

# **City of Knoxville**

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

**former Sanitary Laundry and Dry  
Cleaning Facility**

**DRAFT PROPOSAL FOR PUBLIC  
REVIEW AND COMMENT**

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

Send comments to:

Anne Wallace, Deputy Director  
Office of Redevelopment  
400 Main Street, Ste. 655, Knoxville, TN 37902  
865.215.2644 (direct) 865.215.2029 (office)

[awallace@knoxvilletn.gov](mailto:awallace@knoxvilletn.gov)

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

## City of Knoxville Brownfields Grant Proposal for Cleanup Funds Former Sanitary Laundry Property Narrative Proposal

### 1. Community Need

#### a. Targeted Community and Brownfields

##### Targeted Community Description

The City of Knoxville lies within the heart of Appalachia and is located in the eastern portion of Tennessee, in the valley between the Cumberland Mountains and the Great Smoky Mountains. 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. North Knoxville, our target community and the area in which our target property is located, started to develop an industrial base around the railroad with textile mills, foundries, manufacturing and railroad maintenance facilities that provided employment to thousands. Tree-lined neighborhoods sprung up around this industrial area with a healthy mix of residents - professionals and laborers, families and transients, black and white. Business was flourishing, the social network was strong, hard work was rewarded, and life was good. The economic decline of North Knoxville started with the downturn of the Great Depression. Many of the once thriving industries became idle and abandoned. Jobs became scarce, commercial businesses had a hard time surviving, and houses fell into disrepair. Over the years, the level of poverty increased, as did crime rates and the homeless population.

##### Demographic Information

Today, the North Knoxville neighborhood, known as Downtown North, is 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 used American Community Survey (ACS), 2008-2012, five year estimates, because those data drill to the census tract level and allow us to present as accurate a picture as possible.

Relevant Demographic Data			
	Target Area	Tennessee	U.S.
Population	3,273	6,353,226	309,138,711
Minority	16.2%	21.2%	25.8%
Unemployment *	5.3%	5.7%	5.1%
Median Household Income	\$25,435	\$44,140	\$53,046
Individuals Below Poverty Level	32.5%	17.3%	14.9%
Persons with a disability	21%	15%	12%
Education level – high school grad and beyond	80.4%	83.9%	85.7%

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

\*Unemployment rate per Bureau of Labor Statistics – September, 2015 (Knoxville-Tennessee-U.S.)

##### Description of Brownfields

Our subject property occupies a one third-acre site in Downtown North, and includes a 15,000 square-foot vacant building formerly occupied by Sanitary Laundry and Dry Cleaning which operated on the property from 1926 until 1993. The facility employed anywhere from 100-200 people at various times and was one of the larger employers in the neighborhood. One dry cleaning solvent and two gasoline underground storage tanks (UST) utilized by the dry cleaner were located on the property or on an adjacent parcel behind the building, which was also former Sanitary Laundry property. The gasoline USTs were removed in 1993. The

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

dry cleaning UST was emptied in 1994 but, based on observations made during the Phase I Environmental Site Assessment (ESA) conducted in 2013, this UST remains on the property behind the building. Soil and groundwater investigations, conducted during a Phase II ESA in 2014, identified soil and groundwater contaminated with dry cleaning compounds, solvents, and petroleum products. Asbestos-containing materials and lead based paint are present in multiple areas of the building. The property was placed on the Tennessee Department of Environment and Conservation's (TDEC's) State Superfund List in 1994. The subject property is located close to other commercial establishments, residential housing and social services facilities, including homeless shelters and ministries, all within our target community.

The City of Knoxville recently performed an inventory of brownfield sites in our target Downtown North community which spans approximately 541 acres. The inventory shows an estimated 80 brownfield properties (including our subject property), 51 of which are suspected of being hazardous substance sites, 19 petroleum sites, and 10 hazardous and petroleum sites. These properties span 136 acres (approximately 25% of the target community), and range in size from small commercial parcels to 20-acre sites. The area is heavily populated with metals processing, textile mills, and auto repair shops, many of which have been there for decades and occupy facilities that are run down and in need of renovation.

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 inventory suggests that contaminants such as petroleum hydrocarbons including gasoline and diesel fuel, polychlorinated biphenyls (PCBs), polynuclear aromatic hydrocarbons (PAHs), lead based paint, asbestos containing building materials, industrial chemicals such as chlorinated solvents, creosote, and various priority pollutant metals are likely present in our target area. The abandoned, vandalized, and derelict structures pose a safety risk, not only because of their insecure condition and potential for site contaminants, but their unrestricted access attracts vagrants with substance abuse problems, and makes them an attractive nuisance to curious children.

## Cumulative Environmental Issues

The industrial base that developed around the railroad industry hub in North Knoxville is largely long gone leaving a legacy of abandoned, derelict and polluted sites. 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. The Sanitary Laundry Phase I ESA identified twelve historical auto stations and four historical cleaners within a quarter-mile of the property. Thirteen facilities within the ASTM minimum search distances were identified on the TDEC's regulatory database, and most were recorded as containing Leaking Underground Storage Tanks. Many of the vacant properties in our target area have become dumping grounds for all manner of trash, from discarded beer bottles to old and unwanted household furniture. 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). Downtown North is bordered on one side by I-275 which carries close to 60,000 vehicles per day, and by I-40 on another with 100,000+ vehicles per day. Our subject property is located on Broadway, a four-lane highway passing through the heart of our redevelopment area, which carries almost 9,000 vehicles per day. Vehicle pollution poses a significant health threat in our target neighborhood. In addition, several streams in Knoxville are listed as impaired by TDEC, including Second Creek which runs through the target area.

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

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 2005, 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 target 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 this is 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 our target area 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 the North Knoxville neighborhoods have the highest risk of elevated blood lead levels in Knoxville.

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. The target area has a disproportionate number of families receiving public assistance in the form of food stamps/SNAP benefits – 23% vs. the national average of 11.4%, 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. Downtown North is 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 that litter 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 the early 1900's and operated as a laundry and dry cleaning facility from 1926-1993. Its impacts on the surrounding community are many, including dry cleaning compounds and solvents detected in groundwater at concentrations that exceed USEPA primary drinking water maximum contaminant levels; evidence of one dry cleaning solvent UST on site; miscellaneous debris and containers of oil, paint and solvents that remain in the abandoned building; concentrations of volatile organic compounds (VOCs) that exceed residential and industrial regional screening levels; plus evidence of previous habitation by homeless individuals. Numerous old 55-gallon drums of oil and dry cleaning fluid were discovered by the Knoxville Fire Department in and around two of the buildings located on the site, while responding to small fires set by homeless individuals using the subject building for shelter. Several of the drums showed signs of leakage and the state contracted to have the drums removed. Since then, no further remedial activities have occurred on the subject property.

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

## 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. As previously noted, the median household income for the Downtown North area is well below the national average, and data from the ACS 2008-2012, 5-year estimates shows that 71% of occupied housing units are renter-occupied, as opposed to 29% owner-occupied. As is typical in many inner city areas that were once thriving but saw economic downturn, job losses from the closure of local facilities in Downtown North resulted in less money to spend on home maintenance, resulting in depressed property values and lower property tax revenue for the City. While the Knoxville 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. 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 – 80 identified in the recent inventory covering 25% of the total area – and lack of a corresponding thriving commercial business community, as well as the obvious lack of upkeep to many of the homes in the surrounding neighborhoods. Downtown North 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 less income. Downtown North is an older Knoxville community, and while there are several historic neighborhoods where homes have been bought by younger families who are attempting to restore them, 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. As shown in our comparative data table, unemployment rates are reflective of the U.S. average (5.3% vs. 5.1%), but the median household income in our target area is less than half that of the U.S. (\$25,435 vs. \$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 North 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

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

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 a neighborhood where the homeless congregate and often use the 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 Sanitary Laundry and Dry Cleaning facility occupied two contiguous parcels containing approximately 0.70 acres located at 625 North Broadway and 750-760 Stone Street. The Stone Street parcels have been purchased by others and are undergoing redevelopment. This Brownfields Cleanup grant application addresses the 1/3-acre portion of the property on North Broadway that is owned by the City of Knoxville which acquired the property through tax foreclosure. The target property is situated in the downtown North Knoxville area. The facility operated as a dry cleaner for 67 years. A 15,000 sq. ft. building that housed the laundry and dry cleaning operation remains on the property and is vacant. The building has a concrete floor, masonry walls and a basement. Metal beams and trusses support a central raised roof with clerestory windows. A portion of the building was likely used as offices. Staining of the concrete floor can be seen throughout the building. There is a loading dock on one side of the building, and a large boiler on another. There is an elevated concrete trough but its past use is unknown. Steam piping used in the dry cleaning process is in place throughout the building. 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 oil and dry-cleaning fluids were removed from the property in 1999. A 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.

Since the City of Knoxville acquired the property, its reuse has been the subject of much discussion, both in public forums and within the City's Office of Redevelopment. The building is potentially eligible for listing on the National Register of Historic Places and given that potential, the City would prefer to preserve the basic building structure. Probable reuse scenarios are commercial, retail or residential. The City issued a Request for Proposals in the hope that a local developer would generate a vision and reuse plan for the former laundry facility but interest was limited because of the uncertainty of the structural integrity of the building and its contamination potential. So the City is expending funds to perform a structural evaluation of the building and to replace the existing roof which is in critical condition. If the City of Knoxville is successful in its grant application, it will use the \$200,000 in cleanup funds to remove contaminated materials from the site, and install a vapor barrier to prevent vapor intrusion through the existing concrete slab floor. By cleaning up the former Sanitary Laundry site, along with a structural report and a stable roof, the property,

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

which is pivotal in Downtown North's redevelopment corridor, will be a far more palatable prospect for private investment, much of which has already occurred in the neighborhood.

Downtown North is the gateway to downtown Knoxville and includes the I-275 Corridor which has evolved over many years into an area that has experienced environmental degradation through the loss of viable industrial and commercial businesses. As a result of several planning studies and public support, the City embarked on a plan to renovate Downtown North into an integrated mixed use area with visual, pedestrian, vehicular and land use connections. Over the past several years, Downtown North has identified itself as a special place with a unique character, and local business owners and residents have embraced the idea that this area can be a thriving local community once again. Local developers have purchased several properties in the Downtown North redevelopment area and have transformed them from vacant or under-utilized structures into new retail establishments including craft brew and eateries, a bakery, a food co-op, plus an eclectic mix of retail shops. Our subject property is in the middle of this mix and its redevelopment will greatly enhance the ongoing revitalization of the neighborhood.

## ii. Proposed Cleanup Plan

The purpose of cleaning up the former Sanitary Laundry property is to encourage private investment in a property that is centrally located in the Downtown North Redevelopment Area. The City has followed the steps laid out in the redevelopment plan for the neighborhood, one of which was to perform Phase I and Phase II ESAs on the subject property. This was done with the help of an EPA Community-wide Brownfields Assessment grant that enabled the City to perform multiple Phase I and II ESAs in Downtown North. Subsequent to the assessments, it was determined that the former Sanitary Laundry property would be an excellent candidate for cleanup and redevelopment.

Cleanup planning includes two important documents - an Analysis of Brownfields Cleanup Alternatives (ABCA) that outlines alternative methods under consideration, and a Brownfields Voluntary Agreement (BVA). The TDEC Division of Remediation (DOR) has been involved with the subject site for many years. In support of Knoxville's redevelopment efforts, and to ensure that site redevelopment is performed in accordance with applicable regulations, TDEC prepared a BVA which will be made a condition of sale of the property. The BVA lists the conditions under which the site can be developed such that it protects public health and safety, and the environment. These conditions include a DOR-approved Soil Management Plan (SMP) for characterization, handling and disposal of excavated materials as well as future management and maintenance of any covers and caps; the installation of a vapor mitigation system plus its continued care, operation and maintenance; and a Health and Safety Plan to ensure that all remediation activities are performed with strict adherence to the health and safety of the public and the environment. In addition, the BVA requires that any land use restrictions for safe future use of the property will be filed in accordance with state statute. The BVA is included as an Appendix to the ABCA.

The ABCA provides an evaluation of cleanup alternatives for the former Sanitary Laundry site. The City and TDEC DOR assume that the site will be redeveloped for retail, commercial or residential purposes because this has been the pattern of infill redevelopment that is happening in the target area, and fits with the Downtown North vision for an integrated mixed-use area that bring community character back to this historic neighborhood. While there is not yet a specific site redevelopment plan, some general assumptions were made to complete the ABCA. Three alternatives were considered: (1) No action, (2) Redevelopment using existing foundations, and (3) Removal of some or all of the existing foundations, followed by construction of a new structure. The "no action" alternative is not considered viable because the subject

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

property is currently in a state of disrepair and negatively impacts surrounding property values. Moreover, its condition presents a threat to public health and safety and the environment.

The second alternative - redevelopment using existing foundations - would be a viable option if the proposed use for the property would support this approach. Some demolition and removal of debris would be required, but this approach would limit subsurface disturbance to utility trenches or other limited areas where excavation would be needed to support redevelopment design. Soil removed from these areas would be screened for impacts, and based on the findings, handled in accordance with local, state and federal regulations. Any proposed site redevelopment must address the potential for subsurface vapors to migrate to ambient air thru the existing concrete slab, so site design would include a soil vapor mitigation system to protect future building occupants by breaking the exposure pathway for vapor migration. Two potential approaches for the soil vapor system include an impervious barrier, or a sub-slab depressurization system that creates a negative pressure beneath the slab and vents the vapors to the outdoor air. Additional evaluation of the existing structural integrity of the slab, and proposed site reuse, will assist in designing the appropriate vapor mitigation system. In addition to the SMP and vapor mitigation system design, this cleanup alternative would also warrant a land use restriction to document the vapor mitigation system details, establish that groundwater usage from the subject site is prohibited, and document the protocol for monitoring and maintenance of the vapor mitigation system.

The third alternative considered is the removal of some or all of the existing foundations. Depending on the final redevelopment plan and the results of a structural evaluation, demolition followed by new construction is a possibility. Assuming that some impacted soils and/or groundwater could potentially remain beneath the building following the removal of existing foundations, this cleanup alternative would also require a vapor mitigation system, an SMP, and filing of land use restrictions for the site. Should this alternative be selected, excavated foundations and impacted sub-slab materials would be characterized and handled in accordance with local, state and federal regulations, and in accordance with the SMP. Material classified as special waste would be disposed of in a Subtitle D Landfill and, if encountered, hazardous waste would be taken to a permitted hazardous waste disposal facility, with appropriate documentation for the transportation and disposal. The ABCA, included as an Attachment to this grant proposal, discusses anticipated costs for each of the two action alternatives.

## **b. Task Descriptions and Budget Table**

### Task Descriptions

Community Outreach (\$5,300) - 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 (*8 @ \$250/newsletter = \$2,000*). 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 (\$3,000) - 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 cleanup and closeout reports and ACRES database reporting

## DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

(\$1,000). 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)

Remedial Planning and Design (\$25,000) – This task includes the outputs of finalizing the ABCA (\$1,000), coordinating with TDEC to finalize the Land Use Restrictions, Soil Management and Health & Safety Plans (\$3,000), inventory of the current building contents to determine if drums, containers or other materials need to be properly characterized and disposed of (\$6,000), and vapor mitigation system design (\$15,000)

Cleanup Activities (\$206,700) – This task includes anticipated contractor costs for removal and disposal of contaminated materials, lead based paint and asbestos, and installation of engineering controls such as caps and barriers. For preliminary budgeting purposes, application of a commercially available impervious barrier costs approximately \$7/sq. ft. (excluding engineering design and monitoring) so for the approximately 15,000 sq. ft. subject building, the cost would be approximately \$105,000. While we cannot provide a cost for handling and disposal of excavated material until we know the extent of cleanup required for the future selected cleanup alternative, we can estimate fees for excavation, transportation and disposal of special waste to a Subtitle D Landfill at approximately \$75/ton, and material classified as hazardous waste to a permitted facility at approximately \$350/ton (estimate \$26,700). Also, a preliminary estimated budget in excess of \$100,000 for the lead-based paint and asbestos removal has been obtained. The City has committed to using their matching funds for this task, to limit the expenditure of EPA funds for asbestos removal (federal grant funds \$25,000 – city matching funds \$40,000) but recognizes that additional City cleanup funds may be needed to complete the asbestos removal. This task also includes a final cleanup/project report and regulatory coordination regarding technical aspects of the project with TDEC and EPA throughout the cleanup effort (Final Report and Regulatory Coordination \$10,000).

### Budget Table

Budget for former Sanitary Laundry 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	\$5,000	\$1,000	\$25,000	\$166,700	\$197,700
Other					
<b>Total Federal Funding</b>	<b>\$5,300</b>	<b>\$3,000</b>	<b>\$25,000</b>	<b>\$166,700</b>	<b>\$200,000</b>
Cost Share				\$40,000	\$40,000
<b>Total Budget</b>	<b>\$5,300</b>	<b>\$3,000</b>	<b>\$25,000</b>	<b>\$206,700</b>	<b>\$240,000</b>

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

## **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 a \$400,000 EPA Brownfields Assessment Grant to assess Downtown North properties and this funding, along with local funds being used for public infrastructure improvements, has led to investment from private developers into multiple property improvements in our target area. Of the six Phase II ESAs funded by the grant which closed out in 2014, one property (Historic Knoxville High School) is being redeveloped into 100 senior living apartments using public/private funding, one has been purchased by a local businessman for future mixed-use development, and four are being marketed for redevelopment, including our subject property. Private sector interest is strong and the City wants to capitalize on that interest and draw on available funding resources to spur redevelopment. Sanitary Laundry and Dry Cleaning will require some level of remediation before it can be redeveloped. The City issued a Request for Proposals to redevelop the property but the proposal submitted required a level of funding incentives that the City could not manage. One of the impediments to redevelopment is the condition of the structure's roof which needs to be replaced at an estimated cost of \$800,000. If environmental cleanup of the site goes forward, developer interest will be renewed, and the City is prepared to invest \$400,000 of Capital Improvement Program funds, which will in turn leverage a matching \$400,000 from the Industrial Development Board to invest in a new roof. With local developers having already purchased adjacent properties, the location of the Sanitary Laundry site, with a new roof and environmental cleanup, makes it prime for private investment and redevelopment.

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

- North Central Street Transportation Improvement (Central St. intersects with Broadway) – \$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
- I-275 Business Park Access Improvements (I-275 borders our Downtown North redevelopment area) - \$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 (adjacent to our Downtown North redevelopment area) \$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, 30 of which are in Downtown North)

## **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. Because of the industrial history and present industrial operations in Downtown North, residents and business owners understand that adverse environmental issues have a detrimental effect on

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

not only their individual health, but also on the economic health of the neighborhoods. They expressed their concerns in meetings and the City responded. The City took on the challenge of assessing the area's brownfield properties and, with the aid of EPA Brownfields grant funding, performed multiple ESAs. Throughout the assessment project, the City held quarterly 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. The City engaged a minority firm to produce a quarterly newsletter providing details about the assessment activities which 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 have been included in all correspondence related to the assessment projects. The former Sanitary Laundry site was placed on the State Superfund List in 1994. TDEC initiated emergency removal actions in 1994 to address underground storage tanks and two barrels of dry-cleaning fluid, and again in 1999 to remove numerous 55-gallon drums of dry cleaning fluids and oil. TDEC has worked with the City in preparing Brownfields Voluntary Agreements for properties identified and targeted for redevelopment. The former Sanitary Laundry facility is one such property and TDEC and the City have agreed that the BVA is to be made a condition of sale of the property. The terms of the BVA basically dictate that any proposed redevelopment activity, i.e. cleanup tasks and future site use, must adhere to strict standards set by the regulatory agency that protect public safety, health and the environment.

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

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

## 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. Working in conjunction with the Metropolitan Planning Commission, KCDC produced the Downtown North/I-275 Corridor Redevelopment and Urban Renewal Plan to address critical issues affecting Downtown North including: economic development, particularly on older, often vacant, industrial properties; conservation of historic resources, especially historic properties in the Downtown North neighborhoods; improving multi-modal transportation including a new access road along I-275, plus 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 Downtown North Redevelopment 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 in Downtown North - 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 development and because the Downtown North area is in a major industrial corridor, TDC actively promotes job creation opportunities for the area and partners with the City and Chamber of Commerce to market industrial properties. 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 Sanitary Laundry 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

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

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 to develop a Broadway Corridor Enhancement Plan to consider ways to improve the corridor for businesses as well as adjacent neighborhoods in Downtown North. The Task Force is comprised of representatives from the North Knoxville Business and Professional Association as well as the six major neighborhoods bordering Broadway. 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.

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 operated as a laundry and dry cleaning facility for 67 years. The Phase II ESA identified soil and groundwater contaminated with dry cleaning compounds, solvents and petroleum products. Miscellaneous debris and small containers of oil, paint and solvents remain in the abandoned building. Concentrations of VOCs exceed residential and industrial regional screening levels as determined by ambient air sampling. Asbestos and lead-based paint are present in multiple rooms. These contaminants plus the evidence of previous habitation 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. Debris and detritus will be removed from the site, a new roof will replace the current unsafe structure and the property will be secured to prevent unauthorized trespass. The terms and conditions, along with Land Use Restrictions set by TDEC in the Brownfields Voluntary Agreement, will ensure that future use of the site will not pose a danger to public health, safety, and the environment. Cleanup of the property will renew interest from private developers who have already shown interest in development options especially since

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

several adjacent properties have been redeveloped into successful commercial enterprises. Site cleanup and redevelopment will offer employment opportunities if the end use is for retail or commercial, and the opportunity for residents to walk to the new facility, encouraging exercise to promote a healthier lifestyle.

## ii. Environmental Benefits

The vapor barrier proposed in the ABCA will prevent vapor intrusion from migrating into any future structure or adaptive reuse of the current structure, and monitoring and maintenance of the vapor system will continue after its installation. Surface runoff from our property most likely contains pollutants such as soil, chemicals and oil which enters storm drains and ultimately ends up in rivers and streams and can contaminate drinking water. While surface runoff will still occur, cleaning up the site will reduce the amount of pollutants entering the storm drains. 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 will remove this threat from the environment. Site cleanup will lead to redevelopment and most likely offer employment and dining or 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

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 North has full access to all public utilities and wherever possible, these existing utilities will serve new facilities. As derelict buildings are demolished, the practice will be to recycle demolition materials whenever possible -- as has been done on other brownfield demolition sites where useable materials have been recovered rather than transported to a demolition landfill. The preferred cleanup alternative calls for the existing structure of our target property to remain intact, but should demolition be necessary for redevelopment, demolition materials will be reused or recycled whenever possible as advocated in City policy.

### 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 renovation of Downtown North into an integrated mixed use area with visual, pedestrian, vehicular and land use connections working together. Connecting currently disconnected streets and enabling pedestrian,

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

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 half 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 Sanitary Laundry facility 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 Downtown North is a mixed-use community including light manufacturing, 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 136 acres of developable brownfield properties in Downtown North, could lead to as many as 1,000 new opportunities for employment for local citizens. 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

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

means disposable income to spend in retail establishments and restaurants in the neighborhood. It leads to neighborhood stability which is desperately needed in the Downtown North 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 in our target area and therefore well positioned to provide training to the underserved citizens of the Downtown North neighborhoods.

## 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 \$165M 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 Sanitary Laundry 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 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.

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

## 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. 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

## DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

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 Sanitary Laundry and Dry Cleaning 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 neighborhood will be restored. None of this will happen overnight, but it will happen -- by focusing on our Downtown North Brownfields Redevelopment Plan, one property at a time.

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

## 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

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

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

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

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.

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

## 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

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

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.

# DRAFT FOR REVIEW AND COMMENT

Comments must be received by 12/11/15

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