

COUNCIL - MANAGER GOVERNMENT

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October 10, 2007

Environmental Management Support, Inc.
Attn: Mr. Don West
8601 Georgia Avenue, Suite 500
Silver Spring, MD 20910

Re: Application/Proposal
\$200,000 USEPA Hazardous Substances Assessment Grant
Allegan, Otsego and Plainwell, Michigan

Dear Mr. West:

The City of Allegan is submitting the enclosed application for a Community-Wide Hazardous Substance Assessment Grant in the amount of \$200,000. The City of Allegan will be the recipient and administrator of this Assessment Grant on behalf of a Coalition composed of the Cities of Allegan, Otsego and Plainwell, Michigan. The three communities of the Coalition share common characteristics and needs: small communities each with less than 5,000 residents; locations within 15 driving minutes of each other along the Kalamazoo River; impacted by losses of large, dominant manufacturing facilities and supporting industrial and commercial businesses, leaving numerous large and small brownfields, especially along the river; negatively impacted by the Kalamazoo River Superfund Site; struggling to regain economic vitality and jobs; and downsized city governments and budgets, preventing each individually from addressing brownfields in the communities.

The communities' small size in relation to their large brownfield sites mean that the entire communities have been impacted by the health threats posed by the contaminated facilities, jobs lost and economic dislocation caused by closure of the plants, health and safety threats posed by large abandoned buildings, and community redevelopment barriers caused by the presence of dominant, hulking eyesores much more so than larger communities. The Coalition communities determined that with their shared experiences and challenges, their only hope was to band together to share resources, knowledge, and experience in mutual support. The timing of this effort is important because the ongoing cleanup of the Kalamazoo River Superfund Site, and associated "good press" and image improvement, offers a window of opportunity to focus attention on the Coalition communities, address brownfields environmental issues to further protect and enhance the river as an attractive natural feature, recover and restore riverside greenspaces, trails and access for citizens, and attract new residents and economic development. Obtaining an Assessment Grant to fund critical initial environmental assessment activities needed to support redevelopment of the Coalition's brownfields is a critical first step.

The following applicant information was requested as part of the Grant Application:

1. **Applicant Identification:** City of Allegan, 112 Locust St., Allegan, MI 49019, (269) 673-5511.
DUNS Number: 051-824-944
2. **Funding Requested:**
 - a. Grant type: Assessment
 - b. Amount: \$200,000
 - c. Contamination: Hazardous Substance
 - d. Community-wide
3. **Location:** *Cities of Allegan, Otsego and Plainwell, Allegan County, MI*
The Mayor of the City of Allegan is Mr. Rick Day, who may be contacted at 112 Locust St., Allegan, MI 49019, Ph. (269) 673-5511, Fax (269) 673-673-2869.
The Mayor of the City of Otsego is Mr. Joel M. Thompson, who may be contacted at 117 E. Orleans St., Otsego, MI 49078, Ph. (269) 693-3391, Fax (269) 692-2643.
The Mayor of the City of Plainwell is Mr. Richard Brooks, who may be contacted at 141 N. Main St., Plainwell, MI 49080, Ph. (269) 685-6821, Fax (269) 685-7282.
4. **Contacts:** The project contact person and head of the Coalition responsible for this proposal is Mr. Rob Hillard, Allegan City Manager, 112 Locust St., Allegan, MI 49019, Ph. (269) 686-1113, Fax (269) 673-2869, rhillard@cityofallegan.org.
5. **Date Submitted:** October 12, 2007
6. **Project Period:** three years
7. **Population:** Allegan: 4,838; Otsego: 3,933; Plainwell: 3,933 (2000 U.S. Census)
8. **Other:** None applicable
9. **Cooperative Partners:**
City of Otsego - Mr. Thad Beard, Otsego City Manager, (269) 694-6146
City of Plainwell - Mr. Erik Wilson, Plainwell City Manager, (269) 685-6821

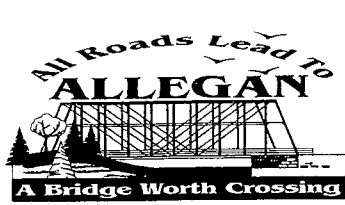
The Coalition is eager to continue and expand on our current Brownfield's redevelopment programs described in our application/proposal. The requested Hazardous Substance Assessment Grant will catalyze a much needed program that will help carry out goals for our City's Master Plans – protect/improve the restored Kalamazoo River ecosystem, preserve/expand existing natural and open spaces, promote resource conservation and economic benefits through sustainable development of a vibrant, equitable community and healthy economy, and limit the creation of additional brownfield sites.

Very truly yours,



Mr. Rob Hillard
City Manager
City of Allegan, Michigan

Distribution: Ms. Deborah Orr, EPA Region 5 (1 pc)



NARRATIVE PROPOSAL AND PROJECT DESCRIPTION

FY2008 HAZARDOUS SUBSTANCES ASSESSMENT GRANT

THRESHOLD CRITERIA FOR ASSESSMENT GRANTS

- A. Applicant Eligibility
 The Cities of Allegan, Otsego, and Plainwell, Michigan have formed a coalition (the Coalition) to apply for this Hazardous Substances Assessment Grant. Each is a General Purpose Unit of Local Government in the State of Michigan. The City of Allegan will serve as lead community for the grant.
- B. Letter from State Environmental Authority
 The Michigan Department of Environmental Quality (MDEQ) has prepared a letter of acknowledgement regarding the Coalition’s intention to apply for a \$200,000 Community-Wide Hazardous Substance Brownfields Assessment Grant. A copy of the MDEQ letter is included in Attachment A.
- C. Site Eligibility and Property Ownership Eligibility
 The Coalition is requesting a Community-Wide Brownfields Assessment Grant; therefore, site eligibility and property ownership eligibility criteria are not applicable.

Budget Categories	Project Tasks					
	Task 1 County Programmatic Costs	Task 2 Community Outreach	Task 3 Site Inventory	Task 4 Site Assessment	Task 5 Cleanup Planning	Total Grant Budget
Personnel	\$3,000	\$3,200	\$1,000			\$7,200
Travel	\$3,000					\$3,000
Supplies	\$3,000	\$500				\$3,500
Contractual		\$1,000	\$3,000	\$173,000	\$7,600	\$184,600
Other (Legal)				\$1,700		\$1,700
Total Grant Budget	\$9,000	\$4,700	\$4,000	\$174,700	\$7,600	\$200,000

RANKING CRITERIA FOR ASSESSMENT GRANTS

A. Assessment Grant Proposal Budget

Task 1: Programmatic Costs

Programmatic Costs include Coalition personnel costs associated with planning, coordinating, and conducting operational meetings and other programmatic activities (\$3,000); and travel expenses associated with three annual U.S. EPA Brownfields Conferences (\$3,000). The Coalition intends to use their existing Geographic Information System (GIS) capabilities to manage data from their brownfields program. To effectively support Assessment Grant brownfield activities, the Coalition will require one large format plotter/printer. The Coalition will not use Assessment Grant funds to support costs associated with administrative functions, such as salaries and benefits.

Task 2: Community Outreach

The Community Outreach estimate includes personnel costs associated with community coordination and outreach meetings (\$3,200); contractual costs for advertising (\$1,000); and supplies associated with preparing, printing, and mailing community notices (\$500). The Coalition will encourage community participation and provide opportunities for public interaction in the brownfields program. During



cleanup planning, the Coalition will solicit feedback on community concerns, needs desires, and coordinate with the local health department to educate residents on the nature of the identified contamination and remedial activities that will occur. In general, community outreach and involvement activities will include the following: prepare and distribute public notices and informational materials; conduct brownfield presentations; solicit community input regarding sites of concern; process, evaluate, and incorporate public feedback into the site selection process; provide the community with information regarding redevelopment and cleanup planning; and communicate public health concerns associated with brownfield sites to affected residents. To ensure the public remains informed and involved, the Coalition will also provide in-kind staff resources (\$3,000--\$4,000) to conduct environmental outreach meetings, draft press releases, and update their Cities' websites as new information is generated.

Task 3: Site Inventory and Selection

The Coalition researched and compiled inventories of known sites of environmental contamination within their boundaries when they formed their Brownfield Redevelopment Authorities (BRAs) in the late 1990s. The Coalition will use Assessment Grant funding to enter existing inventory data into the GIS database and compile and enter additional information collected during the grant term. Preliminary site data will be documented on forms designed to facilitate an efficient transition into the GIS database (personnel costs of \$1,000). The Coalition will develop prioritization criteria, and brownfield sites will be nominated for Phase I & II Environmental Site Assessments (ESAs). Eligibility determinations will be made based on the prioritization criteria. The Coalition will retain an environmental consultant to assist with these activities (\$3,000).

Task 4: Site Assessment

The site assessments will comply with the requirements of All Appropriate Inquiry, applicable American Society for Testing and Materials (ASTM 1527-05) standards and practices, and requirements of the Michigan Voluntary Cleanup Program (VCP) (Part 201 of the Michigan Natural Resources and Environmental Protection Act of 1994, PA 451, as amended). The site assessments will assist in evaluating environmental liability issues associated with the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Michigan VCP; identify community health risks; and provide the framework for cleanup planning. The Coalition will communicate the results of the site assessments to the community via public meetings, website, public notices, and the county health department, if needed. The Coalition will retain a qualified environmental consultant to conduct the environmental assessment tasks (\$173,000). This cost is based on conducting approximately 11 Phase I ESAs at an average cost of \$3,000 each; six Phase II ESAs at an average cost of \$20,000 each; and preparing five Michigan VCP liability protection reports (i.e., Baseline Environmental Assessments) at an average cost of \$4,000 each. The Coalition also anticipates the need for legal services to assist in preparing and negotiating site access agreements (\$1,700).

Task 5: Cleanup Planning

The Coalition will conduct cleanup planning for sites with good potential for redevelopment, or to facilitate proposed projects. The cleanup planning activities may include the following: 1) prepare Brownfield Plans and Work Plans to facilitate tax increment financing (TIF) under the Michigan Brownfield Redevelopment Act (Act 381 of 1996, as amended); 2) evaluate, design, and document environmental response and engineering/institutional controls (Remedial Action Plans for site closure and Due Care Plans for future site use) needed to protect public health, as required by CERCLA and the Michigan VCP; and 3) assess brownfields cleanup alternatives consistent with redevelopment plans.

B. Community Need

B.1. The Coalition is located in southwestern Michigan in the southeast corner of Allegan County along the Kalamazoo River, one of the largest rivers in southwest Michigan. The area is generally rural and agricultural, occupied by small cities and villages. The nearest large population centers are Kalamazoo (15 miles south) and Grand Rapids (35 miles north). Sediments in the Kalamazoo River are contaminated with polychlorinated biphenyls (PCBs), and the river is a designated Superfund Site (listed in August 1990). Remediation of PCB-impacted sediment is currently underway, funded and directed by the EPA and Michigan Department of Environmental Quality (MDEQ). These issues have negatively impacted the image and recreational activities upon which the Coalition communities depend. The three Cities in the Coalition have common characteristics and needs. The Cities, located within 15 driving minutes of each other along the Kalamazoo River, each have less than 5,000 residents (2000 Census) and have been impacted by losses of large, dominant manufacturing facilities and supporting industrial and commercial businesses. These losses have resulted in numerous large and small



brownfields sites, concentrated along the river, that are negatively impacted by the Kalamazoo River Superfund Site. The Cities are struggling to regain economic vitality and jobs, but downsized City governments and budgets have prevented each individually from addressing brownfields.

The Cities of the Coalition were incorporated as Villages in the early 1800s and as Cities in the early 1900s. The Cities of the Coalition are small in population (< 5,000 each) and range in size from about 2.1 square-miles for Otsego and Plainwell to about 4.3 square-miles for Allegan. Because of their small size, health threats related to environmental contamination at brownfields and in the Kalamazoo River have the potential to impact the entire community. The Coalition was home to many heavy industry and large factory sites along the Kalamazoo River including: L. Perrigo Company (pharmaceuticals - founded in Allegan in 1887), automotive parts manufacturing (currently Rockwell International site - began in Allegan in 1914), Michigan Paper Company (currently Plainwell Paper Mill site - began in Plainwell in 1886), and Rock-Tenn Paper Company (paper mill - began in Otsego in 1906). These manufacturing operations have been abandoned (automotive parts manufacturing in Allegan in 1988 and the closing of paper mills in Otsego 2004, and in Plainwell in 2000), and the sites are now dominant brownfields. Scores of smaller industrial and commercial operations in the communities also have been shuttered in response to the closing of these large factories and the general decline in manufacturing and economic conditions in Michigan arising from automotive industry struggles and the relocation of manufacturing operations to countries with lower labor costs. The brownfields in the Coalition communities, especially the large industrial sites, are largely abandoned, derelict, and uncontrolled, posing threats to the community and environment through the presence of unsafe buildings (including asbestos and lead-based paints), chemical contamination, and increased criminal activity.

Allegan lost over \$2,000,000 in tax base and approximately 800 jobs due to the closing of the Rockwell International site in 1988. Plainwell lost \$9,500,000 of the tax base and approximately 500 jobs due to the closing of their paper mill in 2000. Otsego lost \$8,500,000 of its tax base and approximately 250 jobs due to the closing of their paper mill in 2004. Approximately 20% to 30% of the Coalition's population (Coalition supplied data) was directly affected by the jobs lost due to closing of the plants and other businesses. The current unemployment rates (City-Data.com, 2007) in the communities are consistent with the State of Michigan (7.4%): Allegan (9.7%), Otsego (7.1%) and Plainwell (6.2%), but well above the national rate 4.8% (Epdunk.com, 2007). The large loss of employment opportunities in the Coalition Cities resulted in increased work commutes to the larger metropolitan areas of Kalamazoo and Grand Rapids. This has added strain to families who now have to pay additional costs to commute and have less time to spend together, and has created more greenhouse gas emissions and a larger carbon footprint for the communities and region.

The economic impacts of the industrial decline and presence of the Kalamazoo River Superfund Site have been significant. The 1999 median household incomes (U.S. Census 2000) were \$37,525 in Otsego, \$39,539 in Allegan, and \$39,590 in Plainwell, significantly less than the Michigan median household income of \$44,667. Many families and individuals live below the poverty level, most notably Allegan with 10.8% of families and 13.5% of individuals, compared to 7.4% and 10.5% in the State of Michigan, respectively (U.S. Census 2000). A significant percentage of households reported a 2000 annual income of less than \$10,000 (U.S. Census 2000): Allegan 9.4%, Otsego 7.4% and Plainwell 9.4%. In addition, approximately 30% to 36% of the population rents housing units, compared to 26.3% in the State of Michigan. Low income populations often suffer negative health effects of lower nutrition, making them sensitive to environmental health challenges.

According to the 2000 U.S. Census data, the total population of Allegan was 4,838, Otsego was 3,933, and Plainwell was 3,933. Caucasians represented between 91.4% to 97.1% of the total populations. Total minority populations within the Cities included African Americans, Native American, Asian, and Hispanic at 8.6% (less than 3% of which are non-English speaking) in Allegan, 2.9% in Otsego, and 3.2% in Plainwell. Elderly populations residing within the Coalition Cities also represent sensitive populations: 14.3% in Otsego, 17.4% in Allegan, and 17.8% in Plainwell. Again, because of the small size of the communities, all low income minority populations, the elderly, and children are susceptible to impact from contamination on, and other effects of, the brownfields in the communities.

The relationship between the communities and the former large industrial plants has been complicated. While serving as their economic backbone, employing hundreds of their residents for many years and supporting the local governments with large tax revenues, they also were the sources of much of the pollution now fouling the Kalamazoo River and negatively impacting the communities. The departing corporations left large brownfield sites, polluted natural resources (Kalamazoo River), struggling economies and decimated tax bases, and more importantly, ongoing safety, environmental, and health



threats. Ironically, the loss of tax revenues has meant the downsized Coalition community governments do not have the staff or financial resources to stimulate redevelopment of the brownfields, which is needed to protect public health and reinvigorate the local economies, which in turn will provide needed tax revenue to restore community services and further promote economic recovery and redevelopment of remaining brownfields. The Coalition communities determined that with their shared experiences and challenges, their only hope was to band together to share resources, knowledge, and experience in mutual support. The timing of this effort is important because the ongoing cleanup of the Kalamazoo River, and associated “good press” and image improvement, offers a window of opportunity to focus attention on the Coalition communities, address brownfields environmental issues to further protect and enhance the river as an attractive natural feature, create riverside greenspaces and access for citizens, and attract new residents and economic development. Obtaining an Assessment Grant to support critical initial environmental assessment activities needed to support redevelopment of the Coalition’s brownfields is an essential step.

The Coalition communities have laid the foundation of their brownfields program by developing an initial inventory of brownfield sites in the community and establishing a BRA to facilitate tax increment financing of environmental response costs needed to prepare brownfields for redevelopment. The communities pooled their knowledge and experience into a brownfields Coalition for mutual aid and support to seek an EPA Assessment Grant to support additional brownfields redevelopment programs that will strengthen their “brownfields infrastructure,” improve the collective brownfield inventory, and proactively assess selected sites to help protect the community, raise developer awareness and interest, and encourage/support redevelopment.

B.2. The Assessment Grant will allow the Coalition to begin the process of characterizing brownfields and stimulating their redevelopment to take advantage of the momentum created by the Kalamazoo River and Rockwell International cleanup. Grant funds will allow assessments of the portions of the large, abandoned factory sites along the Kalamazoo River that are not part of the Superfund actions. Brownfield assessments at these sites will create the following benefits: identify threats to human health and the environment to prioritize responses and controls to protect citizens and the restored river; provide needed environmental site characterization data to attract developers and support redevelopment designs; and evaluate riverside portions of the properties for preservation of greenspace and creation of trails, paths, and parks. Grant funds also will be used to identify and assess abandoned and underutilized smaller industrial sites and former commercial operations, such as dry cleaners, printers, and paint companies that used hazardous substances in the urban core areas. Pre-acquisition assessment of the smaller light industrial/commercial parcels will support both redevelopment/reuse of individual properties and the amalgamation of smaller parcels to create larger, more attractive parcels suitable for future redevelopment.

The major benefits of an Assessment Grant awarded to the Coalition include:

- Ability to conduct environmental assessments (historical research and sampling) to entice developers to redevelop the former mills in Otsego and Plainwell with residential homes and condominiums, and parks and trailways.
- Ability to initiate efforts through environmental assessments along the Kalamazoo River, to support reclamation and restoration of the Kalamazoo River (in conjunction with EPA and MDEQ remedial efforts) and to expand/create greenspace and trails. The development and implementation of Recreation Plans will, in turn, enable the Cities to compete for additional state and federal recreation grants. For example, the City of Plainwell plans to restore the river bank zone, add greenspace, and extend their existing Kalamazoo River board walk trail as an integral part of the Plainwell Paper Mill redevelopment. Otsego and Allegan also plan to create/extend riverside trail systems as part of the redevelopment of brownfields along the Kalamazoo River.
- Support for major elements of the Coalition’s economic and community development priorities, which include the redevelopment of abandoned brownfields to attract high technology industry and research & development (R&D) industries.
- The reduction of environmental and ecological threats to the community. For example, sediments in the Kalamazoo River are contaminated with PCBs, and the river is a designated Superfund Site. These issues have negatively impacted the image and recreational activities upon which the Coalition communities depend.



- The elimination of eyesores, hazards, and economic decline due to the brownfields within the Cities, and the creation of new businesses and job opportunities for residents, thereby increasing the Coalition's tax base.
- Support for greenspace preservation or creation, by assessing environmentally impacted properties. For example, Plainwell is planning to include a community park system, river walk, and riparian greenspace in the redevelopment of a portion of the Plainwell Paper Mill site.

Successful brownfield redevelopments will enhance the local economies, create local jobs (reducing commutes), create new market rate and affordable housing stock, and increase tax revenues, which will help restore public support services (especially to the larger than average number of sensitive populations) and support additional brownfield redevelopments, continuing the benefits cycle. Furthermore, results from Assessment Grant assessments of the Coalition's brownfields will help leverage state brownfield redevelopment financing programs. Unlike the EPA Assessment Grant program, state programs, such as tax increment financing, grants, and loans, cannot be accessed until site owners/developers demonstrate them to be contaminated consistent with the state VCP definitions. Because of the Coalition communities' financial constraints, EPA assessment funds support the critical initial assessment step needed to access these other brownfields redevelopment financing sources. The award of an Assessment Grant to the Coalition will help support redevelopment of the communities' blighted and contaminated former industrial and commercial properties into mixed-use of residential and commercial developments and interconnected parks and trails, which would support the preservation of wooded areas and protection of floodplains and wetlands.

B.3. The Coalition has identified 25 brownfields known to be contaminated at levels sufficient for inclusion in Michigan VCP. By far, the largest brownfield sites are the Rockwell International manufacturing site (30 acres) in Allegan, the Rock-Tenn paper mill site (30 acres) in Otsego and the Plainwell Paper Mill site (36 acres) in Plainwell. Portions of the paper mills contributed to, and are included in, the Kalamazoo River Superfund site. The Coalition inventory contains an additional 40-50 brownfield sites, where assessment data is not available and contamination is probable or suspected. These include the following sites that are in or near Coalition downtown areas: former landfill encompassing six acres of riverfront property located along Jersey Street in Plainwell; former dry cleaner between the Kalamazoo River and Brady Street in Allegan; former mill race along the Kalamazoo River in Otsego; 40-acre mill district (former lumber mills and other industry) along the Kalamazoo River in Allegan; and numerous smaller, empty historic and modern buildings, many of which housed former dry cleaning, printing, and paint formulation establishments that used hazardous substances.

The economic, environmental, and community health and safety impacts of the Coalitions' brownfields began when the large factories and associated/dependent businesses closed. These impacts continue to this day and include the loss of over 1,500 jobs, lowered living standards and increased poverty, decreased tax base and revenues (loss of about 10% of each of the Cities' annual operating budget), decreased community government capabilities and services, and financial strain on families having longer commutes to lower paying jobs in other cities. The Coalition communities are now viewed as derelict industrial towns dominated by abandoned, crumbling manufacturing hulks, on the banks of a heavily polluted, restricted access river, which further adds to their decline and difficulties in revitalizing themselves. Their small size has made these impacts more profound and recovery more difficult.

Most of the Coalition's brownfields sites are suspected to be contaminated and pose threats to human health and/or the environment, but have not been fully characterized. Even the paper mills involved in the Kalamazoo Superfund sites have only been characterized with respect to PCB contamination impacting the Kalamazoo River. Major portions of the mill properties have not been characterized, but are available for redevelopment and conversion to river-side greenspace and trails. Probable contamination in soil and groundwater at these old, large, industrial sites includes solvents, metals, dioxins, and polycyclic aromatic hydrocarbons (PAHs), which likely pose threats to community health and the river, especially since the sites are currently uncontrolled. The Rockwell International site in Allegan is known to be contaminated with solvents, PCBs, pesticides, lead, chromium, other metals and PAHs. Contamination at smaller industrial and commercial brownfields and landfills is known/suspected to include painting and dry cleaning solvents, lead, chromium, other metals, cyanide, and PAHs in foundry sand, ash, municipal and industrial waste, soil, and groundwater.

Contamination at brownfield sites along the river and its tributaries in Coalition communities continue to pose threats to the river through off-site migration and storm water runoff. The communities have



prioritized these sites for assessment and redevelopment to both take advantage of the cleaned up river as an attractive resource and to protect it from further contamination. Uncontrolled brownfields contamination poses a threat to citizens in all three communities through on-site and off-site exposures. Most of the sites are not sufficiently secured to prevent public access, especially curious children and criminals, nor are they sufficiently characterized or controlled to preclude the potential for exposures from inhalation of volatilized contaminants, contaminated particulates, or contaminated groundwater. Because of the small sizes of the Coalition communities, the entire population is at risk. Each school, senior housing unit, low income neighborhood, church, and park is no more than approximately 300-500 yards from a large brownfield site. Furthermore, it is almost impossible for children, the elderly, and other sensitive citizens to go to schools, parks, medical facilities, living units, etc. without walking or driving past one or more of these sites. Since the environmental conditions on most of these sites have not been adequately assessed, community residents are generally unaware of the potential risks.

C. Site Selection Process

C.1. The Coalition plans to focus assessment and redevelopment of brownfields located along the Kalamazoo River and in the downtown areas of each community. Accordingly, the Assessment Grant site selection process will prioritize sites located in these areas. The Coalition will initiate the site selection process by creating a brownfields GIS database and verifying sites, and entering existing inventory and site information into the database. The database for each site will be expanded and updated as new information, such as historic use and site characterization data, property division and value information, potential use ideas, etc. become available. The second and third steps in the site selection process will be identification of priority sites, then prioritizing those sites for assessment using Assessment Grant funds. The Coalition will hold public meetings at the respective City Halls, libraries, or other public place to inform citizens about the brownfields program in general, and the Assessment Grant program specifically. Coalition representatives also will contact and offer to attend meetings of local business and citizens groups, such as neighborhood associations, Chambers of Commerce and other business groups, civic organizations (Rotary, etc.), parent-teacher organizations, etc. for the same purpose. The Cities of the Coalition will encourage their citizens to voice their concerns over real or perceived health threats associated with these brownfields and their priorities for which sites to assess and redevelop and the types of redevelopment to be encouraged.

Brownfields site data will be collected on information forms and entered into the Coalition's GIS database. The Coalition members will pool their collective knowledge and experience to develop site prioritization criteria for application of Assessment Grant funds. The following criteria, not necessarily in order of importance, will be the foundation of the site selection process: impact on the community as a whole, specific neighborhoods, sensitive populations, and environmental justice; potential human health and the environmental threats; site redevelopment potential; community input, value for parks, greenspace, or other public use; developer interest in the site, market value, availability and reliability of information from previous environmental investigations, title status, and site accessibility.

Each Coalition community will be allocated 33% of the site assessment budget. Each will then apply the prioritization criteria as appropriate for the community to select sites for assessment. Even after prioritization, assessment funds use may be reprioritized, based on community benefit, in response to confirmed or imminent commitment to redevelop another, lower priority or non-prioritized brownfield site. If a Coalition community has insufficient remaining allocated funds to complete an assessment of a priority site, it may request a voluntary reallocation from one or both of the other communities.

Sites selected for assessment will be evaluated according to EPA eligibility criteria to determine their eligibility status for funding. Eligibility determinations will be prepared and submitted to the EPA to verify eligibility of each site prior to expenditure of assessment funds.

C.2. The Cities of the Coalition previously initiated their brownfields program by developing an inventory of known or suspected brownfield sites within their boundaries and collecting minimal site information, primarily what was available from City records. Approximately 25 known and 40-50 suspected brownfield sites were identified. However, it has become obvious to the Coalition that the presence and impact of the numerous significant brownfields within the community are impeding its ability to identify and address community health and environmental protection issues; control site environmental issues through response and reuse; economically revitalize the community; and preserve/expand greenspace.

C.3. The use of Assessment Grant funds to assess privately owned sites will require either a site access agreement or acquisition of the property. Assessment of private property will likely occur under



one of the following four scenarios: 1) the owner and/or prospective purchaser requests financial assistance to support the due diligence and liability management components of a specific property transaction prior to redevelopment, wherein access is readily provided, or 2) the owner, prospective purchaser, or new, non-liable owner/developer requests assistance in characterizing the nature and extent of contamination to support cleanup and redevelopment, 3) the owner agrees, or can be convinced, to conduct the assessment to help prepare the property for redevelopment or sale, or 4) the current owner refuses to cooperate and provide access. In the first three scenarios, voluntary access will be provided, often through a formal access agreement.

In cases where a City prioritizes a particular property for assessment, even a recalcitrant owner often can be convinced to allow such a third party assessment on his/her property. Commonly, these owners feel that the absence of information about environmental conditions is in their best interest. However, because CERCLA and Michigan environmental law allow a new owner to acquire and redevelop contaminated property without liability for the existing contamination, owners of impacted property can often be convinced that it is in their best economic interest to characterize a brownfield to facilitate transfer to a new owner. In cases where a City identifies the assessment and redevelopment of a brownfield as a priority, the City may seek to acquire the site. In these cases, the City may decide to acquire the site directly, have it acquired by its BRA or Downtown Development Authority (DDA), or establish a separate municipal non-profit corporation, as provided by Michigan law, to acquire and hold title to the property during the assessment and subsequent preparation and marketing for redevelopment.

D. Sustainable Reuse of Brownfields

Allegan, Otsego, and Plainwell are small rural communities with historic downtowns, located amidst large recreation-rich expanses of forested and agricultural land along the Kalamazoo River. The citizens of these communities have a long history of respecting and enjoying (through hiking, fishing, hunting, water sports, winter sports, etc.) the scenic natural spaces and features in their part of Michigan. They were deeply affected by the PCB contamination, and subsequent use restrictions, of the Kalamazoo River, "their river," and the eyesores and threats resulting from the abandonment of their industrial backbone. Each Coalition community will encourage redevelopment of their brownfields in a manner consistent with their respective Master and Recreation Plans and in ways that will protect or improve the Kalamazoo River ecosystem, preserve or expand existing natural and open spaces, promote resource conservation and economic benefits through sustainable development of a vibrant, equitable community and healthy economy, and limit the creation of additional brownfield sites.

D.1. Using the Assessment Grant to support redevelopment of brownfields will provide full economic and community benefits from the redevelopments while minimizing the community's infrastructure investment for those benefits. This approach also conserves energy and resources by avoiding the extension of new utilities, roads, etc. to undeveloped areas. A number of abandoned or underutilized buildings on the Coalition's brownfield sites, especially those in the downtown districts, are serviceable, and redevelopment with remodeling/rehabilitation will reduce energy and resource consumption associated with new construction. Since most of the targeted old industrial sites in the small communities are on the Kalamazoo River or near the downtown districts, current zoning and Master Plans generally will not support heavy industrial use. Instead, the Coalition communities are actively working to attract 21st century industry, such as biotechnology, R&D, and health care, to the area. These businesses are more sustainable and are far less likely to pollute than the heavy manufacturing industries they will replace; therefore, reuse of these sites will not pose a threat of future brownfields. New manufacturing industries in the Coalition communities generally will be directed to designated industrial parks where new or rehabilitated facilities, designed and operated in compliance with modern environmental regulatory requirements, are far less likely to result in environmental impacts.

Use of Assessment Grant funds to assess the Coalition's brownfields will provide data to help identify uncontrolled areas of surface contamination likely to impact storm water runoff flowing into the Kalamazoo River. Incorporating innovative storm water management techniques, such as rain gardens, bioswales, and constructed wetlands, into brownfield redevelopments to minimize runoff into the Kalamazoo River will be an important part of the Coalition's effort to protect the Kalamazoo River. In a case of leading by example, Plainwell plans to use part of the Plainwell Paper Mill site, a priority assessment site, for a municipal complex. Current development plans include incorporating rain gardens, bioswales, and natural plantings into the planned riparian restoration along the river to minimize storm water runoff and enhance the aesthetics of a planned river walk to be constructed on the former industrial site. Living roofs on some of the municipal buildings are also being considered. When public monies, such as Assessment Grant funds, are used to support private redevelopment of



brownfields, the Coalition communities have additional leverage to encourage/require incorporation of innovative storm water management techniques and other sustainable design approaches, such as demolition and construction materials recycling, use of low-volatile materials, energy efficiency, etc., through their site plan review and approval processes.

As stated above, the City of Plainwell is planning the redevelopment of a portion of the Plainwell Paper Mill site into a municipal complex that will house the administrative personnel with future planned residential and recreational surroundings, and will incorporate green building techniques and approaches. The City has encouraged adaptive reuse of as many buildings and as much infrastructure as possible through education campaigns for developers and through its site plan review and approval process. The City has also completed a Reuse Planning Report for the Plainwell Mill Property and has coordinated efforts with local residents and developers in obtaining ideas for redevelopment of the mill. This process was also used to encourage sustainable reuse, total storm water management, energy efficiency through the Leadership in Energy and Environmental Design (LEED) program, and recycling/reuse programs. Plainwell is mandating the granting of City easements for the future expansion of a river walk as part of the redevelopment of all brownfields along the Kalamazoo River. Plainwell is also currently working with the Michigan Department of Transportation (MDOT) on an M-89 road reconstruction project (planned by 2012) that will incorporate an innovative storm water management plan using greenspaces with natural plantings to protect the river.

Energy efficiency and use of alternative energy sources are priorities for the Coalition Cities' operations and future development. For example, the three Cities of the Coalition recently completed an "Introductory Energy Evaluation" in cooperation with the Energy Office of the Michigan Department of Labor & Economic Growth (MDLEG) for the existing City owned buildings (i.e., City Hall, wastewater treatment plant, public works, public safety) as well as the Plainwell Paper Mill site. The Coalition will use the results of the evaluation to look for ways to improve on and promote energy efficiency and sustainability principles. The Cities of Allegan and Plainwell are evaluating alternative energy sources within their communities. Each City has an existing dam that formerly supplied hydroelectric power to industries in the Cities. The two communities have initiated programs to restore the dams' generating capacity and have met with local contractors to evaluate the feasibility of restarting and integrating the use of hydroelectric power in future developments.

D.2. Brownfield redevelopment promoted by the use of Assessment Grant funds will result in significant economic benefits to the Coalition and its citizens. The redevelopment of vacant or underutilized brownfield sites and buildings will reduce the disproportionate impact on home values in the communities and stimulate a resulting increase in equity asset value. Redevelopment of abandoned industrial properties will also support the Coalition communities' efforts to revitalize their economies and increase employment opportunities by attracting new biotechnology, R&D, and health care companies, which are more sustainable and present far lower risks of environmental impact than the heavy industry they will replace. Redevelopment also will foster the creation of new support businesses. The net impact of the initial wave of brownfields redevelopment expected to be catalyzed and supported by the Assessment Grant will be increased tax bases in the communities, which will in turn allow them to invest in more brownfields and increase new business recruitment efforts. All of these efforts will be conducted more efficiently and economically with the communities working together as a Coalition.

The Coalition recognizes that replacing their derelict, dilapidated brownfields with modern, attractive, sustainable developments; greenspaces; enhanced natural amenities; and recreational opportunities will be key to creating communities that will attract the targeted businesses. This recognition is documented in the Coalition communities' Master Plans, which make conversion of these blighted industrial properties into mixes of residential, retail, commercial, high-technology and light industrial uses, combined with creation of interconnected parks and trails, preservation of wooded areas, and protection of floodplains and wetlands, a top priority. The establishment of restored riparian buffers as part of the redevelopment of brownfields along the Kalamazoo River is a high priority. Currently, the river banks in these old factories are industrial wastelands. Plainwell plans to add greenspace, and extend their existing Kalamazoo River board walk trail as an integral part of the Plainwell Paper Mill redevelopment. Otsego and Allegan also plan to create/extend riverside trail systems as part of the redevelopment of brownfields along the Kalamazoo River. Furthermore, Allegan intends to create a 10-acre park near the Rockwell International site along the Kalamazoo River. The park will include a non-paved railway system connecting with other railways targeting the natural beauty (preserve/restore wetlands, prairie grass and woodlands) along the Kalamazoo River. Assessment Grant funds will be used to conduct ESAs to support defining the nature and extent of contamination to support environmental liability



management (VCP and CERCLA) for the communities as they acquire the property or easements and identify health and environmental threats that need to be controlled during the conversion to greenspace.

D.3. The Assessment Grant will provide the Coalition with leverage to promote the use of conservation and sustainability principles throughout their brownfield redevelopment projects. As previously stated, due to the disproportionately small size of the communities compared with the large brownfield sites, the abandoned, unsafe sites are located no more than approximately 300-500 yards to age sensitive populations (City parks, schools, elderly). Therefore, by redevelopment of the brownfield sites, a huge improvement to the communities will be seen, such as reducing health and safety concerns, increasing tax bases, developing affordable housing, and creating greenspace and trailways. All of these benefits combine to create a smart growth program for the Cities of the Coalition. In 2003, the City of Allegan received a **Smart Growth in Brownfield Communities Grant** from the EPA to conduct an intensive, two-year, citizen-based planning process to incorporate smart growth into planning, revitalization, and/or redevelopment efforts within the community. The planning effort resulted in the development of a zoning ordinance to facilitate brownfield and infill development consistent with the City's vision of stimulating investment and creating a compact, mixed-use, and pedestrian-friendly community. In 2006, the City of Plainwell created the "Plainwell Paper Mill Committee" in an effort to identify site opportunities and challenges, and establish reuse guidelines for smart growth. The committee consists of community residents, elected officials, business owners, City of Plainwell staff, site owner representatives, and representatives from community organizations. Results and lessons learned from these activities are shared with the Coalition partners to help in their brownfields redevelopment efforts.

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

The communities hope to preserve valuable natural features, add sports and recreational opportunities, connect parks and greenspaces, improve community "walkability", and generally bring nature back into the communities. The Coalition has a total of 19 existing parks, totaling over 300 acres in size. However, the availability of, and access to, parks, trails, and greenspace along the Kalamazoo River, arguably the most significant natural asset in the three communities, has historically been hindered by the presence of large manufacturing facilities situated on the river and recently by a lack of funds to perform the environmental assessments needed to begin reversing the situation. Further, acquisition of the land or easements needed to accomplish these goals is currently hindered by the lack of funds in the Cities' budgets and state sources to conduct needed environmental assessments to support acquisition due diligence and identify and evaluate potential human health threats, especially where these trail extensions traverse or adjoin the Cities' brownfields. Correcting these deficiencies will be a top priority of the Coalition's brownfields redevelopment program, and Assessment Grant funds will fill the funding gap.

The City of Allegan is engaged in a project to expand the board walk along the Kalamazoo River that was initiated in as part of its' Riverwalk Park in the City. Allegan's goal is to create approximately 2.5 miles of boardwalk, and paved and non-paved trails within the City along the Kalamazoo River to connect each of the existing parks. The Cities of Plainwell and Otsego also have initiated linear riverwalk trails in their Cities. However, abandoned mill properties are located in the heart of the Cities and this Assessment Grant will assist Otsego and Plainwell in assessment of the former mill properties for the expansion of the linear riverwalk trail system through the mill sites, to subsequently connect to existing parks to the downtown areas. The City of Plainwell is planning to include a community park system, river walk, and riparian greenspace in the redevelopment of a portion of the Plainwell Paper Mill site. The City also is mandating that private developers of brownfields and other lands along the Kalamazoo River grant the City easements for future expansion of the river walk, intended to eventually traverse the entire community and connect to larger regional trail systems. The City of Otsego is currently evaluating re-use of a portion of the former Rock-Tenn site as a soccer complex for a community based, non-profit soccer organization. As part of its general site plan approval process, Otsego allows higher housing/occupancy densities (density bonuses) for developers that utilize/preserve green space within new developments.

Ongoing efforts are also in progress for communities adjacent to Coalition communities to obtain assistance (e.g., grants, donations) for identifying recreational opportunities (i.e., access, camping) and for helping with promoting the Kalamazoo River as a natural resource. The Kalamazoo River Tourism, Recreation and Environmental Committee was formed with members of various counties, townships and cities along the Kalamazoo River, and members of the Kalamazoo River Protection Agency and



Kalamazoo River Watershed Council to brainstorm ideas/goals for the stretch of river within the Allegan County communities.

This Assessment Grant is needed because independently the Cities of the Coalition do not possess or have access to the resources and funds to conduct environmental assessments of land to be acquired for their parks, trails, and greenspace projects. The Assessment Grant will provide funds to assess sites needed to create parks and greenspace and extend trails to connect existing parks, making the Kalamazoo River area accessible to residents and visitors while protecting the ecosystem. The Coalition communities have committed to encouraging/mandating the incorporation of greenspace into all brownfield redevelopments. The use of public funds (e.g. Assessment Grant) to support private redevelopment projects will provide leverage to insist, through the site planning and approval processes, that greenspace is preserved and/or land/easements are made available for community projects, such as trails and ecological restoration and preservation. The Coalition also will use the site planning and approval processes to ensure that redevelopment of brownfields improves, or does not inhibit, connectedness and public access to existing and crated parks, trails, and greenspaces, primarily through the granting of easements and construction of public walkways through new developments.

The Cities of the Coalition will be responsible for long-term maintenance of their respective greenspaces, and they will not permit the creation of additional greenspace that cannot be maintained or protected from potential environmental threats.

F. Pre-Award Community Notification

Allegan, Otsego, and Plainwell have created a Grant Coordination Committee to manage and coordinate grant-related activities, including Community Outreach and pre-award notifications. The Committee consists of the City Managers of each community, supported by staff from the communities.

F.1. The Coalition prepared a public notice describing this Assessment Grant application and the activities associated with using grant funds. The public notice was posted at each of the City Halls and on their websites and the grant acquisition effort was announced at Planning Commission and City Commission/Council meetings in each community. A draft of the Assessment Grant application was posted on each of the Cities' websites, and hard copies were made available upon request at their respective Planning Commission meetings. In the announcements, the Coalition requested written or verbal comments be addressed to the respective City Managers. The very small populations of non-English speaking populations in the Coalition communities, supported by the Coalition's experience showing no specific communication barriers during public meetings and other community involvement programs, demonstrate that announcements and documents in non-English languages are not needed.

Following notice of an Assessment Grant award by the EPA, the Coalition will announce the award to the communities through a press release to the local newspapers, notices on the Cities' websites, and public service announcements on local radio stations and the local access television station. The primary post-award community input program will be focused on preparation of the grant Work Plan and final budget. After a draft Work Plan and budget are prepared, it will be made available to the public and community organizations, and comments on the draft will be solicited. The document will be posted on the Cities' web sites, and hard copies will be made available at the City Hall of each community to ensure access for those without appropriate information technology availability, knowledge, or experience. The document availability and solicitation of comments will be announced as described for the grant award announcement and by notification of key community groups such as: the Chambers of Commerce to reach the downtown area businesses, local service organizations, parent organizations at local schools, local churches, and neighborhood watch groups. Representatives of the Coalition will be available to speak at meetings of these organizations. Public comments will be accepted verbally and in writing and will be publicly discussed during City Commission meetings. The draft Work Plan will be modified as appropriate in response to relevant comments, and all comments and respective responses will be summarized in the final Work Plan.

F.2. The Coalition chose the variety of notification media (web, local cable television, local news media, newspaper, direct contact) to provide communication to the greatest number of citizens and address all levels of education, literacy, and information access habits (electronic and hard copy, written and oral). This ensures the interested general public in the Coalition, and the organizations and communities likely to be impacted by the redevelopment plans are provided an opportunity to comment on the grant application and Work Plan. As stated above, the low numbers of non-English speaking citizens and community experiences demonstrate that outreach in other languages is unnecessary.



F.3. A comment period of approximately seven days was allotted for the grant application. While shorter than desired, the comment period was limited by the grant application deadline and the Coalition's ability to produce a draft application sooner. Post-award comment periods of at least 30 days will be used for solicitation of community input related to the Work Plan and any other activity involving formal public input. The Coalition will solicit public comment by reaching out to affected residents in each community. For example, the Cities will conduct public meetings, in coordination with community organizations, in the downtown business district, at the public library, and possibly at various City and public functions, such as during Island City Fest (Plainwell), Concerts in the Park (Plainwell), Allegan County Fairgrounds events (Allegan), Allegan and Otsego Farmers Markets, and arts and antique festivals (each City).

F.4. All pre-application and post-award public comments received will be reviewed and documented. Applicable and relevant comments will be incorporated into the Assessment Grant Application, Work Plan, etc. Written responses to all comments, whether incorporated into the applicable document or not, will be documented in the respective document. Final documents will be made available to the public on the Cities' website and at City Halls.

G. Ongoing Community Involvement

G.1. Ongoing community involvement efforts will include periodic dissemination of information about the Cities' brownfields program in general, and community involvement at each stage of assessment, cleanup, and redevelopment at each targeted brownfield site. Periodic dissemination of programmatic information will occur through public meetings of the respective City's BRAs and City Councils, where project progress will be reported and discussed in an open forum. Information also will be disseminated through each City's website, newsletters, direct notice to community organizations (written, telephone, emails, personal appearances, etc.), local newspaper, and other outreach programs. These notification procedures and outlets will be used for all outreach programs discussed in this section. The Cities in the Coalition's approaches to non-English language issues were described above.

At the beginning of the Assessment Grant program, the Coalition will continue its outreach efforts to residents and solicit input during the site inventory process from the following community organizations: parent/teacher organizations; the Allegan, Otsego, and Plainwell Area Chambers of Commerce; Plainwell Paper Mill Committee; the Kalamazoo River Watershed Council; the Kalamazoo River Protection Association; Allegan County Parts and Tourism; Southwest Michigan First; The Right Place, Inc.; Christian Neighbors, recreation boards; historical committees; Allegan Jaycees; and DDAs. Specifically, notices will be sent to each group and public meetings will be held to solicit information identifying brownfields in the community and soliciting historical use and environmental incident information about identified sites.

During subsequent phases of the program, the types of involvement will vary, although the same methods and groups discussed above (plus any other group representing the affected communities geographically proximate to targeted sites) will be involved. When sites are identified for assessment, the primary information flow will be outward to the community, notifying local stakeholders about assessment activities that will occur, providing results of the assessments, and explaining health and environmental impacts of findings. If potential health threats to the community are identified, the county health department will become a partner in community involvement and education (see Section H.2. below). When cleanup and/or redevelopment planning is initiated for a site, more intensive involvement activities, including explanations of plans and rationales and solicitation of comments and feedback on those plans, will be implemented. The intensive "information out, feedback in" process will continue throughout the cleanup and redevelopment decision-making process.

The Cities of Allegan, Otsego, and Plainwell have already coordinated community involvement efforts through the completion of land use plans. In 2006, Plainwell hosted a "developer's forum" during which three regional developers experienced with Superfund site redevelopment projects were invited to share their opinions and reactions about development opportunities along the Kalamazoo River and at the Plainwell Paper Mill site. The results of the forum were used to assist the City of Plainwell and its stakeholders in determining the best course of action for redevelopment of the mill and surrounding properties. In 2003, the City of Allegan received a **Smart Growth in Brownfield Communities Grant** from the EPA (see Section D.3 above). The planning effort resulted in the development of a zoning ordinance to facilitate brownfield and infill development consistent with the City's vision of stimulating investment and creating a compact, mixed-use, and pedestrian-friendly community. The lessons and



experience from these and other activities have been, and will continue to be, shared with all Coalition communities to improve community outreach capabilities and approaches.

G.2. As indicated by this application, the Cities of Allegan, Otsego and Plainwell have developed a Coalition to apply for and use federal funding for assessment and redevelopment of brownfields in their communities. Independently, the Cities of the Coalition do not have the resources and funds to assess the brownfield sites along the Kalamazoo River and within their communities. The receipt of this grant will act as a catalyst and will allow the Coalition to pool resources to offset weaknesses (e.g., struggling tax base, limited funds, and small community size in relation to large brownfield sites) to begin assessments needed to stimulate subsequent redevelopment for revitalizing local economies, creating job opportunities, and increasing tax bases.

The Coalition has existing partnerships with regional larger Cities, including: Kalamazoo, the MDEQ, Southwest Michigan Sustainable Business Forum, The Right Place, Inc., Southwest Michigan First, United States Department of Agriculture (USDA), Western Michigan University, Kalamazoo River Watershed Council, Kalamazoo River Protection Association, Allegan County, Green Built Michigan, and the EPA. The Coalition will continue working with economic development organizations, such as Southwest Michigan First and The Right Place, Inc., to identify highest and best uses of target brownfield sites and attract desired businesses and developers. During redevelopment of brownfield sites (municipal and private developments), the Coalition will consult with the Southwest Michigan Sustainable Business Forum and Green Built Michigan concerning the utilization of sustainable/green building approaches and techniques. The Coalition will request these groups educate and advise developers and the community during the site plan review process associated with redevelopments. During redevelopment activities, the Coalition will also work with the Michigan Department of Natural Resources (MDNR), Kalamazoo River Watershed Council, and Kalamazoo River Protection Association, to ensure that proposed redevelopments and use plans are protective of, and consistent with, the Kalamazoo River ecosystem.

The Coalition will also build on its existing partnership with the MDEQ to help ensure appropriate assessment and cleanup and development of brownfield sites. These programs will be conducted in compliance with the rules and guidance promulgated by the MDEQ pursuant to Michigan's VCP. Partnering with MDEQ district and headquarters staff will be important for acquisition of technical support, resolution of regulatory or procedural issues, and interpretation of rules and guidance documents when tax increment financing is used to reimburse costs of environmental activities associated with brownfields. The MDEQ must review and approve Work Plans for the environmental response actions prior to implementation. The MDEQ will also review and approve Remedial Action Plans (RAPs) for sites where response actions are completed.

G.3. Progress of the overall Assessment Grant project, and projects at specific sites, will be communicated to the public and relevant community groups using the tools discussed in sections F. and G. above. Hispanic, Native American, and other non-English speaking minority groups in the Coalition area have not requested alternate language services for past meetings or communications with the Cities, and the small populations do not warrant a change in that approach. In all cases, adequate public notice will be provided for all meetings and other outreach programs.

G.4. The following is a list of community-based organizations that have committed to be involved with this project:

Allegan BRA - established in 1998 to provide a brownfields redevelopment and financing support. Rob Hillard, City Manager, (269) 686-1113

Otsego BRA - established in 1998 to provide a brownfields redevelopment and financing support. Thad Beard, City Manager, (269) 553-6146

Plainwell BRA - established in 1997 to provide a brownfields redevelopment and financing support. Erik Wilson, City Manager, (269) 685-6821

Area Chambers of Commerce – Area associations of businesses, organizations, and individuals promoting growth and development. Allegan: Grace Gant, Chair, (269) 686-4101, Otsego: Mark McPherson, President, (269) 694-6880, Plainwell: Jan Collins, Executive Director, (269) 685-8877

Kalamazoo River Watershed Council – Area non-profit organization dedicated to the restoration and education efforts for the Kalamazoo River and its watersheds. Jeff Spoelstra, Coordinator, (269) 978-4606



Kalamazoo River Protection Association - Area non-profit organization dedicated to the restoration and education efforts for the Kalamazoo River and its watersheds. Dayle Harrison, President, (269) 686-7822

H. Reduction of Threats to Human Health and the Environment

H.1. Abandoned and uncharacterized brownfields can pose threats to human health and the environment by allowing uncontrolled access to a contaminated site. Contamination on uncontrolled brownfields, especially those located near important water bodies like the Kalamazoo River, wetlands, etc., also poses a threat to the environment through contaminated runoff and venting of contaminated groundwater from the sites. These threats can be mitigated through site assessments designed to identify the presence of contamination and define its nature and extent, followed by direct remediation and/or redevelopment to reestablish site control through engineering and/or institutional controls. The requested Assessment Grant funds will be used to identify these threats at targeted brownfields; identify sites where immediate responses are needed to mitigate imminent threats posed by high levels of uncontrolled contamination, the presence of sensitive populations or ecosystems, or off-site migration (e.g. volatile solvents, lead, etc.) into neighborhoods; and support redevelopment that will address and control threats.

The State of Michigan and the EPA have entered into a Memorandum of Understanding (MOU) concerning brownfields redevelopment. The MOU acknowledges the primacy of Michigan's Part 201 VCP for brownfield sites not on the NPL or subject to a Consent Order. Under Michigan's brownfields VCP, initial Phase I and Phase II ESA results are used to establish the baseline levels of existing site contamination for which a new owner/developer can obtain an exemption from liability, and to comply with applicable Bona Fide Prospective Purchaser (BFPP) requirements of All Appropriate Inquiry (AAI). These are major incentives in encouraging the acquisition and redevelopment of brownfields and concomitant reduction of threats from contamination. Site assessment results are compared to the VCP risk-based cleanup criteria to determine which exposure pathways must be addressed to protect human health and the environment.

Where exacerbation of contamination may be an issue during development and future use, a VCP "Due Care" obligation to protect human health is placed on all owners of contaminated sites in Michigan. Pre-development environmental response actions, construction activities, and future site use must be designed to satisfy imminent and continuing obligations to protect the health of site users and third parties and prevent exacerbation of contamination. Assessment results are used in the site development planning process to identify and design an appropriate combination of environmental response actions, construction procedures, and engineering and institutional controls to satisfy VCP Due Care obligations. Ongoing operations, maintenance, monitoring requirements, and site use restrictions are documented in a Remedial Action Plan or Due Care (environmental response action) Plan as required by the VCP. If known or suspected off-site exposure issues are identified, the VCP requires notification of the MDEQ, which has responsibility for addressing such risks at properties owned by non-liaible parties. Off-site health issues also typically involve the local Health Department (see Section H.2 below).

The former Plainwell Paper Mill site can be used as a hypothetical redevelopment site to illustrate the reduction of threats through redevelopment initiated using Assessment Grant funds. Results of initial Phase II site assessment activities conducted with Assessment Grant funds may reveal the presence of PCBs, a common contaminant at paper mills, in surface soil at levels above Michigan VCP residential contact criteria, and chlorinated solvents in subsurface soil at levels above vapor intrusion criteria. Since no hazardous substances are proposed for future use of the redeveloped site, this data would be sufficient to obtain liability protection under the Michigan VCP's Baseline Environmental Assessment program. However, this data would not adequately define the extent of contamination and risk to human health during future use; therefore, an additional VCP Due Care (environmental response) investigation would be conducted using Assessment Grant funds. Results from this environmental response assessment may indicate high levels of PCBs across a large part of the site, and a large subsurface area contaminated with chlorinated solvents at levels that would pose a threat to inhabitants of buildings on the site. Since the property is near a residential area, the local Health Department and MDEQ will be notified to inform residents of the issues, assess PCB levels in local yards, and conduct blood PCB levels in neighborhood children. Prior to development, PCB impact would be remediated in accordance with federal TSCA standards in the areas where those standards apply, or to Michigan VCP standards. Where cleanup programs allow residual levels of PCBs to be managed with exposure barriers, the development would be configured so that impervious surfaces (building and parking areas) or at least two feet of clean soil covered areas of the property where surficial contamination posed human direct



contact threats. The areas of highest chlorinated solvent contamination would be excavated and disposed at a licensed landfill. Since part of the new building would be constructed over these areas, a vapor barrier and sub-slab depressurization system would be integrated into its construction. To prevent exacerbation of contamination, all excess soil generated during redevelopment would be disposed in a licensed landfill. These actions would satisfy the VCP Due Care environmental response and AAI BFPP continuing obligation requirements. As a result of using Assessment Grant funds on this site, a significant neighborhood health threat would be identified and addressed, threats to human health and the environment would be mitigated, and the site would be safely redeveloped.

H.2. The Allegan County Health Department (ACHD) is, and will continue to be, involved in environmental health and brownfield redevelopment issues facing the Coalition. If contamination discovered through assessment of brownfields has the potential to negatively impact the health of local populations, especially as related to off-site exposures that would not be the responsibility of a non-liable owner or developer, the MDEQ and ACHD will be notified and brought in as project partners. Based on previous discussions with the ACHD, no disease or symptomatic clusters that would indicate environmental health issues or related target contaminants associated with brownfields have been identified in any of the Cities in the Coalition; therefore, the ACHD generally will not be contributing the site prioritization and initial assessment phases of brownfield redevelopment projects. When contamination is discovered on brownfield sites, the risk-based cleanup criteria established by the MDEQ under the Michigan VCP will be used to identify and address on-site health and environmental threats posed by contamination identified on brownfield sites as related to current and future uses. The expertise and experience of ACHD will be called upon to help identify/verify offsite health threats posed by identified contamination, identify related toxicological issues and perform risk evaluations with assistance from the Agency for Toxic Substances and Disease Registry (ATSDR) as needed, design and conduct notification and education programs, and coordinate health testing (e.g. blood-lead in children near sites, like a foundry, contaminated with lead) if migration of contamination from a brownfield site is confirmed.

The ACHD has been actively involved in education/notification, testing and monitoring, and exposure evaluations related to environmental issues in the county. For example, it has been actively involved with the EPA in activities related to PCB contamination in the Kalamazoo River (Kalamazoo River Superfund Site), which flows through all three Cities. ACHD also designed and conducted community notification and education programs (meetings, workshops, fact sheets, etc.) about the issues, exposures, and health effects related to the presence of PCBs at the Rockwell International site in Allegan. The ACHD designed and conducted a fish consumption study of local anglers to evaluate potential PCB intake and related health risks. The ACHD also conducted a testing program for chlorinated solvents in drinking water wells of residents near the Jersey Street site in Plainwell to evaluate potential environmental exposures and health threats from off-site migration. The ACHD developed a program to inform citizens about residential lead-based paint issues and provided testing services for lead levels in homes and children. The ACHD's assistance would be employed if assessment results indicate these types of concerns are associated with a brownfields site.

I. Leveraging of Additional Resources

I.1. The Coalition has access to the following options for obtaining additional funds to complete site assessments for liability management, risk assessment, and cleanup planning at brownfield sites at which Assessment Grant funds are used:

1. Additional EPA Assessment Grant – if site risk issues and/or redevelopment schedules permit, the City may apply for additional Assessment Grant funding.
2. MDEQ Superfund Section, EPA Brownfields Redevelopment Assessment Grant (Superfund) – MDEQ staff can perform up to 12 assessments per year on brownfield properties identified by local units of government.
3. U.S. EPA Brownfields Grants awarded to the MDEQ.
4. Developer equity or developer cash repaid with TIF.
5. Michigan Brownfield Redevelopment Grants and Loans Program – payment up to \$1,000,000/site for assessments, HAZMAT abatement, demolition, and environmental response costs at contaminated brownfield sites.



6. Michigan Brownfield Redevelopment Tax Increment Financing (TIF; Act 381) Program – reimbursement for costs of assessments, environmental responses, demolition, and HAZMAT abatement, at contaminated brownfield sites.
7. City Brownfield Revolving Loan Fund (Michigan TIF program) – payment for assessments, HAZMAT abatement, demolition, and environmental response costs.
8. City General/Bond Funds – Budgeted general funds or bond proceeds (general, or site specific secured by TIF) may be used for assessments, HAZMAT abatement, demolition, environmental response costs, at designated brownfields.
9. Other sources (e.g. Allegan Community Foundation, W.K. Kellogg Foundation) that may provide funds for specific types of sites, such as greenspace preservation and parks/recreation creation, and testing for toxins in blood due to environmental exposures.

I.2. In order to successfully redevelop a brownfield site where Assessment Grant funds are used, additional funds for the following activities likely will be needed: environmental risk management (cleanup and/or engineering controls), asbestos/lead abatement, demolition, infrastructure improvements, and site preparation needed to address issues related to previous uses. The Michigan brownfield redevelopment economic “toolbox” that can be tapped for leveraging Assessment Grant dollars to fill redevelopment funding gaps includes source listed above (numbers 3 through 8), plus the following additional sources:

1. U.S. EPA Brownfields Cleanup Grant – up to \$200,000 per site for grantee-owned property.
2. U.S. EPA Brownfields Revolving Loan Fund Grant – up to \$1,000,000 to fund a community Brownfields Loan Fund to finance environmental response actions. Loans from the fund can serve as bridge financing for response actions at favorable rates, to be repaid through TIF or by the developer.
3. Foundations and Non-profit Organizations – [Allegan County Community Foundation, W.K. Kellogg Foundation, The Right Place, Inc., Southwest Michigan Sustainable Business Forum, and other organizations that may be a source of funds for specific types of sites, such as greenspace preservation and parks/recreation creation and for testing for toxins in blood due to environmental exposures].
4. Other leveragable sources of funds for offsetting additional costs of brownfields redevelopment – Community Development Block Grants (CDBG), Michigan Business Tax Credits (10% of investment), New Market Tax Credits, Michigan Industrial Development Tax Abatement, Michigan Local/State Property Tax Abatement.

J. Programmatic Capability

J.1. The Coalition’s brownfields programs are currently in their infancy, with only initial inventories and limited redevelopment planning completed to date. The Coalition will use the Assessment Grant to improve their brownfields programs, which will result in the improved, more sophisticated, management “infrastructure” needed to support future, more aggressive brownfield redevelopment projects. These larger projects typically require leveraging and management of larger and more sophisticated federal and state brownfield financing programs. The Coalition intends to retain a qualified environmental consultant (through a competitive procurement process) to assist in managing the activities funded by the Assessment Grant, and to conduct the environmental assessment tasks. The selected consultant will have demonstrated extensive experience with, and understanding of, the EPA Assessment Grant program, the Michigan Part 201 program, and the various other state and federal brownfield programs from which funds can be leveraged to facilitate successful brownfields redevelopment projects.

Allegan, Otsego and Plainwell, Michigan formed a Brownfields Coalition to pool experience and resources for mutual support of the redevelopment of brownfields in their communities. A critical part of the initial success of the Coalition will be to obtain an Assessment Grant to fund environmental investigations needed to “kick start” the redevelopment process in Michigan. The City of Allegan, having prior Assessment Pilot Grant management experience, will be the Lead Agency/Community for award and administration of this grant. In 2000, the City of Allegan received a \$200,000 EPA Brownfields Pilot Grant, and \$50,000 greenspace supplemental funding, for targeting brownfields properties along the Kalamazoo River and in historic areas to help strengthen the community and economy. In addition to the Assessment Grant funds, the City of Allegan also provided approximately \$5,000 to \$7,000 of in-kind City services and approximately \$180,000 from the DDA fund to assist in the redevelopment process. The outputs of the 2000 Assessment Grant included the completion of nine



Phase I ESAs, four Phase II ESAs and four BEAs for sites within the City. Additionally, the outcomes of the activities conducted included redevelopment of new facilities such as: 1) L. Perrigo Company (pharmaceuticals) health facilities expansion; 2) BP gasoline station; 3) a City park; 4) extension of downtown river front boardwalk; and 5) plane hangars at the local airport. These redevelopment activities included the increase of over \$20,000 of revenue for the City, the creation of about 20 jobs, a one acre City park, and approximately 1,500 feet of a linear river boardwalk and associated greenspace.

The three applicant Cities have created a Grant Coordination Committee (made up of City Mangers and support staff of each community) to oversee implementation of the Work Plan. The Site Assessment budget (Task 4) will be evenly distributed among the three communities through internal written agreements.

J.2. The Coalition communities have been awarded and successfully managed the following federal funds:

- Allegan (2003) - Community Development Block Grant (CDBG) in the amount of \$500,000 for the extension and construction of the river front boardwalk.
- Allegan (2003) - Smart Growth in Brownfield Communities Grant in the amount of \$100,000 including a City investment of \$50,000 to incorporate smart growth into planning, revitalization, and redevelopment efforts within the community.
- Plainwell (2007) – USDA Small Business Revolving Loan Fund in the amount of \$20,000 including a City investment of \$5,000. Low interest loans are distributed to qualified applicants to enhance the building facades found in the City, stimulate job creation, and facilitate business success.
- Otsego (2005 and 2007) - U.S. Department of Homeland Security – Homeland Security Grant Program in the amounts of \$101,000 (2005) and \$82,000 (2007) for police and fire department equipment.

Allegan has appropriate accounting procedures and internal controls in place to assure accuracy and reliability of accounting data. The Coalition communities have not received any adverse audit findings from OMB Circular A-133 audits, an audit conducted by a federal, state, tribal, or local government inspector or similar organization.

J.3. As stated above, the City of Allegan has been a previous recipient of an EPA Brownfields cooperative agreement. The City of Allegan has submitted all required deliverables to the EPA. All quarterly progress and financial status reports were submitted to the EPA in a timely manner. These reports were prepared in accordance with the guidelines established by EPA Region 5. In addition, in 2006, the City of Allegan received a close-out letter from EPA Region 5 acknowledging the assistance grant was administratively complete. The Cities of Otsego and Plainwell have not previously received an EPA Brownfields cooperative agreement.

J.4. The Coalition's goals for its brownfields program are to reduce environmental threats to the communities and improve economic conditions. The Coalition will be diligent in measuring the outcomes from use of the Assessment Grant funds. The following outcomes will be tracked and documented on a regularly updated project spreadsheet:

- Acres of land assessed
- Acres of property cleaned up
- Jobs created/retained
- Other leveraged funding
- Acres of property redeveloped
- Redevelopment investment value
- Acres of greenspace created

The following Assessment Grant outputs also will be tracked and documented: number of Phase I ESAs, number of Phase II ESAs completed, and number of sites where cleanup planning was conducted.



Attachment A

Letter from State Authority





JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



STEVEN E. CHESTER
DIRECTOR

September 27, 2007

Mr. Rob Hillard
City Manager
City of Allegan
112 Locust Street
Allegan, Michigan 49019

Dear Mr. Hillard:

SUBJECT: Letter of Acknowledgement Regarding the United States Environmental Protection Agency (EPA) Brownfield Grant Proposal to Conduct Assessments at Hazardous Substances Contaminated Sites

This letter is in response to your request for support of the coalition's proposal to the United States Environmental Protection Agency (USEPA) for a brownfield grant under Title II, Subtitle A, of the Small Business Liability Relief and Brownfields Revitalization Act of 2002 (the Brownfields Law). The Department of Environmental Quality, Remediation and Redevelopment Division has reviewed the information you provided and supports the proposal by the cities of Allegan, Otsego, and Plainwell (coalition), based on the following information.

The coalition, which represents three communities in Allegan County, is seeking \$200,000 to conduct area wide hazardous substances contaminated site assessments in the southeast Allegan County area. This funding would be a key element to help the coalition members continue to support brownfield redevelopment projects in their cities.

The applicant is considered eligible for this grant as a Regional Council or group of General Purpose Units of Local Government. The DEQ supports regional cooperative efforts such as this to provide a comprehensive regional perspective on brownfield issues. The proposal by the coalition has a strong likelihood of successfully returning formerly productive properties back to the tax rolls and leveraging investment dollars to improve the southeast Allegan County area economy and environment. If you have any questions or need additional information, you may contact the Brownfield Redevelopment Coordinator, Mr. Ronald Smedley at 517-373-4805, or you may contact me.

Sincerely,

Robert Reisner
Chief, Funding and Support Unit
Remediation and Redevelopment Division
517-335-6843

cc: Ms. Deborah Orr, USEPA Region 5