

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 Community-Wide Hazardous Assessment Application**

Dear Mr. West and Mr. Norman:

Thank you for the opportunity to submit a grant application. This application is for a community-wide assessment grant for hazardous substances. **The City is also submitting an identical application under separate cover for community-wide assessment of petroleum substances and a separate cleanup grant for a site-specific property within the City limits.**

The following information is provided per the application guidelines:

1. **Applicant Identification:** City of Covington, Kentucky
2. **Funding Requested:**
  - a. Grant Type: Assessment
  - b. Amount: \$200,000
  - c. Contamination: Hazardous
  - d. Community-Wide
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:**
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 badly needed to assess properties and promote redevelopable areas to generate new economic investment. If awarded, the city intends to use funding in two key areas: 1) the River District Revitalization Area, Covington's unique location at the confluence of the Licking and Ohio Rivers and 2) the Covington Downtown Commercial and Arts District Area. We see these areas as great opportunities for redevelopment and are requesting additional funding for continued assessment, remedial planning and public outreach from U.S. EPA. Continued funding for Phase I and II Assessments will help the City realize its goals of creating market-ready sites, increasing property values and revitalizing the downtown and surrounding areas of Covington.

By receiving the funding assistance from the U.S. EPA, the City will be able to: 1) use redevelopment opportunities to introduce mixed land use developments that satisfy the needs of the neighborhood; 2) target resources on neighborhoods or redevelopment projects to create noticeable and long-term benefits; and 3) create market-ready sites at attractive locations with good regional access. In addition, assessment funding will help us to leverage additional funding from other federal and private sources for cleanup.

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

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### ***A. Applicant Eligibility***

The City of Covington is a local unit of government, per U.S. EPA guidelines.

### ***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***

**Not applicable. The City is requesting funds under the community-wide designation and has not selected specific sites.** The city intends, however, 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 focus areas identified in the City's Strategic Plan, "Building Covington's Future, A Community Visioning Strategic Planning Process." These include:

**1) River District Revitalization Area:** Covington's unique location at the confluence of the Licking and Ohio Rivers has shaped its history and will guide its future. Assessment funds will help continue the momentum of the Riverfront revitalization that began in the late 1980s when the City began to acquire properties along the Ohio River for redevelopment. In 1988, the City and local developer Corporex entered into a master development agreement to redevelop the City's riverfront, resulting in a first phase of renaissance along the river – the creation of a \$110 million, 18-story Rivercenter office tower and 230-room Embassy Suites hotel built atop a 1,110 square foot parking garage constructed by the City. Since that time, multiple developments have occurred along the River and additional assessment funds will help continue this momentum. Assessment of properties along the riverfront will enhance and protect the natural environment and rich cultural history of the City through restoration of native vegetation, watershed and wildlife protection and expansion of nature trails and historical interpretation. Vibrant riverfront destinations should include recreational opportunities, focal points, appropriate mixed use development and attractive spaces for outdoor events. Assessment of properties along the riverfront will provide for improved accessibility to the water's edge by creating social gathering places and river-oriented activities.

**2) Covington Downtown Commercial and Arts District Area:** In the late 19<sup>th</sup> century this area grew due to the construction of the Covington and Lexington Railroad into a commercial center. Brownfields in this area include a multitude of packing houses, groceries, dry goods stores, meat markets, printers, jewelers, saloons, lumber yards, machine shops, hardware stores and more than 20 hotels that formerly used to occupy this area. In 2006, Corporex started construction of a 21-story residential condominium project, the Ascent at Roebling's Bridge. This \$55 million project will offer breath-taking views of the 140-year old suspension bridge and the Cincinnati skyline. The structure, which is creating a stir in the architecture world, is scheduled for completion in November 2007. Approximately 70 percent of the condominiums have been sold. In the heart of the Arts District, Phase I of the \$13 million 64-unit PULSE loft condominium project is also nearing completion. Assessment of additional properties in this area will make way for further recovery and revitalization of this historic area and create additional opportunities for reinvestment into the heart of the City.

## RANKING CRITERIA

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### ***A. Assessment Grant Proposal Budget***

The City is requesting a grant in the amount of \$200,000 and is not requesting an assessment waiver for \$350,000. All budget tasks under the contractual category will be performed by a qualified environmental consultant under the Kentucky brownfield program.

## Assessment Grant Budget

Budget Categories	Task 1: QAPP, Site Eligibility Profiles, Site Inventory and Prioritization	Task 2: Phase I ESAs	Task 3: Site-Specific Sampling Plans, Health and Safety Plans and Phase II ESAs	Task 4: Remedial Planning and Design	Task 5: Community Outreach, Programmatic Expenses, and Travel	Total
Personnel						
Travel					2,000	2,000
Equipment						
Supplies					1,500	1,500
Contractual	11,000	33,000	120,000	30,000	1,500	196,500
Other						
<b>Total</b>	<b>11,000</b>	<b>33,000</b>	<b>120,000</b>	<b>30,000</b>	<b>5,000</b>	<b>200,000</b>

Task 1: Quality Assurance Program Plans, Site Eligibility Profiles, Site Inventory and Prioritization. This task includes hiring an environmental consultant, authoring Quality Assurance Program Plan(s) (QAPP), completing Site Eligibility Profiles and assisting with compilation of an inventory of possible brownfields. Under the "Contractual" category, we anticipate that the average cost for a QAPP will be \$6,000, Site Eligibility Profiles and Site Inventory/Prioritization will cost approximately \$5,000.

Task 2: Phase I Environmental Site Assessments. This task addresses the completion of approximately 6-8 Phase I Environmental Site Assessments (ESA)/All Appropriate Inquiry (AAI), at an average cost of \$5,500 - \$8,000 depending on the size of the properties, and the nature of their land-use history. Phase I ESAs will be prepared in compliance with the All Appropriate Inquiries Final Rule (70FR66070), and a minimum of the ASTM E1903-97 or equivalent. The "Contractual" line item addresses the cost of contracting the selected environmental consultant to complete the Phase I ESAs and generate final written reports. The City requires Phase I ESAs/AAls to be conducted in accordance with guidelines maintained by American Society of Testing and Materials (ASTM) standards.

Task 3: Author Site-Specific Sampling Plans, Health and Safety Plans and Conduct Phase II ESAs. The consultant will be responsible for providing U.S. EPA with the necessary Quality Assurance/Quality Control Project Plans, Sampling and Analysis Plans (SAP) and Health and Safety Plans (HASP). We anticipate that Site-Specific Sampling Plans will range from \$3,500 to \$5,000, depending on their complexity. This task addresses the completion of approximately 1-3 Phase II ESAs. The City requires Phase II ESAs to be conducted in accordance with the ASTM standard and Region 9 Preliminary Remediation Goals. The estimated cost per investigation, is difficult to estimate at this time, however, \$25,000 to \$80,000 reflects the anticipated size of the properties we will investigate (1-12 acres), the extensive nature of the assessments required, and the City's practical experience with these types of investigations. The "Contractual" line item addresses the cost of contracting the selected environmental consultant to complete the Phase II ESAs and generate the final written reports.

Task 4: Remedial Planning and Design. This task includes the completion of 1-2 Remedial Action Program Plans (RAPPs) and/or Risk Assessment Reports to plan for remediation on targeted properties, at an average cost of \$15,000 per property, depending on the size of the properties involved, the nature and extent of contamination present at the property, and the type of the cleanup plan required. These cleanup plans will be used to leverage cleanup funds from other private our federal funding sources. .

Task 5: Community Involvement and Outreach, Programmatic Expenses, and Travel. The City intends to involve the community in the prioritization process through public meetings and public announcements. The “Supplies” line item will be used for public meetings and announcement expenses. Additional costs in this category will be borne by the City. This includes only eligible programmatic activities such as: 1) preparation of meeting materials; 2) set up and notification of public meetings; 3) presentation of the grant and brownfield program to potential developers, neighborhood representatives, and other affected parties; 4) preparation of brochures and other printed program materials; and 5) travel to brownfield-related training conferences.

The City of Covington understands that there are additional costs associated with implementing a grant and will commit staff time to obtaining access agreements, administering the grant, conducting Request for Qualification activities for the procurement of a qualified environmental consultant, overseeing consultants and contractors, and participating in public involvement meeting and meetings with Kentucky DEP and US EPA Region IV 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% of those 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. Assessment dollars 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 identified and quantified. Further, redevelopment plans can be devised to eliminate, minimize, or mitigate against these risks, while returning the properties to a beneficial or more suitable use. Not only will the sensitive populations of our area directly benefit from the health risk identification and potential reduction of environmental threats, the redevelopment of these properties will help the City turn the corner on environmental justice issues. The environmental assessment work envisioned in this proposal will provide needed public health information, heavily-weighted toward the impacts on our region's sensitive populations. Through our 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 assessment will eliminate the specter of contamination that discourages investment on brownfield sites and in surrounding neighborhoods. 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 funding assistance from U.S. EPA, the City will be able to: 1) use redevelopment opportunities to introduce mixed land use developments that satisfy the needs of the neighborhood; 2) target resources on neighborhoods or redevelopment projects to create noticeable and long-term benefits; and 3) create market-ready sites at attractive locations with good regional access. In addition, assessment funding will help us to leverage additional funding from other federal and private sources for cleanup. These grant funds will help us to complete the prerequisites – assessments, remedial planning and design, and community outreach – in order to apply for additional cleanup dollars and help to eliminate the blight of contamination that discourages investment in Covington communities.

**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 outlined on page 3 of this grant, 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 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 a 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. Environmental assessment of areas along the Licking River will help to quantify and reduce these risks.
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 hazardous substances in soil and groundwater, 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 properties previously assessed with U.S. EPA funds where Phase I and II environmental assessments were conducted. Three specific assessments found both hazardous and petroleum substances at the following three assessed areas in Covington: a) the Donaldson Art Sign Property, historically used for the manufacturing of art signs; b) Third and Greenup, historically used as a gas station, where assessment found a minor amount of contaminated soil, which was excavated from the site, and a request for a closure (NFA) letter was submitted to the Kentucky Department of Environmental Protection; and c) Riverfront West, historically used by scrap iron, generator and auto parts manufacturers, which is scheduled to be redeveloped as a multi-building complex including office, commercial, retail, and residential development. Further assessment will help to quantify these findings, and provide cleanup planning, cleanup and redevelopment at these and other sites.

### **C. Site Selection Process**

**1. Describe how sites were or will be selected.** Sites selected for environmental assessments under the grant must meet the following criteria. The site must: (1) meet the federal definition of a brownfield; (2) have potential impact to human health and the environment; (3) be marketable; (4) have a need for more site specific information; (5) have been formerly utilized for commercial and/or industrial use and/or have the perception of contamination hindering development; and (6) have a positive impact on the surrounding community when re-used. The prioritization of the City's brownfield sites also depends on the willingness of the current owner to allow access for remediation activities. The City's brownfields technical committee will help to oversee the site selection process and remediation efforts associated with any applicable sites. The re-use of brownfields is essential to improve the quality of life within affected neighborhoods, and the success of the City's redevelopment plan hinges on the ability to remediate these brownfields. Through brownfield remediation, the implementation of the City's Strategic Plan, and revitalization of the City's River Corridor, the surrounding community will be transformed to everyone's benefit.

**2. Describe possible or previous inventory activities.** For several years, Covington has been working with neighborhood associations and citizen groups to identify specific brownfield sites of concern and potential actions to address these site's environmental issues as part of a city-wide revitalization effort. Consequently, this led to the creation of the city's Brownfields Technical Committee, which is comprised of community stakeholders, business owners, lending institutions, real estate brokers, developers, lawyers, educators, and government officials. This committee identified fourteen priority sites under the City's initial U.S. EPA grant. The committee focused on blighted sites which were underutilized and in need of attention. The city's objectives with inventory activities is to cleanup and redevelop these sites with various uses to create jobs, increase the tax base, and decrease neighborhood blight and potential health hazards. The City has had successes with previously identified properties, including 510 Thomas Street, where assessment resulted in the completion of cleanup and a No Further Action Letter, which in turn resulted in the construction of new market-rate townhomes in the Austinburg residential neighborhood on land that was previously used for commercial purposes. The City may continue work on this list of sites and add to the list to ensure that sites planned for assessment meet the U.S. EPA eligibility criteria for assessment. In addition, Kenton County has also generated a brownfield inventory which the City may discuss in identifying potential sites.

**3. Discuss possible access issues on privately held sites and resolution.** The City has had success in obtaining access and working with private property owners. We worked with several individual property owners to obtain access to parcels of land in the City's previous U.S. EPA Assessment grant. For this grant, site access agreements will be required at all privately owned properties receiving an assessment. The City will work closely with U.S. EPA Region IV to determine potential liability and eligibility issues at property being considered for an assessment. We will create fact sheets to break down the barriers of the process, and a flow chart to successfully help participants navigate the steps in the process. The City will hold public education and outreach meetings throughout the course of its grant implementation, and will continue its efforts to educate all parties on how assessment protects environmental health of residents and how it can increase the property marketability through cleanup and redevelopment. It is our commitment to resolve any access issues through workshops with interested property owners to address their questions and achieve buy-in to the process.

### **D. Sustainable Reuse of Brownfields/Development Potential**

**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.

Brownfields within the downtown have access to streets, sewers, water supply, rail and other infrastructures previously established and continually updated. Redevelopment in these areas via U.S. EPA funded assessments and end-use cleanup goals will encourage the reuse of existing infrastructure. The reuse of streets, gas, water, and sanitary and storm sewer systems will save the City money and promote sustainable reuse. The development of old brownfields will benefit water quality and storm sewer quality and the stormwater discharges on adjacent properties will in turn improve. The City and several industries are 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, 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 assessment and remediation planning 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 assessing property 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. Assessment 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. The U.S. EPA grant will create an incentive for assessment to encourage the demolition of non-contributing structures to make way for small residential parking lots and pocket parks.

#### ***E. 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 assessment will help to create additional greenspace as identified in the City's strategic plan. The plan called for expanding Devou Park, as well as creation of a proposed Licking River levee walk in order to attract visitors, promote a positive image of Covington and serve as an economic stimulus. The Strategic Plan also called for a city-wide greenspace assessment to inventory and assess the geographic qualities of each neighborhood, assess each neighborhood's need for greenspace, gauge the City's need for different types of larger public greenspace, and identify potential partners.

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. Among the ideas considered would be adding \$1.00 to the greens fees at Devou Park implementing a "greenspace assessment" charge on property taxes or service fees, and charging "greenspace" fees for use of ball fields. 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.

#### ***F. 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) the completion of Phase I activities; 3) the completion of Phase II activities; and 4) during reuse planning and the development of Remedial Action Plans (RAP). 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 notification methods 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) the completion of Phase I activities; 3) the completion of Phase II activities; and 4) during reuse planning and the development of RAPs to be used in Clean Ohio Revitalization and U.S. EPA cleanup grant funded 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.

## **G. 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 as our assessment process moves toward cleanup and reuse.

**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 assessment evaluation 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, including at the conclusion of Phase I ESAs, Phase II ESAs, and as funding for cleanup is sought through future potential U.S. EPA cleanup grant and loan opportunities. 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 site selection, assessment, and 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.

#### **H. 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 assessment grant funding has tremendous potential to reduce threats and minimize exposure to potential brownfield site contaminants, ranging from airborne asbestos to dissolved solvents, metals, petroleum and hazardous constituents. 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.

Further, Kenton County was ranked among the dirtiest/worst 20% of all counties in the U.S. in 1999 by Scorecard.org in terms of carbon monoxide and volatile organic compound emissions and was ranked among the dirtiest/worst 30% for nitrogen oxide and sulfur dioxide emissions. It was also 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/](http://www.catf.us/projects/diesel/)). By assessing and redeveloping central brownfield properties rather than continued development of outlying areas will help to address these impacts, providing improved air quality by reducing vehicular travel.

Covington has a clear need for continued U.S. EPA brownfield assessment funds to support its fragile environment, economic distress, and evident environmental justice issues. The continuation of U.S. EPA funding for assessment and a public outreach program that identifies potential public health threats may help to reduce exposure to those threats. The Five Step Approach proposed below for use in Covington will do so in very specific ways as part of the assessment process itself. First, as described in the Site Selection Process, the City Brownfield Technical Committee will update its inventory and continue to rank sites based on contaminants present and development appeal. Bringing such information to the fore as part of the screening process will ensure that it is considered during the community notification process (discussed under F.1, above). Second, announcements and public meetings will be conducted following the gathering of Phase I ESA information. Given the comprehensive media notification methods to be used, the extended comment period (three weeks), and the inclusion of Kentucky DEP, City of Covington and Kenton County Health Department as assessment grant partners, public awareness will be sufficiently raised with regard to potential environmental conditions. Raising awareness will enable limiting of contact with potential environmental conditions and protection of the public, as well as serve as a basis for motivating use of assessment grant or other funds to further assess and/or address those environmental conditions.

Third, the funds from the grant will be used to conduct site eligibility determinations and sites will be selected for further screening using Phase I ESAs in accordance with ASTM E1527-05. Use of this standardized Phase I ESA process assures conformance with U.S. EPA requirements and provides certain specific information that will help identify potential health threats that may be associated with brownfield sites as follows:

- Site history reviews ensure that available aerial photographs, fire insurance maps, city directories, tax maps, building records, and topographic maps are reviewed for potential recognized environmental conditions.
- Regulatory database reviews ensure that available federal (e.g., NPL, CERCLA, RCRA, etc.) and state records are reviewed for the properties assessed as well as adjacent properties for potential environmental impacts.
- Site reconnaissance and interviews will be conducted based on site history and regulatory database reviews previously conducted by an environmental professional in advance of the site visit. This ensures that the environmental professional is fully aware of available historical records prior to conducting site reconnaissance. In addition, during site reconnaissance, the professional will look for recognized environmental conditions such as evidence of storage tanks, visual evidence of contamination, areas of stressed vegetation, electrical transformers, and the presence or absence of asbestos-containing materials.

Phase I and II ESAs will be conducted on sites for which there is the potential that hazardous substances may have impacted the property. The 2001 General Assembly enacted the Voluntary Environmental Remediation Act (VERA) in Kentucky to encourage volunteers to clean up contaminated properties or brownfields through increased liability protection for participants. Within this act, the Voluntary Environmental Remediation Program (VERP) was established. VERP is 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. VERP establishes clear procedures and provides timeframes for cabinet review of documents. The program includes a strong public notification and public comment requirement. Phase I and II ESAs under the Kentucky Brownfields Program require the identification of all relevant exposure pathways and cleanup actions necessary to assure that property users do not receive exposure to contaminants above the promulgated standards for the proposed end use of the property. During the Phase II process, data obtained from subsurface investigations will assess the sensitive populations' exposure to potential hazardous substances in soil and groundwater.

Fourth, data from the Phase I and II Assessments will facilitate further identification of contamination that is a threat to human health and the environment through the development of remedial action and cleanup plans. Definitive data on the nature and extent of contaminants will allow the City to plan accordingly to mitigate any risks to human health and the environment and prepare the appropriate remedial plans and design necessary to clean up properties for redevelopment. This will assure that each property assessed and redeveloped will lower the exposure of neighboring inhabitants to hazardous substance contaminants that are implicated in negative health and environmental effects.

Fifth, potential end uses of sites will factor into potential cleanup activities, monitoring, and maintenance of engineering controls or institutional controls as part of redevelopment. End uses necessarily dictate the degree of monitoring and protection considered in redevelopment plans to ensure that relevant contaminant pathways are considered in the redevelopment. RAPs will address proposed corrective measures relative to contaminant pathways. Involvement of Kentucky DEP in the redevelopment decision process through these documents will necessarily occur where any of the leveraging tools afforded by other private and federal funding sources for cleanup may be leveraged. Potential re-use scenarios vary among the targeted impacted areas. In each case, a RAP will address each re-use and pathway in kind to ensure adequate protection of public health and the environment.

**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 assessment, cleanup, and redevelopment process of all sites 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. Phase I and II ESAs and remedial action plans completed with U.S. EPA funds will enable application for cleanup funding and remediation. Depending on the development, 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.

## ***I. Leveraging of Additional Resources***

***1. Identify the funds that the City has committed or will commit to meet the assessment 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 federal cleanup grants and work with private redevelopment partners for assessment, cleanup and demolition of properties as needed. The City has partnered with the Covington Business Council on various projects where additional funds were needed. In addition, the City and the Commission have worked with private development groups to obtain additional capital on projects, and will strive to continue this effort. Further, the City has used Tax Increment Financing (TIF), Historic Tax Credits, public infrastructure funds and other tax credits to try to supplement funds when 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 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. 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. 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 for additional remedial planning, cleanup and demolition of the properties. Currently, the Commonwealth of Kentucky does not have a state funding resource to assist with the next steps of 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.

## ***J. 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 4<sup>th</sup> 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 the number of properties assessed, number of properties with remedial plans, and 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 City will also utilize its geographic information system to track site-specific progress associated the assessment and redevelopment of each site. The Task Force will serve as a means to keep the ball rolling and to ensure that proper consideration is given to all possible projects.