff. This committee was created to identify brownfields and develop brownfield redevelopment plans. The City worked diligently in conjunction with the Covington Business Council and the Northern Kentucky Chamber of Commerce to create this committee in order to promote an open dialogue with stakeholders in the community on our efforts to redevelop brownfield properties. This

Committee has been inactive for the past few years. The City will reconvene the Committee and hold regular quarterly meetings to foster public involvement in the city's efforts to remediate and revitalize brownfield sites. The Committee will also assist as needed to guide and advise City staff in the implementation of the City's Brownfields Program.

2. Efforts and/or plans to develop partnerships. The City has developed a group of partners under its previous U.S. EPA grant and created a brownfields partnership group, the Brownfield Technical Committee. This group has expertise in various disciplines and represents various organizations, including civic, environmental, government, private business, etc. The City has endeavored to partner with multiple private manufacturing entities and local developers on previous projects and has worked to leverage private partnership funding on brownfield redevelopment projects. The City has also met with many existing owners of brownfield properties and will continue to seek additional stakeholders as opportunities arise. Public outreach events under the grant will strive to create additional partners and assist in the planning and implementation process. The City will elicit community input throughout the grant implementation process. Our partners will provide strategic input regarding cleanup and reuse at the DAS property.

3. Specific plans for communicating progress of the project to citizens, including plans for communicating in language indigenous to the community or other efforts to reach the targeted community. To communicate project progress to our residents, the City will create a link on our website for the U.S. EPA Brownfields program and will publish newsletters, fact sheets, and quarterly updates on our project accomplishments. The city will have roundtable sessions with the Technical Committee mentioned above to educate them as the project moves forward. The City will solicit their input and develop sound reuse plans based upon environmental conditions and community consensus. Project updates will also be conveyed via local and regional newspaper articles, i.e. in the Kentucky Post. The City will involve the local community in cleanup and reuse decisions by conducting public meetings at key milestones in the U.S. EPA Brownfield program. Prior to conducting these public meetings, radio and print announcements of the meetings will be made. Copies of any drafted grant or loan applications will be provided to the public for comment prior to submission to U.S. EPA. The City will provide updates on their website when each quarterly report is filed with U.S. EPA, and invite public comment and participation. Redevelopment concepts and ideas from prospective developers will be heard at City Council meetings at a stage when it would not create problematic land speculation, providing an additional forum for reuse decisions by the public.

Since Covington has also experienced a dramatic growth in Hispanics living in the City, the City will also include updates or press releases to the local Hispanic Chamber of Commerce to accommodate Hispanic residents and will make every effort to communicate to accommodate all residents. Based on demographic data obtained by the City, the majority of the City's Hispanic population resides in the northern portion of the city; with the largest percentage found in census tracts 671 and 603. We will make sure to provide notices to this area in Spanish when applicable.

4. Provide a list of community-based organizations involved in the project. A list of organizations supporting the project and acting as partners in the City's implementation is provided in the cover letter. These organizations will provide oversight and guidance in the cleanup and planning process, participate in community involvement activities, and help to guide prioritization of tasks in sync with redevelopment opportunities. Letters of support from these organizations are also included in Attachment B.

G. Reduction of Threats to Human Health and the Environment

1. Describe how the funds will be used to identify/reduce threats to human health and the environment. U.S. EPA brownfield cleanup grant funding has tremendous potential to reduce threats and minimize exposure to potential brownfield site contaminants. As identified under the Community Need section of this grant application, the majority of Covington residents rely on the Licking River for their drinking water supply provided by the Water District, and brownfields threaten the purity of this water supply based on the location of one of the District's water intakes located adjacent to Covington.

In addition, data from the Kentucky Department for Public Health indicates that there is an increased risk of several types of cancers and diseases in Kenton County as compared to the State of Kentucky overall. Specifically, 2002 data indicates that

residents of Kenton County have an increased risk of dying from breast cancer (27% greater incidence) and cancer in general (4% greater incidence). Furthermore, there is an 86% greater incidence of death caused by congenital malformations and deformations in Kenton County as compared to Kentucky overall. Although there are many contributing factors, the presence of brownfields may be one reason for the higher incidences of these diseases in Kenton County, due to the potential environmental impacts and pollution caused over a long history of industrial activity.

These potential environmental impacts are evident from data provided by Scorecard.org. In 1999, Kenton County was ranked among the dirtiest/worst 20% of all counties in the U.S. by Scorecard.org in terms of carbon monoxide and volatile organic compound emissions. The City was also ranked among the dirtiest/worst 30% for nitrogen oxide and sulfur dioxide emissions and was ranked among the dirtiest/worst 10% of all counties in the U.S. in terms of an average individual's added cancer and noncancer risk from hazardous air pollutants, based on EPA's most current data. The American Lung Association's State of the Air: 2007 reports that Kenton County received a poor (C) grade for high ozone days and a very poor grade (D) for particle pollution. The Clean Air Task Force ranked the diesel soot cancer risk for a resident of Kenton County as 1 in 1,939, exceeding the risk of all other air toxics combined. The risk is 516 times greater than EPA's acceptable cancer level of 1 in one million (www.catf.us/projects/diesel/). The redevelopment of central brownfield properties, such as the DAS property, rather than continued development of outlying areas will help to address these impacts, providing improved air quality by reducing vehicular travel.

Assessment work at the DAS site completed to date has identified many ongoing environmental concerns, including soils impacted with volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), and metals, including cadmium, chromium and lead, above the U.S. EPA Region 9 PRGs. Groundwater impacts include 1, 2-timethylbenzene and naphthalene. The COCs were released into the subsurface as the result of former rail spur operations, releases from ASTs and USTs, improper chemical storage/handling, and on-site painting operations. The extent of contamination was delineated during the Phase II ESA, by the installation of 30 soil borings and 8 groundwater monitoring wells. Eleven soil samples from these borings contained concentrations of Chemicals of Concern (COCs) that exceed the Region 9 PRGs.

U.S. EPA cleanup grant funding has tremendous potential to reduce the threat posed by these site contaminants. Funds are needed for the development of a remedial action project plan and the completion of remediation activities. The remedial action plan will be developed under the guidelines of the Kentucky brownfields program and will utilize a health-risk based approach to determine appropriate cleanup levels that are protective of all identified receptors, dependent on future land end use requirements. All relevant exposure pathways and appropriate cleanup actions will be identified to assure that property users and the surrounding area do not receive exposure to contaminants above the promulgated standards. This will assure that cleanup of the target property will lower the exposure of neighboring inhabitants to contaminants that are implicated in negative health and environmental effects. Funding will ensure that remediation meets the cleanup design and will ensure that groundwater monitoring is performed to verify that impacts do not extend off-property and contamination is remediated to appropriate end-use standards.

Further, the City will be bringing information regarding the environmental and health threats of brownfields to the fore as part of the community notification process (discussed under F.1, above). Announcements and public meetings will be conducted at the inception of the project, upon the completion of remedial action plan activities, and during cleanup activities. Given the comprehensive media notification methods to be used, the extended comment period (three weeks), and the inclusion of Kentucky DEP, the Kentucky Department of Health, and City and Kenton County Health Department as grant partners, public awareness will be sufficiently raised with regard to potential environmental conditions. Raising awareness will enable public protection via limiting contact with environmental conditions, as well as serve as a basis for motivating the leverage of additional funding to further assess and/or cleanup other brownfield sites.

The potential end use of the site will significantly factor into potential cleanup activities, monitoring, and maintenance of engineering controls or institutional controls as part of redevelopment. The proposed end use of the DAS site is not yet fully known, but will likely be some combination of residential, commercial and public spaces consisting of greenspace. These

proposed end uses will necessarily dictate the degree of monitoring and protection considered in redevelopment plans to ensure that relevant contaminant pathways are considered in the redevelopment. Remedial Action Plans (RAP) will address proposed corrective measures relative to contaminant pathways to ensure adequate protection of public health and the environment. Involvement of U.S. EPA and Kentucky DEP in the redevelopment decision process will necessarily occur throughout the grant funding period.

Covington has a clear need for continued U.S. EPA brownfield funding to support its fragile environment, economic distress, and evident environmental justice issues. The continuation of U.S. EPA funding for cleanup and a public outreach program that identifies potential public health threats may help to reduce exposure to those threats.

2. To what extent are you working with your local, state or tribal health agency. The City of Covington frequently coordinates and partners with the Kentucky DEP, the Kentucky Department of Health, and City and Kenton County Health Department on health issues and the protection of public health and the environment. During its previous U.S. EPA grant, the City worked with the Kentucky DEP, the Covington City Health Department and Kenton County Health Department and U.S. EPA Region IV as Phase I and II ESAs were conducted, during the development of subsurface investigation plans, and via remedial planning. The City has previously worked with Region IV and Kentucky DEP on several other brownfields projects through applications for the States Targeted Brownfields Assessment Funding. The City plans to continue these health organization partnerships during the cleanup, and redevelopment process of the DAS site to ensure the continued protection of public health. U.S. EPA and, when applicable, Kentucky DEP staff will also review environmental work plans to assure that they are adequate to identify and address public health and environmental risks. Information developed through grant implementation will be shared with the Kentucky DEP to maximize both the degree of coordination and the protection of public health and the environment. This level of coordination will ensure that public health and the environment are protected and compliance with all environmental laws is met. Remedial Action Plans will be conducted in a manner that encourages participation in the Kentucky Voluntary Environmental Remediation Program (VERP), a formalized voluntary cleanup program by which an applicant can enter into an agreed order with the Environmental and Public Protection Cabinet to obtain a covenant not to sue upon completion of an approved corrective action plan. The program includes a strong public notification and public comment requirement.

3. Describe the proposed cleanup plan for the site and the estimated costs to complete the cleanup.

The following tasks will be performed to clean up the property for future reuse:

- Prepare Remedial Action Project Plan (RAP) and Human Health Risk Assessment Report;
- Remove approximately 400 tons of soils impacted with VOCs, SVOCs and metals from nine “hot spots” located on the property;
- Collect confirmatory soil samples in accordance with KDEP requirements;
- Backfill excavations and restore property ground surface;
- Install MW-9 and perform semi-annual groundwater sampling for three years;
- Prepare semi-annual status reports for submittal to KDEP; and
- Prepare Remedial Action Closure Certification Report.

The estimated clean-up cost for the soil remediation and groundwater monitoring is \$240,000, as detailed in the Project Budget (Section A).

H. Leveraging of Additional Resources

1. Identify the funds that the City has committed or will commit to meet the cleanup/redevelopment needs not met through this grant. Covington has committed in-kind resources of its Economic Development Specialist, Beth Robinson, as Project Manager for the grant. She will dedicate 20% of her time to brownfields-related issues. This is a value of \$12,400 per year. The City will leverage the use of its office equipment and supplies to carry out this grant as well. Staff from other City Departments, including the City Manager, Assistant City Manager, City Solicitor, Finance Director, Economic

Development Director and the Director of Housing, will assist the Project Manager to dedicate any time and manpower needed to ensure the successful implementation of the grant. The City intends to apply for additional grant funding as necessary and work with private redevelopment partners for additional stages of cleanup and other redevelopment needs. Further, the City will consider the use of Tax Increment Financing (TIF), Historic Tax Credits, public infrastructure funds and other tax credits to try to supplement funds where needed.

2. Demonstrate your ability to leverage funds. Describe all other funding sources that will be committed or that you are pursuing to fill funding gaps. With the \$200,000 in brownfield assessment grant monies received in 2000, many important achievements have been made to reduce the number of brownfield sites throughout the City. More than 30 properties have been assessed and are in need of further environmental reports to prepare them for cleanup. Out of those 30 properties, there have been a total of 13 sites which have been completely assessed and are awaiting cleanup, including the DAS site. During the initial assessment of the sites, it was also found that several did not require cleanup and were ready to be developed.

With the initial assessment grant, the number of site cleanups has risen from absolutely no cleanups to three. More than 15 jobs have been created, and more than \$12 million in redevelopment and construction dollars have been leveraged for these cleanups. However, with only three sites cleaned up, there are many more sites that need much more work.

To date the City has utilized in excess of \$250,000 for City brownfield redevelopment efforts. Specifically, we have received \$200,000 from U.S. EPA for assessment funds in 2000 and have leveraged over \$50,000 to supplement brownfield projects. The City understands that it may need additional funds to complete cleanup and redevelopment of the DAS property. Currently, the Commonwealth of Kentucky does not have a state funding resource to assist with the cleanup, demolition and redevelopment of brownfield projects. The City intends to seek any additional grant funding that may be available from the federal level, including the U.S. EPA cleanup and revolving loan fund grants as well as U.S. Department of Justice, HUD and or BEDI grants that might be applicable to help fill funding gaps, and will also reach out to private developers. On previous projects, we have helped to leverage over \$12.0 million in private funding. The City commits to providing all of its staff time on the project as an in-kind match to the implementation of the project, including the commitment of 20% of the time of the Project Manager to the project.

I. Programmatic Capability

1. Demonstrate your ability to manage this grant and oversee all phases of work under this grant. The City of Covington has previously implemented one \$200,000 U.S. EPA Assessment grant and worked with the Kentucky DEP and U.S. EPA Region IV on brownfield projects. The grant will be overseen by Beth Robinson, a member of the City's Economic Development staff, a certified economic development professional (National Development Council (NDC), 1992) with over 16 years of public sector financing and neighborhood redevelopment experience. Ms. Robinson will devote up to 20% of her time to management of the program. In addition, other City staff members have worked on previous brownfield and redevelopment projects, including the City Manager, Assistant City Manager, City Solicitor, Finance Director, Economic Development Director and the Director of Housing. In addition, we will look to members of our Brownfield Technical Committee to support the project and have also developed a strong relationship with local Kentucky DEP staff members, U.S. EPA staff members, and local environmental engineering consultants and certified professionals which we can readily access for needed information and guidance.

Our experience includes management and implementation of **\$9,998,152** in Federal funds (amount as included on the City's last audited financial statement). The source of these federal funds includes the Section 8 Rental Certificate Program, Community Development Block Grant, Emergency Shelter Grants, and the HOME Program, all from the Department of Housing and Urban Development. The City also has received federal funds pursuant to the Intermodal Surface Transportation Efficiency Act, Local Law Enforcement Block Grant, and Kentucky DEP Brownfield Grant.

Significant accomplishments from the City's previous U.S. EPA assessment grant include completion of: 1) RFQ process and consultant selection; 2) U.S. EPA-approved Quality Assurance Project Plan; 3) multiple site eligibility determinations; 4) Phase I Environmental Site Assessments on thirty-one properties within the City; 5) Phase II Environmental Site Assessments on 13 properties within the City; 6) Development of a brownfields inventory with 14 potential brownfields sites for assessment; 7) development of the Covington Brownfields Technical Committee to support the project; and 8) conducting 2-3 public meetings to provide an overview of the City's initiative to residents. In addition, the City has initiated the cleanup and reuse of several sites throughout the city limits which were in need of remediation. This includes 510 Thomas Street, where a corrective action plan was approved and contaminated soil was excavated and removed for a potential infill housing site. This has facilitated the development of a new housing development plan which will create 12 new townhouses. An additional site at 4th and Greenup has been completely remediated, resulting in the development of a \$10 million townhouse project creating 88 market rate rental units.

2. Describe your history of managing federal funds. The City of Covington has a long history of administering Federal funds. The Schedule of Expenditures of Federal Awards in the Single Audit Section of our most recent Comprehensive Annual Financial Statement list \$9,998,152 in Federal funds. Sources of federal funds include the Section 8 Rental Certificate Program, Community Development Block Grant, Emergency Shelter Grants, and the HOME Program, all from the Department of Housing and Urban Development. The City also has received Federal funds pursuant to the Intermodal Surface Transportation Efficiency Act, Local Law Enforcement Block Grant, and Brownfield Grant. There have been no adverse audit findings from our OMB Circular A-133 Audits and the City is currently not required to comply with special high risk terms or conditions under agency regulations implementing OMB Circular A-102.

3. Compliance with U.S. EPA Brownfields cooperative agreements and progress reporting. Covington was the recipient of a 2000 U.S. EPA Assessment grant and cooperative agreement. The grant was closed and all funds have been expended. The City complied with quarterly report submittals, communication with U.S. EPA and annual financial reporting and closure requirements. All quarterly reports were submitted in a timely manner.

4. Describe your plans for tracking and measuring your progress towards achieving the expected project outputs and outcomes, including those identified in Section I. The project manager and City staff will work collectively to administer the grant and ensure that tracking and measurement of progress is achieved. Upon successful receipt of funding, the City will author a workplan as part of their Cooperative Agreement with U.S. EPA. The workplan will quantify measurable goals and budget and establish a timeline for completion of each milestone. Via each quarterly report required under the Cooperative Agreement, the City will track its progress in the following sections: (1) Status of Work Plan Activities (Commitments), detailing the status and timeline for activities identified in the cooperative agreement; (2) Deliverable/Work Products (Outputs), detailing reports completed and deliverables submitted to U.S. EPA; and (3) Program Measures of Success (Outcomes), detailing measures such as remedial planning completed, number of acres developed, and number of jobs leveraged. The City will track progress on a monthly basis internally and communicate the progress with the Brownfield Task Force. The Task Force will serve as a means to keep the ball rolling and to ensure that proper consideration is given to all aspects of the proposed project.

ATTACHMENTS TO THE APPLICATION

- A. Letter of Support from Kentucky Department of Environmental Protection
- B. Letters of Support from Partner Organizations
- C. Ordinance of Support from the City to Commit Cost Share