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October 12, 2007

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

Ms. Deborah Orr
EPA Region V
77 West Jackson Boulevard
Chicago, IL 60604-3507

Dear Mr. West and Ms. Orr:

On behalf of the City of Ottawa, I am pleased to submit this application for a \$200,000 Community-wide Brownfields Grant for Hazardous Substances Assessment. This grant proposal—one of two grant proposals being submitted by Ottawa this year—is a resubmission of an application that was not funded last year. Our priority brownfield sites are ready for redevelopment, yet we greatly need financial assistance to overcome the environmental obstacles to attract private investment. We ask for your earnest consideration of this proposal.

As a small community, we recognize the obstacle that brownfields create in our work to promote economic growth, environmental restoration, and social equity. We also realize that federal resources to invest in brownfields assessment, cleanup, and redevelopment initiatives are highly limited. These resources must be targeted to communities that are most committed to addressing brownfields and can demonstrate the greatest capacity for doing so.

To position ourselves as one of these communities, we commissioned the *Ottawa Brownfields Redevelopment Prioritization Strategy*, adopted by City Council in October 2006, to focus our brownfield redevelopment efforts on sites with the greatest potential to be redeveloped and achieve our community's goals. Most of the highest priority sites identified in this *Strategy* are concentrated in our Downtown and along our riverfront. Specifically, we identified several sites within and adjacent to the "Jordan Block" which is a key redevelopment priority for our community located in the heart of our Downtown. The buildings in this block were destroyed by a fire in 1998, and the block has been vacant ever since. Consequently, we view redevelopment of this block and adjacent sites as an important catalyst for breathing new life into our Downtown.

Other priority brownfield sites are located along Marquette Street—a historically industrial corridor of the community that runs parallel to the I&M Canal State Trail. This corridor demonstrates a clearly visible need for reinvestment, and has great potential for redevelopment due to its central location and its proximity to the canal.

Applicant Identification: City of Ottawa, 301 W. Madison St., Ottawa, IL 61350

Funding Request: \$200,000 Community-wide Hazardous Substances Assessment Grant

Location: City of Ottawa, LaSalle County, Illinois

Chief Executive: Robert Eschbach, Mayor, 301 W. Madison St., Ottawa, IL 61350, Phone: (815) 433-0161, Fax (815) 433-2270, mayor@il-ottawa.com

Project Contact: David Noble, Director of Community Development, 301 W. Madison St., Ottawa, IL 61350, Phone: (815) 433-0161, Fax (815) 433-2270, cityengineer@il-ottawa.com

Submittal Date: October 12, 2007

Project Period: October 1, 2008 – September 30, 2011

Population: 18,307 (U.S. Census 2000)

Other: The City of Ottawa is not a federally recognized tribe, recognized Empowerment Zone/Enterprise Community, or federally recognized Renewal Community.

Cooperative Partners: The following partners will play the most direct role in helping us advance our Brownfields Redevelopment Initiative. Additional government agencies, officials, organizations, and individuals who support our efforts are described in Section G.

City of Ottawa Brownfields Redevelopment Advisory Committee: Nancy Stisser (815) 433-0161

Illinois Environmental Protection Agency Bureau of Land: Gary King (217) 785-9407

[Add others once support letters received]

We hope that this application demonstrates the evident community need for brownfields assessment funding in Ottawa and the corresponding clear redevelopment potential offered by our highest priority sites.

Please do not hesitate to contact me to learn more about Ottawa’s Brownfields Redevelopment Initiative. I greatly appreciate your support and consideration for this 2007 USEPA Community-wide Hazardous Substances Assessment Grant proposal.

Sincerely,

Robert M. Eschbach, Mayor
City of Ottawa, Illinois

THRESHOLD CRITERIA FOR ASSESSMENT GRANTS

A. Applicant Eligibility

The City of Ottawa is an incorporated municipality of Illinois and has the authority to enter into a cooperative agreement with U.S. EPA.

B. Letter from the State or Tribal Environmental Authority

Please see Appendix 2 for a Letter of Acknowledgement from Gary King, Manager, Division of Remediation Management, Illinois Environmental Protection Agency Bureau of Land.

C. Site Eligibility and Property Ownership Eligibility

Not applicable. Eligibility Determination Forms will be submitted for each of the priority sites in Ottawa's Brownfields Redevelopment Initiative upon award of a Community-wide Hazardous Substances Assessment Grant.

RANKING CRITERIA FOR ASSESSMENT GRANTS

A Assessment Grant Proposal Budget

BUDGET CATEGORIES (Programmatic costs only)	Task 1: QAPP and HASP	Task 1: Phase I ESAs	Task 2: Phase II ESAs	Task 3: Remedial Planning	Task 4: Health Study	Task 5: Community Involvement	Task 6: Eligible Programmatic Activities	Total Costs
Personnel								
Travel							\$3,000	\$3,000
Equipment								
Contractual¹	\$3,000	\$18,000	\$101,000	\$40,000	\$10,000	\$5,000		\$177,000
Other: IEPA SRP²			\$10,000	\$10,000				\$20,000
USEPA Grant Total	\$3,000	\$18,000	\$111,000	\$50,000	\$10,000	\$5,000	\$3,000	\$200,000
City In-kind Match Total					\$5,000	\$5,000	\$5,000	\$15,000
Project Total	\$3,000	\$18,000	\$111,000	\$50,000	\$15,000	\$10,000	\$8,000	\$215,000

1 Ottawa will follow all federal procurement procedures when hiring project consultants.

2 Illinois EPA's Site Remediation Program operates as a fee-based system whereby SRP Project Managers provide review, oversight, and approval of environmental assessment and cleanup projects and reports. There is a \$500 enrollment fee per site.

Task 1: For \$3,000, we will develop and seek approval by EPA of two multi-site plans: a Quality Assurance Project Plan (QAPP) and a Health and Safety Plan.

Task 2: Based on the *Ottawa Brownfields Redevelopment Prioritization Strategy*, we have identified seven top priority parcels for assessment of hazardous substances. Subject to USEPA's approval of Eligibility Determination forms, we anticipate funding Phase I ESAs at seven sites, for \$2,000 - \$3,000 per Phase I ESA, which satisfy the requirements of EPA's All Appropriate Inquiry. Six of the priority sites are within our Downtown, within and proximate to the "Jordan Block" (a priority redevelopment area in the 500 block of LaSalle Street). The seventh site is located in the Marquette Street Corridor, a historically industrial area that runs through the center of our community.

Task 3: We will conduct Phase II ESAs at sites with Recognized Environmental Conditions (estimated for purposes of budgeting as 3 to 7 sites for \$15,000 to \$40,000 per Phase II ESA). All properties evaluated

using these USEPA grant funds will be enrolled in Illinois EPA's Voluntary Site Remediation Program (SRP). Up to \$10,000 of these funds will be used to pay SRP fees for review of Phase II ESAs.

Task 4: Upon completion of Phase II ESAs, we will conduct remedial planning through the development of Remedial Objectives Reports/Remedial Action Plans (ROR/RAPs) at sites with identified remediation needs (estimated for purposes of budgeting as 3 to 7 sites, for \$12,000 - \$15,000 per ROR/RAP). Up to \$10,000 of these funds will be used to pay SRP fees for review and approval of ROR/RAPs.

Task 5: Up to \$10,000 of grant funding will be used to monitor the impact of brownfields on the health of local residents. These funds will be matched by a contribution of \$5,000 of City staff time as well as the efforts of our local health partners. Details of the proposed health study are included in Section H2.

Task 6: Funds for this task will be used to facilitate community involvement in our Brownfields Redevelopment Initiative. Specifically, this task will fund: (1) facilitation of quarterly BRAC meetings (twelve meetings over the three-year period) by project consultants; (2) production of six semi-annual project fact sheets; (3) facilitation of at least three community-wide meetings to update residents on project progress; and (4) participation by project consultants in negotiations with property owners regarding site access and reuse plans. Although not required, we will provide a minimum of \$5,000 worth of in-kind staff time by organizing and facilitating the above-referenced meetings.

Task 7: To ensure that our City staff is armed with information on the most up-to-date approaches to brownfields assessment, cleanup, and redevelopment, this budget category will fund attendance of the City's Community Development Director at state and federal brownfields conferences. Other eligible programmatic activities including coordination with USEPA, preparation of quarterly reports, and preparation of annual financial status reports, will be done by City staff as an in-kind contribution to our Brownfields Redevelopment Initiative.

B. Community Need

B1. The City of Ottawa is a small municipality of 18,307 (U.S. Census 2000), located approximately 80 miles southwest of the metropolitan Chicago area. As a small city, our municipal budget is quite limited and we are ineligible for some funding sources available to larger communities such as HUD CDBG formula grants. Consequently, funding from USEPA for brownfields assessment is critical in our work to spark investment in our community.

Not only is Ottawa a small community, but our economic well-being is largely tied to the industrial sector which makes us vulnerable in today's "new economy" of knowledge jobs. We are taking forward strides to diversify our economy, but have been greatly impacted by events such as the downturn of manufacturing jobs which has resulted in the loss of over 50,000 manufacturing jobs in Illinois in the last three years. Our economic development efforts are then further hindered by the expansive presence of brownfields in Ottawa.

Because this is a community-wide application, the broad target community for this grant is the City as a whole. However, we recognize that the brownfields in our community are concentrated in certain areas, and consequently addressing these sites will have a stronger impact on residents within and adjacent to these areas.

We examined the demographic characteristics of the area of our community where the majority of the City's brownfields are concentrated—in Downtown and along the Marquette Street Industrial Corridor—and compared these characteristics to the City, County and State. As illustrated in Table 1, the target area demonstrates a higher poverty level, higher minority population, higher proportion of female-headed households with children, higher unemployment rate, lower household income, and lower home value than the City, County, or even the State of Illinois. These characteristics are magnified in the core of our Downtown, where the majority of our priority brownfields are located.

The target area for this grant—our historic urban core—is also not experiencing the same level of investment as our urban fringe. Consequently, our Brownfields Redevelopment Initiative aims to proactively target reinvestment in our Downtown and historic industrial core so that investment in our community is more equitably distributed.

Table 1. Demographic Profile

Demographic Characteristics ¹	Target Area ²	Downtown Core ³	City of Ottawa	LaSalle County	State of Illinois
Population	5,186	642	18,353	111,509	12,419,293
% Population living below poverty level	12.1%	26.9%	11.3%	9.1%	10.7%
% Minority	9.9%	23.4%	7.7%	8.2%	32.2%
% Female-headed household with children	10.1%	25.9%	11.5%	7.9%	9.8%
% Unemployed	8.2%	10.6%	6.6%	5.4%	6.0%
Median household income	\$33,639	\$22,096	\$36,513	\$40,308	\$46,590
Median home value	\$79,035	\$59,500	\$87,500	\$87,000	\$130,800

1 Source: US Census 2000

2 Target Area defined by the following Census Block Groups: Tract 9626 Block 3, Tract 9626 Block 4, Tract 9627 Block 2, Tract 9627 Block 3, Tract 9628 Block 1.

3 Downtown Core defined as Block 2 of Census Tract 9627

B2. Cleaning up and redeveloping brownfields in our Target Area will result in considerable benefits to our community’s economic, social, and environmental well-being. The expected benefits of assessing brownfields in Ottawa include:

- Spurring economic growth by increasing property values and creating new businesses and jobs;
- Reducing risks to human health and the environment by identifying and cleaning up contamination that is potentially impacting our soil, groundwater, and the invaluable Fox and Illinois Rivers;
- Bringing new life to our Downtown and riverfront by expanding entertainment, shopping, housing, and gathering spaces;
- Promoting reinvestment in the areas of our community that are characterized by lower home values and higher concentrations of low-income and minority residents than the City as a whole;
- Encouraging expanded recreational use and ecological restoration of the Fox and Illinois Rivers;
- Promoting use of the I&M Canal State Trail and completing the Ottawa Riverwalk; and
- In the long term, re-watering segments of the I&M Canal as a major tourism and economic driver.

B3. As part of the *Ottawa Brownfields Redevelopment Prioritization Strategy*, we identified over 300 brownfields totaling over [need to determine] acres located throughout the community, concentrated in our Downtown and industrial Marquette Street Corridor. This amounts to [determine]% of the total land area of Ottawa. This is an overwhelming extent of brownfields for a community of our size. We have witnessed or suspect the following impacts of these sites on our small community:

Economic impacts: The property values in our Target Area are lower than other areas of the City. This is evidenced for residential properties in Table 1 as median housing values are 10% lower than the City as a whole in the Target Area, and 32% lower in our Downtown Core. Brownfields have also been obstacles in our work to spur reinvestment in Ottawa, particularly in Downtown and along the Riverfront, as developers have foregone investment at sites with clear redevelopment opportunity due to concerns of environmental contamination.

Health impacts: Ottawa residents have witnessed firsthand the impacts to human health that can result from exposure to hazardous substances. Ottawa is nationally known as “Radium City” following the 1987

documentary by the same name that unveiled the tragic deaths resulting from radium poisoning in female employees of the Radium Dial Company and Luminous Process Incorporated in the 1920's and 30's. These employees, who painted watch dials and other luminous equipment with radium-containing paint, often moistened the tip of their brushes with their mouths, resulting in prolonged, direct exposure and potential ingestion. The radium problem in Ottawa impacted our soil at the sites of these operations and at sites where these buildings, when demolished, were disposed of, resulting in sixteen sites listed on the USEPA National Priorities List. Although nine of the sixteen sites have been cleaned up by USEPA, the Agency for Toxic Substances and Disease Registry indicated in the last public health assessment of the sites that exposure to soil in these remaining sites poses a public health hazard. The impact of these Superfund sites has greatly heightened Ottawa residents' awareness of human and environmental health concerns associated with environmental contamination. Consequently, as we work to assess environmental conditions at our priority brownfield sites, it will be critically important to identify potential impacts to human health and to communicate these impacts and plans to address them to the community.

Environmental impacts: While impacts to human health have historically been at the forefront of the City's and citizens' concerns with brownfield and Superfund site impacts, we recognize the far-reaching and long-term impacts that brownfields can have on the health of our ecosystem. Many of the sites identified as brownfields in Ottawa are located along our riverfront where two major Illinois rivers meet—the Illinois and the Fox—reflecting the historic use of rivers as discharge areas for industrial waste. Additionally, these intensive riverfront uses have contributed to shoreline and habitat degradation. Brownfields in our community especially impact the environmental quality of communities downstream from us and the precious natural features that we share with our regional neighbors—including a wildlife refuge, Starved Rock State Park (the most-visited State park in Illinois), as well as several other State parks.

C. Site Selection Process

C1. We recognize that addressing all of potential brownfield sites in our community is not possible; consequently, we prioritized them based on redevelopment feasibility, environmental concern, and community goals. This prioritization process is described in further detail in Section C2. Our priority sites are concentrated in Downtown and along the Marquette Street Corridor—the aging industrial corridor that extends through the core of our City.

We believe that all of our priority sites are eligible for assessment funding per USEPA regulations and are not categorized within the classes of sites requiring a Property-Specific Determination. However, to ensure that sites selected for environmental assessment activities meet the statutory requirements associated with these funds, our environmental consultant will evaluate each site based on all of USEPA's eligibility determination criteria, and will then seek approval of this eligibility determination from our USEPA Project Manager prior to conducting assessment. If any of our sites are deemed ineligible for funding, we will conduct eligibility determinations at our next-highest priority sites identified in the *Brownfields Redevelopment Prioritization Strategy*.

C2. The site identification and prioritization process included several steps. First, potential brownfield sites were identified with the assistance of life-long City residents and environmental consultants based on knowledge of historic use and observations from Sanborn fire insurance maps. Each of these potential brownfield sites was then evaluated based on three separate analyses: redevelopment feasibility, community goals for brownfields redevelopment, and potential for environmental concern. These tiers of analysis were then used to produce the final list of priority sites.

The Redevelopment Feasibility Analysis entailed scoring each site based on twelve factors that impact a site's feasibility for redevelopment. This analysis included such factors as the site's current use, its potential cost of redevelopment, and its location within an economic development district. The analysis was

conducted by brownfield redevelopment experts that originally developed this prioritization process that has been recognized as a national model.

The Community Goals analysis involved scoring each site based on its potential to achieve fifteen community goals for redevelopment. An exercise was facilitated with residents to identify community goal priorities so that the highest priority goals were weighted more heavily in the analysis. The top five priority goals held by Ottawa residents are: business expansion/recruitment/retention, job creation, blight elimination, historic preservation, and creation of entertainment venues.

Lastly, each site was evaluated based on its potential for environmental concern coupled with a preliminary analysis of potential eligibility for brownfields funding. The analysis was conducted by an environmental consultant who drew from detailed observations of each site and analysis of historic Sanborn fire insurance maps.

The final ranking of sites was based on a combined Redevelopment Feasibility and Community Goals Score, with ownership status and environmental status evaluated to determine if these factors necessitated raising or lowering a site's final ranking. Community residents and our Brownfields Redevelopment Advisory Committee (BRAC) were asked to comment on the draft list of sites which resulted in adjustments to produce the final list of sites. The prioritization was then documented in the *Ottawa Brownfields Redevelopment Prioritization Strategy* adopted by City Council on October 30, 2006.

C3. The priority sites targeted for environmental assessment funding include a combination of municipally-owned and privately-owned sites. We made a concerted effort to involve the public in every stage of our prioritization process to ensure transparency and community buy-in. Our top fifteen priority sites were published in the daily newspaper after the presentation of the final *Strategy* prior to its adoption. We have not received any negative feedback from property owners or residents as of the submission of this application. Now that we have completed the *Ottawa Brownfields Redevelopment Prioritization Strategy*, we will be moving forward with its recommendations which include establishing on-going dialogue with property owners of priority sites (which we have begun at several sites). We will be engaging in more detailed site concept planning for priority sites and identifying property owners' interests in participating in redevelopment and their relocation needs so that we can ensure property access if funds are awarded.

D. Sustainable Reuse of Brownfields

D1. Brownfields assessment, cleanup, and redevelopment will help us advance our goal of promoting sustainable development in Ottawa which we have been progressively implementing since the adoption of our Comprehensive and Downtown Plans in 2002. Our sustainable development initiative ensures that we make the most of limited resources and create a sustainable urban fabric for generations to come. These initiatives include the following: