

City of Knoxville

**Proposal to the Environmental Protection Agency
for Brownfields Cleanup Grant Funds for the**

former McClung Warehouses

**DRAFT PROPOSAL FOR PUBLIC
REVIEW AND COMMENT**

**Comments on this proposal must be received by
December 11, 2015**

Send comments to:

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City of Knoxville Brownfields Grant Proposal for Cleanup Funds Former McClung Warehouses Property Narrative Proposal

1. Community Need

a. Targeted Community and Brownfields

Targeted Community Description

Within the heart of Appalachia, in the valley between the Cumberland Mountains and the Great Smoky Mountains, lies the City of Knoxville, in the eastern portion of Tennessee. Knoxville's industrial growth in the late 1800's sprang from its railroad connections – it was the region's busiest depot for freight and passenger traffic, and transformed Knoxville from a small river town to one of the Southeast's major wholesaling centers. Dozens of large warehouses were built along Jackson Avenue and other streets adjacent to the railroad tracks in the city's downtown, where small-town merchants from all over east Tennessee would come to purchase goods and supplies to resell at rural general stores. Textile mills, foundries, and manufacturing provided employment to thousands. In the early 1900's the economy was booming, and thriving neighborhoods grew up around the employment center of downtown. But the subsequent decline of the railroads in favor of other forms of shipping led to the collapse of the wholesale trade and distribution market. Knoxville's economy suffered during the Great Depression when construction fell 70%, and unemployment tripled. African Americans were hit hardest, as business owners began hiring whites for jobs traditionally held by black workers. The city's textile industry collapsed in the mid-1950's with the closure of several large textile mills, leaving thousands unemployed. Urban neighborhoods fell into ruin and the downtown area deteriorated. Nearly half of all houses in the city's older neighborhoods were considered substandard and in a critical state of decline. The Jackson Avenue Warehouse District, where our subject property is located, saw its commercial properties degraded one by one, until all that was left was a street corridor empty of viable businesses and practically deserted.

Demographic Information

Today, downtown Knoxville is seeing a resurgence of prosperity as revitalization is happening in its core. But parts of downtown and some of the surrounding neighborhoods remain disadvantaged. These neighborhoods are predominantly white, the minority population is less than the national level, and unemployment rates are reflective of state and national averages, but incomes are much lower and poverty levels are much higher as indicated in the following comparative data table. We have included statistics for downtown and also for parts of the neighborhoods that are immediately adjacent to downtown to show the disparity between areas that are seeing redevelopment happen, and areas that are still plagued with abandoned and derelict buildings. These statistics were included in a 2014, Urban Land Institute study of Knoxville's redevelopment areas whose source was the American Community Survey (ACS), 2008-2012, five year estimates.

	Relevant Demographic Data			
	Neighborhood	Downtown	Tennessee	U.S.
Population	31,438	1,796	6,353,226	309,138,711
Minority	32.9%	15%	21.2%	25.8%
Median Household Income	\$7,390 to \$33,899	\$33,899	\$44,140	\$53,046
Individuals Below Poverty Level	48.3%	31.9%	17.3%	14.9%
No high school diploma	19%	9.4%	16.1%	14.3%

Source: 2008-2012 American Community Survey (ACS) 5-year estimates

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Description of Brownfields

Our subject property covers approximately 5 acres of land comprised of nine parcels on Jackson Avenue in downtown Knoxville. The site is the former location of the five McClung Warehouses which were constructed in 1893 and accommodated various business enterprises for more than 100 years. The site also housed an automobile garage, woodworking shop, a blacksmith shed, freight shipping businesses, and railroad freight storage. A portion of the site is an asphalt parking lot. A portion is grass and dirt. Rail lines run along the northwest boundary. Surrounding properties included a railroad passenger depot, machine shop, foundry, woolen mill, farm machinery business, fuel station, plus various manufacturing and commercial facilities. Three of the splendid historic McClung warehouse buildings on the Jackson Ave. site were destroyed by a fire in 2007. Another fire in 2014 consumed a fourth. The remaining structure suffered heavy damage and had to be demolished as its unstable condition presented a safety hazard. All that remains are the concrete foundations and portions of the front shell of the warehouses. The McClung site is highly visible from Interstate 40/75 which runs through the heart of downtown Knoxville, and the once stately historic buildings are now just an ugly eyesore for the 100,000 vehicles that travel the interstate daily. A Phase I Environmental Site Assessment (ESA) in 2015 identified Recognized Environmental Conditions (RECs) related to previous use as a railroad shop, blacksmith shed, oil and drug warehouses and automobile garage, as well as numerous suspected asbestos containing materials in the remaining shells of the warehouses. Subsequently, a Phase II ESA performed in 2015 indicated the presence of elevated levels of toxic metals such as arsenic, cobalt, aluminum, iron, manganese, lead, vanadium and thallium in soil samples from the site, that exceed the EPA Regional Screening Levels (RSL) for industrial and residential. Also found was a pesticide at a concentration that exceeds the EPA RSL, and the chemical benzene at concentrations exceeding the EPA RSL Cancer Target Risk for residential air. Environmental dangers caused by site contaminants and their migration, groundwater impacts, surface runoff, or waste material dumped on sites, adversely impact the health, welfare and environment of people exposed to them through contact with soil, air and water. The McClung site is likely contaminated due to its historical uses. It poses a health and safety risk, not only because of its condition and potential for site contaminants, but also because it is easily accessible which makes it an attractive nuisance to curious children who have been seen playing in the rubble, and it is attractive for vagrants who may present a safety threat. Forty-four facilities whose past or present operations pose the greatest risk to contributing to contamination at the subject site were identified within the ASTM recommended search distances.

Cumulative Environmental Issues

The industrial base that developed around the railroad and warehousing operations is largely long gone leaving a legacy of abandoned, derelict and polluted sites in downtown Knoxville. However, some functioning heavy industrial facilities remain including a steel mill that processes scrap metal into steel, an asphalt manufacturing facility, and a chemical processing plant. While these industries offer employment opportunities to area residents, the buildings they occupy are quite old and have been in the community for decades. Until this year Knoxville was designated a non-attainment area for ozone standards predominantly caused by vehicle pollution due to traffic volume on the network of interstates that intersect the region, (but is still non-attainment for particulates). Research by EPA indicates that most of the particulate matter from traffic on interstates is deposited in the first few hundred yards from the highway, and an eight-year study by the University of Southern California found that "Local exposure to traffic on a freeway has adverse effects on children's lung development, which are independent of regional air quality, and which could result in important deficits in attained lung function in later life." Jackson Ave is within a quarter mile of interstate 40/75 which carries more than 107,000 vehicles per day. During rush hour, that part of the interstate is heavily congested and traffic is often at a crawl contributing to excessive vehicle

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pollution which is a health threat for the area. Radon is the leading cause of lung cancer among non-smokers. Radon levels are especially a concern in Knox County where EPA identified it as an area with potentially-elevated radon levels. The risk can be avoided by installing better ventilation but lower household income families are less likely to afford the fix. There is a legacy of coal mining and fossil fuel power plants in the counties that surround Knoxville. The Tennessee Valley Authority, Kingston and Bull Run Steam Plants are both located within 40 miles of our target area. In addition, several streams in Knoxville are listed as impaired by the Tennessee Department of Environment and Conservation (TDEC), including Second Creek which runs through the target area. Second Creek is on TDEC's 303d list and is posted for a water contact advisory. Surface runoff from unsecured former industrial properties have contributed to the contamination in Second Creek.

b. Impacts on Targeted Community

Although the City of Knoxville is located in a region of particular scenic beauty, it has poor air quality, limited transportation options, a poverty rate higher than the national average, and serious health concerns including a high obesity rate, and a ranking of #7 in the country on the list of the most challenging places to live with asthma (Asthma and Allergy Foundation of America - 2015 report). The EPA released health risk data on the national-scale air toxics assessment (NATA) in 2009, which scales down to the census tract level. Air toxics are pollutants known or suspected of causing cancer or other serious health problems such as birth defects. The tracts that make up our neighborhood area are shown to have an elevated risk for cancer, neurological risks and respiratory disease. The EPA, Environmental Justice, EJView shows that women of child-bearing age in these same census tracts are at an elevated risk for low birth weight infants (who go on to have a lifetime of increased risk of health problems), and for increased infant mortality. Since our site is adjacent to a low income neighborhood with older houses, there are problems with lead-based paint, leading to an increased risk for neurological damage to resident children. ACS (2008-2012, 5-year estimates), shows that 36.1% of housing in the adjacent neighborhood is more than 65 years old compared to the rest of Tennessee at 6.7% and the national average of 13.7%. Based on a combination of age of housing and data on patients' blood lead levels over the past several years, the Knox County Health Department determined that neighborhoods adjoining our subject site have the highest risk of elevated blood lead levels in Knoxville children – 50% or higher in families in poverty, 60% or higher in families occupying older homes and 80% and higher in minority families.

East Tennessee is located in the heart of Appalachia which has historically experienced a poverty rate higher than the national average and an education level lower than the national average. As the demographic table shows, our target neighborhood has an income level far below the state and national average, and while poverty and lower education levels do not in themselves cause adverse health conditions, residents have limited access to preventive and pre-natal health care and medical services, in part due to limited transportation options to access these facilities. Jackson Ave is adjacent to where most of the social service organizations are headquartered and therefore where most of the homeless congregate, which can present a safety concern for them and for others if they shelter in abandoned buildings in the neighborhood. There is far more likelihood of illegal activity, injurious trash and vandalism in these locations.

The property that will be cleaned up under this grant was first developed in 1893 when the first of the McClung Warehouses was constructed. Subsequently, more warehouses occupied the site, as well as railroad-related facilities, blacksmith shed, automobile garage, woodworking shop and various other commercial enterprises. These former uses have left a legacy of metals and petroleum contamination, as

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well as asbestos containing materials (ACM). The fires that consumed the buildings illustrated the worst-case scenario for vacant and blighted historic buildings. Five historic buildings were lost, at least hundreds of thousands of dollars in damage was caused and one thriving business owner lost everything and was displaced. The condition of the property impacts the target community in several ways. It poses a threat to public health and the environment because of the elevated levels of toxic metals, pesticide and benzene in soil and soil gas samples taken from the site, because of the remaining shells of the warehouses that contain asbestos, and because of the safety issues associated with its appeal to homeless people and children. Moreover, it is a large tract of land (approx. 5 acres) in the heart of Knoxville's city center that is a blight in the community that adversely impacts the effort to revitalize the area.

c. Financial Need

i. Economic Conditions

The City of Knoxville has invested heavily in community improvement projects in the last several years and, like most cities of its size, there are multiple public improvement projects occurring at any given time. Just within the Office of Redevelopment, twelve neighborhood improvement projects are ongoing, and for these projects alone, the City has committed approximately \$45 million in funding. While the City recognizes the importance of providing funding for improvement projects, and has done so to the best of its fiscal ability, there is a limit on available funds as regular city services must be maintained despite fiscal constraints. Within the past few years, the Knoxville News Sentinel reports company closures in Knoxville have included ARC Automotive (51 jobs lost), Image Point (270 jobs lost), Brunswick Boats (765 jobs lost), RockTenn (88 jobs lost), PBR Automotive (225 jobs lost), Jewelry TV (150 jobs lost), plus many more smaller company layoffs. In addition, two companies plan to close before the end of this year – Rocore (50 jobs) and Community Health Partners (148 jobs). Not only do these closures reduce tax income for the City, they adversely impact local retailers such as office supply stores, copier services, janitorial services etc. because their goods and services are no longer required at the closed businesses. The City invested more than \$1.4 million to acquire the McClung warehouse properties from a previous owner who had left them vacant and unused for more than 20 years then went bankrupt. The City has also incurred significant costs in responding to two major fires at the properties. As previously noted, the median household income for the neighborhood is well below the national average, and as is typical in many inner city areas that were once thriving but saw economic downturn, job losses from the closure of local facilities resulted in less money to spend on home maintenance, resulting in depressed property values and lower property tax revenue for the City. While the economy is improving since the market crash in 2007, lending is still not up to pre-Depression levels which makes private developers cautious to invest. The City of Knoxville cannot afford to cover the complete cost of cleaning up its brownfields sites in order to satisfy developers, there are simply too many. However, the City is willing to invest significant funding into brownfields property cleanup, as a partner in redevelopment. For this reason, the City is looking to the EPA and other resources, including private investors, to partner in this cleanup and redevelopment initiative.

ii. Economic Effects of Brownfields

The economic impact of Brownfields on the targeted community is evidenced by the sheer number of Brownfield properties in and around our target area – 80 were identified in a recent inventory of brownfields properties for a previous assessment project in the adjacent Downtown North area as well as the obvious lack of upkeep to many of the homes in the surrounding neighborhoods. The Jackson Avenue District was heavily populated with industrial and commercial properties. Closure of these productive facilities meant a large decrease in tax revenue, both from the standpoint of property taxes (if the property is abandoned with no evident owner) and sales tax revenue. Very few municipalities can sustain comprehensive services with

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less income. Adjacent to Jackson Ave, there are several historic neighborhoods where homes have been bought by younger families who are attempting to restore them, but the preponderance of homes around the more industrial parts suffer from a lack of maintenance. The fundamental reason for this is the lower incomes of most of the residents. The Bureau of Labor Statistics shows unemployment rates in Knoxville are reflective of the U.S. average (5.3% vs. 5.1%), but the household income in our target area (from a low of \$7,390 to a high of \$33,899) is substantially less than the U.S. median (\$53,046). The closure of local industries and their relocation to the urban fringes of the City or to neighboring counties in the past decade has resulted in job losses in the neighborhoods, and created an additional problem related to transportation. Knoxville has limited transportation options, which means that residents of downtown neighborhoods in many cases, have to rely on automobiles to get to work, which increases their burden of costs and contributes to increased air pollution. They face a similar situation for shopping and other activities associated with normal daily activity. Too often the additional economic burden of transportation costs to reach the employment and commercial centers are more than a household income can tolerate. Additional income and poverty statistics from the ACS, Population and Housing Narrative Profile 2009-2013 indicate that 21% of Knoxville households had an income below \$15,000 per year, and 33% of related children under 18 were below the poverty level, plus 16% of all families and 43% of families with a female householder and no husband present had incomes below the poverty level. As mentioned, this is an area where the homeless congregate and often use abandoned buildings for illegal activities. The Knoxville police are called frequently for assistance for negative activities associated with homeless issues/predators of the homeless population (i.e. drug dealers, etc.) and they have increased patrolling for prostitution stings in the neighborhood, all of which increases policing costs and adversely affects the local economy.

2. Project Description and Feasibility of Success

a. Project Description

i. Existing Conditions

The former McClung Warehouses site on Jackson Avenue spans approximately 5 acres of prime property in downtown Knoxville. Two major fires in 2007 and 2014 destroyed four of the historic buildings and severely damaged a fifth which had to be demolished. The front shells of the buildings are all that remains, along with a paved parking lot. Contamination identified in the Phase II report includes metals and petroleum in the soil and soil gas, consistent with the former uses of the site. Asbestos-containing materials were observed in the remnants of the warehouses. Since the City of Knoxville acquired the property after the previous owner declared bankruptcy, its reuse has been the subject of much discussion, both in public forums and within the City's Office of Redevelopment. The City directed Knoxville's Community Development Corporation (KCDC) to create a Jackson/Depot Redevelopment & Urban Renewal Plan. On April 3, 2014, the City of Knoxville held a public meeting for all interested parties to participate in a visioning session or charrette process for the West Jackson Avenue Corridor. Approximately 100 members of the community attended the meeting and provided input on how they would like to see the property reused. The city heard recommendations for a variety of uses including residential, retail, commercial and recreational. The city plans to take the ideas put forward during the public hearing, in coordination with recommendations from an Urban Land Institute study of the Jackson Ave Corridor, and craft an RFP that will encourage private developers to respond to the desires of the community, and in accordance with KCDC's redevelopment plan. The City would like to see the property developed for mixed use as commercial and residential. This is in keeping with the regeneration of other properties in the target area that have undergone redevelopment in recent years.

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ii. Proposed Cleanup Plan

The purpose of cleaning up the former McClung Warehouses property is to encourage private investment in a property that is centrally located in Knoxville's downtown. After the 2014 fire, the City applied for, and received, EPA funding for a Targeted Brownfields Assessment to determine the extent of contamination on the site from past use of the property, and determine the best path towards redevelopment. Subsequent to Phase I and II ESAs performed in 2015, an Analysis of Brownfields Alternatives (ABCA) was compiled. The ABCA outlines alternative methods for addressing environmental concerns identified, and breaks the areas of concern into three issues – Surface and Subsurface Soils, Asbestos-containing Materials, and Vapor Intrusion. For each of these issues, the ABCA presents two options. Option #1 for each of the issues is No Action but that is not effective in controlling or preventing residents from coming into contact with contamination at the site. If the City of Knoxville is successful in its grant application, it will use the \$100,000 grant funds, along with its \$20,000 match to perform the cleanup methods recommended as Option #2 for each of the three issues. For Surface and Subsurface Soils, cleanup will involve localized removal of contaminated materials from some portions of the site. Based on EPA's removal criteria for residential properties, the contaminated soil would be removed and appropriately disposed as Special Waste within a Class I Landfill. The excavated areas would then be covered with clean backfill two foot thick. For Asbestos-containing Materials, cleanup will involve removal and disposal of these materials by a licensed, qualified asbestos contractor. For Vapor Intrusion, additional vapor intrusion assessment may be warranted if the end use of the property is residential. This will involve collecting ambient air and soil gas samples. If samples exceed the calculated vapor intrusion screening level for residential air, source soils as determined through additional characterization will be excavated and transported for disposal at approved facilities, and replaced with clean backfill. Soil removed from any parts of the site would be adequately characterized and, based on the findings, handled in accordance with local, state and federal regulations. Prior to any site excavation, there will be a TDEC-approved Soil Management Plan (SMP) for characterization, handling and disposal of excavated materials. The ABCA, included as an Attachment to this grant proposal, discusses anticipated costs for each of the action alternatives.

b. Task Descriptions and Budget Table

Task Descriptions

Community Outreach (\$3,300) - This task includes publicity, meetings, and distribution of information to the public as the project progresses. Public/neighborhood meetings will be held at the start and end of the project. (We will produce a quarterly update to be included in existing community newsletters updating the cleanup's progress throughout the duration of the project, however this update will be included in an existing Central Business Improvement District newsletter at no charge to the project.) Supplies needed for public meetings might include printed handout materials, refreshments, etc. (2 mtgs. @ \$150 = \$300) and the contractor would be required to prepare visual presentations of progress reports and attend all meetings to discuss project procedures and answer technical questions (2 staff/2mtgs. report preparation and presentation @ \$1,500/mtg. = \$3,000)

Program Development & Management (\$5,000) – This task includes documenting guiding principles and procedures, establishing priorities for site remedial actions, and EPA-required performance reporting (e.g. quarterly reports, MBE-WBE reports, final closeout report and ACRES database reporting) (\$3,000). Travel costs in this budget task would be used for attendance at regional Brownfields grantee workshops and the National Brownfields conference (2 staff @ \$1,000/conference = \$2,000)

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Remedial Planning and Design (\$15,000) – This task includes the outputs of finalizing the ABCA (\$1,000), coordinating with TDEC to construct a Brownfields Voluntary Agreement, Soil Management and Health & Safety Plans (\$4,000) and further assessment of the current site conditions to determine what materials need to be properly characterized and disposed of (\$10,000)

Cleanup Activities (\$96,700) – This task includes anticipated contractor costs for removal and disposal of contaminated soils and replacement with clean backfill as well as ambient air and soil gas sampling. For preliminary budgeting purposes we assume the following:

- Metals Contamination
 - soil removal and offsite disposal @ \$60 - \$75 per cubic yard (*estimate \$59,000*)
 - purchasing and transporting approx. 790 cu. yd. clean backfill @ \$25 per cubic yard (*estimate \$20,000*)
- Asbestos-Containing Materials
 - removal and disposal of approx. 3,000 sq. ft. @ \$2.00 per sq. ft. (*\$6,000*)
- Vapor Intrusion
 - 6 ambient air and 6 soil gas samples - collection and testing (*\$5,200*)
 - drilling (*estimate \$6,500*)

Budget Table

Budget for former McClung Warehouses Cleanup Project					
Budget Categories	Project Tasks				
	Community Outreach	Program Development & Management	Remedial Planning and Design	Cleanup Activities	Total
Personnel					
Travel		\$2,000			\$2,000
Equipment					
Supplies	\$300				\$300
Contractual	\$3,000	\$3,000	\$15,000	\$96,700	\$117,000
Other					
Total Federal Funding			\$10,000	\$90,000	\$100,000
Cost Share	\$3,300	\$5,000	\$5,000	\$6,700	\$20,000
Total Budget	\$3,300	\$5,000	\$15,000	\$96,700	\$120,000

c. Ability to Leverage

The Office of Redevelopment oversees projects that contribute to the enhancement of community livability, and has worked diligently to leverage local dollars for a variety of state and federal funding sources as well as private investment. The City was successful in applying for two \$400,000 EPA Brownfields Assessment Grants to assess properties in two of its redevelopment areas. This funding, along with local funds being used for public infrastructure improvements, has led to more than \$200 million in private investment from developers and business owners, and tens of millions of dollars in leveraged funding from federal and state sources. Private sector interest and investment in the downtown area close to Jackson Avenue is strong.

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Several former underutilized properties have been converted into loft apartments with street level restaurants and specialty shops. The City wants to capitalize on that interest and draw on available funding resources to spur redevelopment in all of its designated redevelopment areas.

Examples of a few recent Office of Redevelopment community improvement projects in downtown that have leveraged public and private funding include:

- North Central Street Transportation Improvement – \$2.5M project utilizing Department of Transportation, Surface Transportation Funds (STP) (80/20 match) – the City has committed \$825,000 for sidewalk repair, landscaping, and street resurfacing; and Knoxville Utilities Board (KUB) will fund \$750,000 for water line replacement – ongoing
- Marble Alley Lofts (redevelopment of former surface parking lot in Downtown) - \$21.6M private investment; \$1M for streetscape improvements in local funds - ongoing
- Jackson Ave. (3 separate projects) - \$750,000 STP funds; \$5-10M federal bridge funds; \$500,000 local funds – streetscape/roadway/bridge improvements – ongoing
- I-275 Business Park Access Improvements - \$5.5M High Priority Project utilizing DOT funding (80/20 match) - TDOT \$4.4M; City \$1.1M. This corridor study was initiated in 2007/2008; all plans, environmental reviews and final designs were completed by 2014 – in Right of Way acquisition
- Cumberland Ave Corridor - \$17.5M streetscape + \$3.5M for design and right of way – STP funds (80/20 match) \$17.5M streetscape + \$3.5 for design and ROW; and KUB will provide \$5M to upgrade gas, water and sewer lines - ongoing
- Façade Improvement Program – Eligible property owners in the redevelopment districts can receive up to \$50,000 for façade improvements to their buildings with the property owner providing a 20% match – ongoing (138 buildings since the program began)

3. Community Engagement and Partnerships

a. Plan for Involving Targeted Community and Other Stakeholders; and Communicating Project Progress

The City of Knoxville makes every effort to engage local neighborhoods in plans for projects in their communities in order to make full use of citizens' ideas and opinions in considering such investment of public funds. In the spring of 2014, City of Knoxville officials asked for public input on how to proceed with reshaping our subject site. About 100 people - potential developers, downtown and Old City property owners, residents and advocates - came to the public forum. Even more people mailed in comment cards or shared their ideas over several weeks in an online survey. A large number of the commenters said they wanted mixed-use redevelopment - buildings for residential and commercial retail uses, with parking. (Underground parking was touted; alternatively, an idea of an elevated green space with parking below it was also proposed.) "Connectivity" was a common theme. Many people told City officials that they wanted a greenway and bicycle trail that connected the Old City with World's Fair Park. A path following the railroad was backed by some; others said they were supportive of a trail along Jackson Avenue so long as it avoided the sharp ups and downs of the street viaducts in order to be attractive to walkers and riders. Other ideas ranged from creating a public event space, to reinforcing and extending the adjacent South Gay Street arts district, to maintaining and capitalizing on the "urban chic" feel of being a former warehouse district with close proximity to railroad tracks. Dozens of other suggestions were proposed and discussed for the tract. Officials emphasized that there was no preconceived starting point or plan for West Jackson Ave., and that public participation is vital in defining how the corridor will be redeveloped. Throughout the recent community wide brownfields assessment project in adjacent Downtown North, the City held quarterly

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public meetings to inform residents of the project's progress. Meetings were publicized on the City's website and held in a location central to the project area. A quarterly newsletter providing details about the assessment activities was published on the City's website, distributed to local libraries, and sent via email to interested citizens. If the City's grant application for cleanup funding is successful, the City will similarly involve the public, and in particular, the target neighborhood's residents, in the decision-making for the reuse of the site and its appropriate cleanup. Naturally, the area's residents will have concerns related to cleanup activities, particularly as they might affect sensitive populations. The City and its contractor will explain the measures that will be taken to provide health and safety protections to the neighborhood during cleanup and construction activities. If impacted materials or soil vapors are encountered during remedial activities, appropriate monitoring would be performed to document site conditions, and precautions taken to reduce exposure potential.

The policy of the City is to ensure meaningful communication with persons that experience Limited English Proficiency. The primary language in the area is English, and the City has not been requested to communicate in another language. However, should that need arise there are available resources at the University of Tennessee, Knoxville which houses the Center for International Education, and also the Hispanic Chamber of Commerce, located in Knoxville.

b. Partnerships with Government Agencies

Throughout the Brownfields Assessment projects that the City of Knoxville has successfully completed, TDEC has been a strategic partner in lockstep with the City to aid in determining the extent of contamination of selected properties targeted for assessment. Funding for both hazardous and petroleum contamination sites required working closely with several TDEC personnel in the relevant local field offices, as well as the Brownfields Program Manager in TDEC's Nashville headquarters, to make sure that all appropriate guidelines and rules were being followed. TDEC personnel attended public meetings and committee meetings and were included in all correspondence related to the assessment projects. TDEC has worked with the City in preparing Brownfields Voluntary Agreements for properties identified and targeted for redevelopment. The City will work with TDEC to construct a Brownfields Voluntary Agreement for the McClung Warehouses site.

The Knox County Health Department is physically located close to the target area and provides health services to a significant portion of the neighborhood residents. The Health Department hosted several public meetings to engage the community in the redevelopment planning for adjacent Downtown North and will be a public site for project progress bulletins.

c. Partnerships with Community Organizations

While there are several community-based organizations that support the project, there are four that have already played a noteworthy role, and have committed to continuing their active involvement.

Knoxville's Community Development Corporation (KCDC) is the housing and redevelopment agency for the City. For nearly 70 years, KCDC has been enhancing the quality of life for the citizens of Knoxville by providing safe, decent and affordable housing, advancing redevelopment initiatives, fostering self-sufficiency and improving neighborhoods and communities. KCDC administers more than \$6 million annually in redevelopment and community and neighborhood revitalization, and is responsible for numerous neighborhood improvement projects including developing two new grocery stores, medical office complexes and more than 100 new housing units. KCDC produced the Jackson/Depot Redevelopment and

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Urban Renewal Plan to address critical issues affecting the area including: economic development, particularly on older, often vacant, industrial properties; conservation of historic resources, especially historic properties in the downtown neighborhoods; improving multi-modal transportation including sidewalks and bicycle facilities; new land use opportunities on underutilized and vacant properties offering mixed use development; and enhancement of environmental and recreational systems including the Second Creek greenway that runs through the area. KCDC will continue its role as redevelopment agency to support the implementation of the Jackson/Depot Redevelopment and Urban Renewal Plan.

The Development Corporation of Knox County (TDC) is a non-profit organization committed to fostering the long-term, quality growth of the region's business environment. As the property owner and manager of six business parks located throughout Knox County, TDC is focused on maintaining a sufficient inventory and diversity of properties to meet the needs of new and expanding businesses. In 2004, TDC applied for, and received, an EPA Targeted Brownfields Assessment grant to assess a 19.4-acre derelict property - the former Brookside Knitting Mill, which had become an attraction for indigent people, and presented a safety hazard in the community. EPA Brownfields funds were used to assess Brookside Mills, local government funds were used to clean up the property, and a Brownfields Voluntary Agreement with TDEC was enacted in 2007. The site was purchased and redeveloped by a local businessman and now houses the corporate offices of Holston Gases. TDC understands the role of Brownfields in industrial and commercial development and actively promotes job creation opportunities for the area and partners with the City and Chamber of Commerce to market properties for development. TDC's hands-on experience with EPA Brownfields funding is a valuable asset to the City. TDC's Executive Vice President served on the Knoxville South Waterfront and Downtown North Brownfields Committees and helped guide the City in the prioritization of brownfield sites for redevelopment. It is anticipated that he will perform a similar role for the Jackson Avenue cleanup.

The East Tennessee Community Design Center (ETCDC) is a non-profit organization that works with community groups to facilitate positive change in economically distressed communities through the pro bono contributions of area architects, landscape architects, planners, and other professionals. This network of community volunteers donates over 2,000 volunteer hours annually which leverage five times their value in improvements and services. ETCDC provides schematic design of structures including land use planning and landscape design, blight removal, and visual enhancement programs. Examples of neighborhood stabilization projects include parks, community centers, housing rehabilitation planning, blighted property identification, making facilities accessible to persons with disabilities, adaptive reuse of historic properties, and facilitation of public and community input visioning to stimulate quality economic and community growth. ETCDC partnered with the City in the creation and implementation of its façade improvement program which provides incentives to business owners to renovate their building facades, and on a study for the adaptive reuse of Oakwood Elementary School which ceased as an educational facility in 1996 and fell into disrepair. ETCDC developed a public involvement process to assist in the study and gather input from the neighborhood regarding the old school's redevelopment. The school has since been redeveloped into an assisted living facility. Currently, ETCDC is partnering with the City and the Broadway Corridor Task Force (Broadway is adjacent to our subject property) to consider ways to improve the corridor for businesses as well as adjacent neighborhoods. The ETCDC hosted a design charrette in the neighborhood in November 2015 to gather input from all interested local businesses, residents and organizations, and will continue to work with the City as it moves forward with cleanup and redevelopment of blighted properties.

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St. John's Lutheran Church is a historic Lutheran church located on Broadway. Individuals from the Church's Outreach Team volunteer their time to support several local programs including: Habitat for Humanity – church members provide labor and funding to build a house every other year. Family Promise of Knoxville - St. John's sends a team of volunteers to cook and serve meals to homeless families. Knox Area Rescue Ministries - St. John's sends a team of volunteers to cook and serve lunch to the poor and homeless. The Senior Nutrition "Mobile Meals" Program - St. John's volunteers serve two of the routes within our target neighborhood and also check on the meal recipients, reporting any health or safety concerns to the Knoxville-Knox County Community Action Committee Office on Aging for follow-up. KIDS HOPE USA – trained volunteers develop mentor relationships with at-risk public school children spending one hour a week with carefully matched students at Christenberry Elementary School in the target neighborhood. St. John's Lutheran Church provided meeting space at no charge to the City of Knoxville for quarterly public meetings held throughout the duration of the Downtown North Brownfields Assessment and will make its facility similarly available throughout the site cleanup project.

4. Project Benefits

a. Health and/or Welfare and Environmental Benefits

i. Health and/or Welfare Benefits

Pollutants from industrial waste and toxic chemicals are considered harmful to humans who are exposed to them through contact with soil, air and water. Sensitive populations such as children, pregnant women and the elderly are at particular risk as their immune systems may be less resistant. The property that will be cleaned up under this grant was first developed in the early 1900's and housed a variety of commercial operations as well as railroad facilities. The Phase II ESA identified soils contaminated with heavy metals and petroleum products as well as asbestos-containing materials. These contaminants plus evidence of previous use by homeless individuals all combine to present a threat to the health and welfare of the neighborhood. This threat will be eliminated when the property is cleaned up, secured, and redeveloped into an asset for the community. Contaminated soils will be removed and clean fill put in place to prevent people from coming into contact with toxic substances. ACM will be removed which will prevent exposure to contaminated materials. Cleanup of the property will stimulate interest from private developers who have redeveloped several adjacent properties into successful residential and commercial enterprises. The mixed-use vision that the City has for the site will provide residents of adjacent underserved neighborhoods access to employment opportunities resulting in a better standard of living, as well as the ability to walk to employment, dining and shopping to encourage exercise thus leading to a healthier lifestyle.

ii. Environmental Benefits

Soil removal will reduce the potential for surface runoff that likely contains pollutants such as chemicals and oil, to enter storm drains and ultimately end up in rivers and streams which can contaminate drinking water. Waste material dumped on the site breaks down over a period of time and can release chemicals into the soil and the air. Removing waste material from the site will remove this threat from the environment. As stated, site cleanup will lead to redevelopment and most likely offer employment, dining and shopping opportunities for local neighborhood residents. Potentially, this will allow some of these residents to walk to work instead of having to drive, or walk to the retail establishments which in turn, reduces vehicle emissions that contribute to unhealthy air. All of these benefits contribute to a healthier environment.

b. Environmental Benefits from Infrastructure Reuse/Sustainable Reuse

i. Policies, Planning or Other Tools

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At the beginning of her administration, Knoxville's Mayor Madeline Rogero outlined four major goals: ♦Strong, safe neighborhoods; ♦Living green and working green; ♦An energized downtown; ♦Job creation and retention. These goals guide the City's budget and operations. Its Energy & Sustainability Initiative has helped make Knoxville a greener, more sustainable city that promotes sustainability by embedding support for low-impact design and alternative transportation options into how it designs and manages public infrastructure, and integrates sustainability principles into actions like street design, utility infrastructure planning and maintenance. Conserving resources and saving energy makes basic financial sense. The City is implementing sustainable development strategies such as: the Solar America Cities Program; Leadership in Energy and Environmental Design (LEED) certification for the new Downtown Transit Center; energy efficient building practices for low-income housing programs, and more. Downtown has full access to all public utilities and wherever possible, these existing utilities will serve new facilities. As derelict structures are demolished, the practice will be to recycle demolition materials whenever possible -- as advocated in City policy, and done on other brownfield demolition sites where useable materials have been recovered rather than transported to a demolition landfill.

ii. Integrating Equitable Development or Livability Principles

The City has embraced the six livability principles established by The Partnership for Sustainable Communities and set up specific programs and/or plans to further equitable development. In 2015, City officials hosted representatives from Smart Growth America to introduce concepts related to transit oriented development which promotes a mixture of housing, office, retail and/or other amenities integrated into a walkable neighborhood and located within a half-mile of quality public transportation. This ties into the Jackson/Depot Redevelopment and Urban Renewal Plan and the Urban Land Institute study calling for an integrated mixed-use area with visual, pedestrian, vehicular and land use connections working together. Connecting currently disconnected streets and enabling pedestrian, cycling and public transit options for access to employment, schools, and shopping will decrease vehicular miles traveled, thereby reducing greenhouse gas emissions and benefiting health.

Knoxville's housing programs are targeted at improvement and construction of affordable housing, homebuyer assistance, and repair and rehabilitation to reduce the number of substandard rental and owner-occupied residential properties. The four main components are: Downpayment Assistance Program - through federal grant funds, the City supports new construction and rehabilitation projects for affordable housing; Owner-Occupied Home Rehabilitation - funds are available for owners to rehabilitate substandard residential properties; Rental Rehabilitation Program - provides financial and technical assistance to owners of substandard residential rental property. In return, property owners agree to certain long term rent and occupancy restrictions to keep the housing affordable to lower-income tenants; Blighted Property Redevelopment Program - provides short-term development and construction financing through subsidized loans to redevelop and renovate unoccupied residential dwelling units.

The City's Equal Business Opportunity Program is an outreach program aimed at increasing minority, women and small businesses' participation in the City's procurement process for construction, goods and services. Every effort is made to encourage disadvantaged businesses to provide services on City projects.

Three Rivers Market, Knoxville's Community Food Co-op, is a customer-owned cooperative, and center of sustainable commerce that benefits members by creating and nourishing a healthier environment, healthier people, and a healthier community. It strives to provide the very best local, organic, and healthy food available. The Co-op represents a three-million dollar investment in a former abandoned facility within a

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mile of our subject site and within walking distance of low income neighborhoods. The City provided gap financing to relocate and expand the business.

c. Economic and Community Benefits (long term benefits)

i. Economic or Other Benefits

Economic benefits are already being realized from new retail and commercial establishments that have turned former underutilized properties into successful business ventures and created employment opportunities for local residents. Those benefits will increase considerably when the McClung Warehouses and other brownfield sites are cleaned up and become once again productive properties. One of the obvious benefits is the increased tax base for the City of Knoxville. The vision for the Jackson Avenue district is a mixed-use community including office, commercial, cultural and residential use. A report titled *Reclamation and Economic Regeneration of Brownfields*, compiled by E.P. Systems Group, cites a study of brownfield project economic features which found that cleanup costs averaged only 8% of total project costs, and every \$1 of public sector financing invested leveraged an additional \$2.48 in private dollars. On the Knoxville local level, a former railroad repair facility adjacent to the target area became the home of Sysco Corporation, a 250,000 sq. ft. food distribution facility that employs over 300 people. An article in the Knoxville New Sentinel noted that "Sysco's \$50M capital investment was shown to yield an economic impact in Knoxville of \$91M via the various businesses involved in building the project." The Sysco site is approximately 44 acres. The Development Corporation of Knox County estimates the property tax revenue from Sysco at approximately \$15,000 per acre, per year. TDC also estimates that 5-10 new jobs are created per acre of industrial property developed. The estimated 5 acres of the McClung site could yield as many as 50 new opportunities for employment for local citizens. That number may seem insignificant compared to redevelopment of a large site into a major employment center, but to the residents of the poorer neighborhoods in the area, that can represent a big change in the incomes of many families. An increase in employment generates an increase in spending. It means houses will be maintained, which leads to money spent on supplies needed to make the improvements. It means disposable income to spend in retail establishments and restaurants in the neighborhood. It improves the economy, and it leads to neighborhood stability which is desperately needed in our underserved neighborhoods.

ii. Job Creation Potential: Partnerships with Workforce Development Programs

Knoxville-Knox County's Community Action Committee (CAC) provides job training through its Workforce Connections, which is responsible for the development and operation of a variety of programs focused on employment assistance, related training and support. Of note are two programs that focused on environmental training. Eight unemployed workers were trained for 'green' jobs as weatherization auditors to perform energy audits of homes to find and correct deficiencies, e.g. sealing leaks around windows and doors etc. Of the eight that were trained, five found permanent employment and two started their own businesses providing energy audits. The second training of note relates to the environmental cleanup of contaminated sites at the Department of Energy facilities in Oak Ridge, located 20 miles from Knoxville. Through the Workforce Investment Act, Workforce Connections received funding and developed a program to train environmental technicians. The training was conducted by the International Chemical Workers Union and covered hazardous materials handling, Hazardous Waste Operator Training and Emergency Response certification, and Occupational Safety and Health Administration (OSHA) construction certification in asbestos, mold and lead. CAC is located adjacent to our target area and therefore well positioned to provide training to the underserved citizens of the downtown neighborhoods.

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5. Programmatic Capability and Past Performance

a. Programmatic Capability

The City of Knoxville's Office of Redevelopment employs a full-time Director of Redevelopment who is assisted by a Deputy Director and project management staff. The Deputy Director is Ms. Anne Wallace who has managed, and is currently managing, multiple community redevelopment projects. Ms. Wallace oversaw all technical, administrative and financial requirements of two recently-completed \$400,000 Community-wide Brownfields Assessment Projects funded by the EPA - the Knoxville South Waterfront and Downtown North. Ms. Wallace coordinated with the City's Law Department to develop an access agreement for Brownfields property owners, and with the Finance Department to facilitate drawdown of grant funds. She reviewed and approved all EPA-required reporting and all community outreach communications. Ms. Wallace maintained constant contact with the environmental consultant to remain fully engaged in every task associated with the projects. Under her management, both projects were successfully completed, and redevelopment is happening in both project areas – the South Waterfront is undergoing a very large, mixed-use development of the three-mile waterfront with approximately \$185M in private investment, while Downtown North is seeing infill development of specialty retail and commercial businesses in keeping with the character of the neighborhood. Ms. Wallace has been an invited speaker to give presentations on these project successes at several environmental conferences and workshops. She will manage the cleanup of the McClung Warehouses property. The Redevelopment Director is supported by a staff experienced in managing community improvement projects. The entire department staff becomes involved in the various projects so that each is familiar with the project goals and milestones. If employee turnover should occur, another staff member will be knowledgeable enough to fill in until a replacement can be found. While Ms. Wallace will manage the project, the design and implementation of the appropriate remediation procedures will be contracted out to a qualified environmental consultant and contractor. The City has a standard procurement process in place through the City's Purchasing Department to hire the best qualified environmental consultant. The procurement includes a Request for Qualifications published in the local newspaper and on the Purchasing Department's website, a thorough panel review of all submitted qualifications packets, candidate firm interviews if appropriate, and subsequent contract negotiations.

b. Audit Findings

The City of Knoxville has been the recipient of multiple federal and state grants which it has administered successfully. The City's Department of Finance maintains strict adherence to grant compliance procedures so that all funds were drawn down and there were no adverse audit findings.

c. Past Performance and Accomplishments

i. Currently or Has Ever Received an EPA Brownfields Grant

1. Compliance with Grant Requirements

In 2009, the EPA selected the City of Knoxville for a \$400,000 community-wide hazardous substances and petroleum grant for the South Waterfront Redevelopment Area. The Work Plan consisted of five major tasks which proceeded smoothly and successfully so in 2011, the City was awarded an additional \$400,000 in EPA Assessment funds for a community-wide hazardous substances and petroleum grant in our target area of Downtown North. This Work Plan had four major tasks: (1) Project Management and Reporting; (2) Public Involvement and Engagement; (3) Site Inventory and/or Characterization; and (4) Cleanup Planning and Institutional Controls. EPA decided to tag the Downtown North grant to the South Waterfront grant so both were ongoing at the same time. Both projects were completed within the allotted performance period.

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All grant compliance activities were completed on time including quarterly reports, MBE-WBE reports, and ACRES online database reporting. All field work was completed, all reports finalized, and all relevant data entered into ACRES prior to the grant closeout deadline of September 30, 2014. All deliverables (Phase I & II Reports, QAPPs, Asbestos/Lead Based Paint Reports) were sent in electronic format to EPA and TDEC. In addition, all deliverables were sent to the EPA Project Manager as hard copies. Approximately \$4,200 of the \$800,000 grant funds were not drawn down.

2. Accomplishments

South Waterfront Brownfields Assessment – An inventory of potential Brownfield sites was conducted. Thirty hazardous substance sites and twenty-one eligible petroleum-contaminated sites were considered for evaluation. After careful evaluation of each site's redevelopment potential, twelve were identified as the best candidate sites for redevelopment including six parcels that comprised the former Baptist Hospital campus. After negotiations with the property owners, Phase I ESAs were conducted on the twelve sites and subsequently, seven Phase II ESAs were performed. Of those seven sites, one is part of a new riverfront road construction, one is an extension of the Cityview Riverwalk whose construction is now complete, two are being marketed for development and the final three are former Baptist hospital parcels. The former hospital is currently undergoing redevelopment into restaurant, retail, office, commercial and residential use with a public plaza – a \$165M private investment. Regal Entertainment has also just announced that it will locate its new corporate headquarters on a portion of the former hospital site. Throughout the duration of the Brownfields Assessment project, the City published a quarterly newsletter updating area residents on all of the redevelopment activities proposed or happening on the South Waterfront.

Downtown North Brownfields Assessment – Prior to receiving the Brownfields Assessment Grant, the City had conducted an inventory of potential Brownfield sites that identified 80 Brownfields properties. Sixteen were considered as having the best redevelopment potential and after property owners were approached for access, seven Phase I and six Phase II ESAs were performed. Sanitary Laundry was one of the sites. Of the six sites assessed, one is currently being redeveloped into 100 units of independent living for senior citizens, one has been purchased by a local businessman for future mixed-use development and the remaining four are ready to be marketed for redevelopment. Quarterly update meetings were held in the neighborhood for the Brownfields Project Team and the public. A quarterly newsletter was distributed to local library locations and via email to interested citizens, as well as being posted on the City's website.

When a property in either South Waterfront or Downtown North was identified for assessment, it was entered into the ACRES database which was updated at project milestones. At the time of grant closeout, all relevant information pertaining to every property assessed was up-to-date. As further work is performed at the assessed properties, the ACRES database will be updated to reflect the progress.

In conclusion -- As this former McClung property and other brownfields properties are returned to productive use in the community, job opportunities will become available, income levels will rise, property values will increase, and the environmental health and dignity of the surrounding neighborhoods will be restored. Redevelopment of Knoxville's downtown has been a big success so far – the community is on board, the developers are on board, and residents are actively involved in the planning of their neighborhoods. This highly visible site is a prime piece of property. It's so sad that fire destroyed such stately historic buildings – now it needs to be cleaned up and take pride of place in the neighborhood again.

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Attachment A.

Threshold Criteria

1. Applicant Eligibility

a. Eligible Entity

The City of Knoxville is eligible as a General Purpose Unit of Local Government.

b. Site Ownership

The City of Knoxville holds fee simple title and is sole owner of the property identified for purposes of this cleanup proposal as the former Sanitary Laundry and Dry Cleaning property. The Deed is recorded in the Knox County Courthouse, Register of Deeds, Deed #20140211-0047241. The City of Knoxville will retain sole ownership of this property throughout the performance period of the grant until all grant closeout activities have been completed.

2. Letter from the State or Tribal Environmental Authority

Please see the attached letter from Ms. Paula Larson with the Tennessee Department of Environment and Conservation.

3. Site eligibility and Property Ownership Eligibility

Site Eligibility

a. Basic Site Information

- (a) Site Name: Former Sanitary Laundry and Dry Cleaning Property
- (b) Address: 625 North Broadway, Knoxville, Tennessee, 37917
- (c) Current Owner: City of Knoxville, Tennessee
- (d) Acquisition Date: January 2, 2013 (Deed recorded February 11, 2014)

b. Status and History of Contamination at the Site

- (a) The site is contaminated predominantly by hazardous substances
- (b) The site operated as a laundry and dry cleaning facility from 1926-1993
- (c) Environmental concerns include: soil and groundwater contaminated with dry cleaning compounds, solvents, and petroleum products; two gasoline USTs and one heating oil AST that were located on the property in the past; numerous 55-gallon drums of dry cleaning fluids and oil that were observed and removed from the property in 1999; two groundwater monitoring wells located in the courtyard area; evidence of one dry cleaning solvent UST that was observed, whose contents were reportedly removed in 1994; asbestos and lead-based paint in multiple rooms in the building; miscellaneous debris and detritus that can empty into storm drains through surface runoff.
- (d) The site housed a laundry and dry cleaning facility for 67 years. Dry cleaning compounds, solvents and petroleum products used in the operation of the cleaning process and related equipment were stored in USTs and ASTs on the property. The USTs were removed in 1993 but corrosion holes in the tanks suggest there was potential release of some contents. Several of the 55-gallon drums of oil and dry cleaning fluids that were removed

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showed signs of leakage. Results of a Phase II ESA indicated arsenic concentrations detected in groundwater samples exceeded the corresponding EPA arsenic Tapwater Regional Screening Levels (RSL), lead concentrations detected in each groundwater sample exceeded the USEPA MCL; soil gas samples analyzed indicated Volatile Organic Compounds (VOCs) that exceeded Residential and Industrial RSLs; ambient air sampling indicated VOCs that exceeded Residential and Industrial RSLs.

c. **Sites Ineligible for Funding**

- (a) The site is not listed or proposed for listing on the National Priorities List
- (b) The site 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
- (c) The site not subject to the jurisdiction, custody, or control of the United States government

d. **Sites Requiring a Property-Specific Determination**

The subject site does not require a property-specific determination

e. **Environmental Assessment Required for Cleanup Proposals**

A Phase II Environmental Site Assessment was conducted on the property in 2014 – the Report is dated September 12, 2014 – as part of an EPA grant-funded, Community Wide Brownfields Assessment Project. The Phase II ESA was conducted to determine the nature and extent of subsurface contamination resulting from past use of the property. The assessments conducted for this Phase II ESA consisted of installing and collecting 34 passive soil vapor modules, collecting 25 soil subsurface soil samples, six groundwater samples, eight ambient air samples, and eight soil gas samples based on field observations, accessibility and historical land use practices. The samples were subsequently submitted for laboratory analyses. The Phase II ESA Report provides details of the project approach, site characteristics and surrounding area description, sample collection procedures, sample analysis and data validation information, analytical results of individual media sampling, conclusions, and supporting data.

Property Ownership Eligibility – Hazardous Substance Sites

f. **CERCLA §107 Liability**

The City of Knoxville is not liable for contamination at the site under CERCLA §107 Liability. The City has not owned or operated the facility as a laundry or dry cleaning facility, was not an owner or operator of the facility at the time of disposal of a hazardous substance, was not a party that arranged for the treatment or disposal of hazardous substances, or a party that accepted hazardous substances for transport to disposal or treatment facilities at the site. The City of Knoxville meets the liability protection set forth in CERCLA because it acquired the property involuntarily through tax delinquency and abandonment by the previous owner.

g. **Enforcement or Other Actions**

The former Sanitary Laundry and Dry Cleaning facility site is not subject to any known ongoing or anticipated environmental enforcement or other actions. The City of Knoxville is not aware of

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any inquiries or orders from federal, state or local government entities regarding responsibility of any party for the contamination or hazardous substances at the site.

h. Information on Liability and Defenses/Protections

i) Information on the Property Acquisition

1. The City of Knoxville acquired the subject property through tax foreclosure
2. The date of acquisition was February 4, 2014
3. The City of Knoxville owns the property in fee simple title
4. The property was acquired through a sell order by the Knoxville Chancery Court
5. The City of Knoxville has no familial, contractual, corporate or financial relationships or affiliations with prior property owners or other potentially responsible parties

ii) Timing and/or Contribution Toward Hazardous Substances Disposal

All disposal of hazardous substances at the site occurred before the City of Knoxville acquired the property. The City of Knoxville did not cause nor contribute to any release of hazardous substances at the site. The City of Knoxville has not, at any time, arranged for the disposal of hazardous substances at the site or transported hazardous substances to the site.

iii) Pre-Purchase Inquiry

1. A Phase I ESA was performed for the City of Knoxville, in accordance with ASTM E1527-05, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process. The Phase I ESA Report is dated July 31, 2013.
2. The Phase I ESA was performed by S&ME, Inc. S&ME provides a broad range of environmental services, including site assessments for real estate transactions. Engineering News and Record recently ranked S&ME as one of the 200 largest environmental firms in the country. The Environmental Professional for this Phase I ESA was Mr. Timothy S. Schalk. Mr. Schalk has 19 years of environmental experience performing and managing Phase I and II Environmental Site Assessments.
3. The City of Knoxville became the owner of the Property as the result of a tax sale. The Property was auctioned off on October 23, 2012 pursuant to an order entered on February 6, 2012 in case # 177216-2 in Knox County Chancery Court in order to collect delinquent real property taxes owed to the City of Knoxville. Pursuant to Tennessee Code Annotated, § 67-5-2501(a), the City was required to make the first bid in the amount of taxes due. When no other bidders came forward, the City was stuck with the property. The order confirming the sale of the property was entered on January 2, 2013, and one year later on February 4, 2014, the Clerk and Master of the court issued a deed that conveyed title to the City. Prior to the date the property was conveyed to the City, the City had never created, disposed of, stored, treated or handled waste in any manner at the property nor managed or conducted any operations on the property. The Phase I ESA, conducted on the property in 2013, was part of a community-wide Brownfields Assessment project to evaluate its potential for redevelopment.

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iv) Post-Acquisition Uses

Since the City of Knoxville took ownership of the property, it has worked diligently to keep the property secured and eliminating elements of blight. The City's Public Service Department has worked to remove graffiti from the property by painting. As recently as the first week in November 2015, the Public Service Department has removed and replaced weathered OSB, painted the material and secured a piece of marble on the facade of the building. The only other activity on the site has been tasks associated with the Phase II ESA conducted in 2014.

v) Continuing Obligations

1. The work done by the Tennessee Department of Environment and Conservation (TDEC) with a previous property owner in the 1990's addressed potential releases of hazardous materials on the site. Two gasoline USTs and one heating oil AST, as well as a chlorinated solvent UST were located on the property. The gasoline USTs were removed in 1993. The dry cleaning UST was emptied in 1994 but remains on the property. Numerous 55-gallon drums of dry cleaning fluids and oil were removed from the property in 1999. All buildings on the property are currently vacant. The Phase II ESA conducted in 2014 consisted of the collection and laboratory analysis of 34 passive soil vapor modules, subsurface soil samples, groundwater samples, soil gas samples and ambient air from the site. Groundwater samples were collected from two existing monitoring wells and from six piezometers installed during the Phase II ESA sampling. These investigations identified soil and groundwater contaminated with dry cleaning compounds, solvents and petroleum products. An asbestos and lead based paint survey was conducted in 2014 and both contaminants were found in multiple rooms in the building. An ABCA was generated on behalf of the City to determine the safest method to deal with identified contaminants.
2. The City of Knoxville and TDEC have structured a Brownfields Voluntary Agreement (BVA) pertaining to the future use of the site and the precautions to be taken to protect human health and the environment during site remediation and redevelopment. TDEC and the City have agreed that the BVA is to be made a condition of sale of the property. Any proposed site redevelopment must address the potential for subsurface vapors to migrate to ambient air thru the existing concrete slab in the building. As part of the site re-design for proposed use, a soil vapor mitigation system would be required to protect building occupants. The goal of the soil vapor mitigation system would be to break the exposure pathway for vapor migration. Since the proposed activities limit subsurface disturbance to utility trenches or other limited areas where excavation would be needed to support the redevelopment design, the neighborhood would likely not be subjected to significant health and safety risks during these activities. Likewise, during installation of a soil vapor mitigation system, risk to surrounding building occupants would be minimal, as most of this activity would take place inside the Sanitary Laundry structure. If impacted materials or soil vapors are encountered during remedial activities, appropriate monitoring would be performed to document site conditions and take precautions if warranted to reduce exposure

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potential for the surrounding site occupants. During remedial and construction activities, site access will be restricted to qualified and trained workers.

3. The BVA requires a Soil Management Plan (SMP) to be submitted for TDEC's approval prior to the commencement of construction activities. The SMP will include, but not be limited to, characterization of any excavated materials, handling procedures to ensure that any offsite disposal of impacted media meets all State and Federal requirements, and, if needed, installation of a barrier or engineered cap. A Health and Safety Plan shall also be submitted to TDEC for review and comment.

The City of Knoxville makes the commitment to:

1. Comply with all land-use restrictions and institutional controls;
2. Assist and cooperate with those performing the cleanup and provide access to the property;
3. Comply with all information requests and administrative subpoenas that have or may be issued in connection with the property; and
4. Provide all legally required notices

4. Cleanup Authority and Oversight Structure

- a. The TDEC Division of Remediation has been involved with this site for many years. In an effort to support the City's redevelopment efforts, and to insure that site redevelopment is performed in accordance with applicable regulations, TDEC prepared a Brownfield Voluntary Agreement (Site No. 47-545). The BVA lists the actions to be taken during remediation and construction to ensure the cleanup is protective of human health and the environment. The City of Knoxville's Brownfields Project Manager will oversee and manage the overall cleanup project, but the design and implementation of the appropriate remediation system will be contracted out to a qualified environmental consultant and contractor. The City has a standard procurement process in place through the City's Purchasing Department to hire the best qualified environmental consultant. The procurement includes a Request for Qualifications published in the local newspaper and on the Purchasing Department's website, a thorough panel review of all submitted qualifications packets, candidate firm interviews if appropriate and subsequent contract negotiations.
- b. Access to adjacent properties is not anticipated in order to conduct cleanup activities, however, if it is determined that access is needed for offsite sampling or monitoring, the City will work with adjacent property owners to obtain access to their properties.

5. Statutory Cost Share

- i) The City of Knoxville will commit a 20% cost share match for grant funds awarded. City Council approved a Resolution at its council meeting held on 10/27/15 **authorizing the Mayor to execute any and all documents necessary to apply for and, if awarded, accept a brownfield cleanup grant from the United States Environmental Protection Agency to provide funding in the total amount of \$200,000 with an additional City match of \$40,000 to carry out cleanup activities at the former Sanitary Laundry property located at 625 N. Broadway.** The funding source for the City's cost share will be Capital Improvement Funds.

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ii) The City of Knoxville is not requesting a hardship waiver.

6. Community Notification

The City of Knoxville placed a notice on its website, sent a media advisory to all local news stations (television, radio, and print), published in the City's Neighborhood Advisory publication and the Central Business Improvement District newsletter, and sent notice to approximately 150 residents of the area who have given email addresses for updates to inform the public of its intent to apply to the United States Environmental Protection Agency for a \$200,000 grant to clean up the former Sanitary Laundry and Dry Cleaning site located at 625 North Broadway. The notice informed the public of the availability of the draft grant application for review, along with a document outlining cleanup alternatives (the ABCA), and invited comments on the documents. The notice also invited the public to a meeting to be held on December 1, 2015 where the project would be discussed, the draft grant application and ABCA would be available for review, and comments from the public were welcome.

- A copy of the notice is attached to the proposal
- A copy of the meeting agenda and sign-in sheet is attached to the proposal
- A summary of the comments received and corresponding responses is attached to the proposal
- A summary of the meeting is attached to the proposal
- A copy of the draft ABCA is attached to the proposal, and includes the Brownfields Voluntary Agreement