



Lexington-Fayette Urban County Government

Jim Newberry, Mayor

October 12, 2010

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

Dear Mr. West:

With this letter please find enclosed a Brownfields Assessment Grant application submitted under RFP No. EPA-OSWER-OBLR-10-09. This is a community-wide assessments proposal seeking \$200,000 for hazardous substance sites.

a. Applicant Information

Lexington-Fayette Urban County government
Department of Environmental Quality
Division of Environmental Policy
9th Floor, Government Center
200 East Main Street
Lexington, KY 40507
Contact: Susan Bush, Acting Commissioner
(859) 425-2800
sbush@lexingtonky.gov

b. DUNS Number 020428777

c. Funding Requested:

- i) Grant Type: Assessment
- ii) Federal Funds Requested: \$200,000
- iii) Contamination: Hazardous Substances
- iv) Community Wide

d. Location: Lexington-Fayette County, Kentucky

e. Property Name: n/a

f: Contacts

Project Director

Susan Bush, Acting Commissioner
Department of Environmental Quality
Lexington-Fayette Urban County Government
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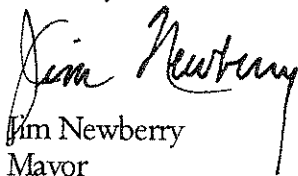
Chief Executive

Jim Newberry, Mayor
Lexington-Fayette Urban County Government
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Lexington, KY 40507
Phone (859) 258-3100
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- g. Date Submitted: October 15, 2010
- h. Project Period: Three years from date of award
- i. Population: 260,512 (U.S. Census, 2000)

In recent years we have seen an accelerated focus on redevelopment in the city's urban core. We have completed an infill redevelopment study, a survey of underutilized properties, and small area plans for the older sectors of Lexington (the central and east end areas). We have begun implementation of a brownfields assessment grant awarded in 2009 for petroleum-contaminated sites. Funding for assessment of sites contaminated with hazardous substances is a logical next step. Thank you for your review of this proposal.

Sincerely,


Jim Newberry
Mayor

Lexington-Fayette Urban County Government, Lexington, Kentucky
Community-Wide Brownfield Assessment Grant
THRESHOLD CRITERIA FOR ASSESSMENT GRANTS

1. Applicant Eligibility

The Lexington-Fayette Urban County Government (LFUCG) is a merged city-county government in the Commonwealth of Kentucky and is defined by EPA and 40 CFR Part 31 as a general-purpose unit of local government.

2. Letter from the State or Tribal Environmental Authority

A letter from Mr. Herbert Petitjean, Brownfield Coordinator with the Kentucky Department of Environmental Protection, Division of Compliance Assistance acknowledging their support of the LFUCG's hazardous substance assessment grant application is included as an attachment.

RANKING CRITERIA FOR ASSESSMENT GRANTS

1. Community Need

a. Health, Welfare and Environment

Lexington is a compact urban center surrounded by a cherished and unique rural landscape of lush green rolling horse farm pastures. Known as the Horse Capitol of the World, Lexington-Fayette County is the urban center of Kentucky's Bluegrass Region. It is a community with an aggressive planning program, having the oldest Urban Service Area growth boundary in the United States. This boundary, which protects Lexington-Fayette County's idyllic countryside by limiting growth to core areas, was established in 1958 and is recognized by the American Institute of Certified Planners as a National Historic Planning Landmark. In effect, the concept of Lexington's Urban Service Area is the foundation for all American growth management systems. And Lexington-Fayette County's Purchase of Development Rights program, begun in 1999, is the first agricultural conservation easement program by a local government in Kentucky. To-date this program has permanently protected 25,103 acres of farmland in this iconic American landscape from development, with a goal of ultimately protecting 50,000 acres. Despite having some of the oldest and most ambitious land preservation programs in the country, the Bluegrass region has lost more than 80,000 acres of farmland to development during the past decade, an alarming trend that landed the Inner Bluegrass on the 2006 World Monuments Fund's 100 Most Endangered Sites. Steps have recently been taken to counter this trend, as evidenced in our most recent Comprehensive Plan discussed below.

In 2007 LFUCG adopted our updated Comprehensive Plan to guide physical development that allows the community to grow and prosper by promoting economic development and viable job growth, while preserving the quality of life that makes it a desirable place to live and work. The 2007 Comprehensive Plan had two defining characteristics: an engaging public participation process and the decision to maintain the urban growth boundary at its 2001 limits. A well publicized series of 64 public meetings were held throughout the community where citizens provided input and received information on the Comprehensive Plan. Consideration of the urban growth boundary was the prevailing issue and *the decision was made not to expand the urban growth boundary*. Primary reasons included preserving our prime agricultural land for crops, livestock and equine farming preserving our community fabric, and preventing the loss of the rural landscape which makes Lexington so unique.

The decision not to expand the Urban Services Boundary increased community interest in using innovative tools to encourage infill and redevelopment. The LFUCG Division of Planning has coordinated a community-wide effort, through the Infill and Redevelopment Steering Committee, to support the city's smart growth strategy. This facilitated, task-force based effort identified 104 specific action items for the community to pursue to maximize infill and redevelopment potential in their April 2008 report titled simply "*Recommendations*." Since that report was issued, 80 of the 104 recommendations (77%) are either completed, ongoing or currently in process.

Encouraging infill and redevelopment supports public policy objectives of preserving our distinctive Bluegrass landscape, using available infrastructure more efficiently, creating dynamic pedestrian-oriented districts and preserving existing residential neighborhoods from over-development by steering new development into appropriate locations.

To better understand the opportunities for redevelopment and infill within the Urban Services Boundary, a *Non-Residential Infill Study* was completed in April 2009 to identify vacant land, unoccupied structures and underutilized properties (properties that exhibit characteristics of physical deterioration, vacancy or abandonment). The analysis concluded that the identified properties could accommodate over 14,000 housing units, over 50,000,000 square feet of office/commercial/retail and almost 100,000,000 square feet of industrial, warehouse and research space, under the current Comprehensive Plan.

These numbers point to the significant opportunity to accommodate new growth within the existing Urban Services Boundary. However many of the properties suitable for infill and redevelopment may have environmental contamination (either real or perceived) associated with changing land uses over time that hinders development and reuse. Since its establishment in 1782, Lexington has served as a major economic center in the Bluegrass Region. As a result, a huge diversity of enterprises have flourished within the areas slated for infill and redevelopment including paper mills, distilleries, grist mills, tobacco factories, brick and lumber yards, petroleum refineries, stockyards, and manufacturing industries. Because of the historical placement of industries along major corridors, streams, and freight rails (some of which are now abandoned and can serve as pedestrian corridors), brownfields can be the catalyst for the redevelopment of an entire area- anchoring redevelopment rather than being an anchor holding back redevelopment.

(i) Effect brownfields currently has on the targeted community.

Several brownfield sites have been identified through the *Non-Residential Infill Study* mentioned above. Potential redevelopment zones within the Infill and Redevelopment Area were identified by evaluating existing conditions and community needs, as well as conducting physical assessments and market analyses. The *Non-Residential Infill Study* was guided by an advisory committee composed of public and private officials and stakeholders knowledgeable of the challenges of urban core development.

Several brownfield sites have been identified on the northwest side of the urban core along the Manchester Street, Versailles Road and Newtown Pike corridors. This is one of the oldest sections of Lexington and was once a prominent commercial and industrial area. The brownfield sites are commingled with and adjacent to Lexington's older neighborhoods. The *Non-Residential Infill Study* characterized the land use of this area as industrial, warehouse, mixed use and institutional. The physical evaluation of the corridors revealed several vacant warehousing and industrial buildings with a higher percentage of vacancy rates and renter occupied properties. These corridors are not pedestrian-friendly and lack basic safety features such as sidewalks and street lighting. In addition, several of the vacant structures invite the opportunity for crime, creating safety concerns for area residents. Fayette County is divided into 24 police beats, two of which cover the target neighborhoods. The area encompassed by these two police beats ranks second for assaults, robberies, and arrests for public intoxication.

The following brownfield properties are located within the target community: a rail yard and a former locomotive repair facility, the former Great Southern Refinery, abandoned distilleries, former tobacco warehouses, petroleum bulk plants, an asphalt plant, stockyards, auto salvage yards, warehouse facilities, an abandoned incinerator, auto repair shops, gasoline stations and a quarry. Contaminants potentially associated with these sites include: heavy metals, polychlorinated biphenyls, petroleum hydrocarbons, chlorinated solvents and asbestos. Vacant and abandoned properties have also become the site of illegal dumps of all types of waste and discarded materials, such as automotive gas tanks, lead-acid batteries, and tires. Many of these former industrial sites are closed or abandoned. The long time use of petroleum

products and hazardous substances has resulted in numerous potential brownfield sites. The potential contamination has decreased their taxable value and a majority of the sites remain undeveloped, contributing to further stagnancy and unemployment. This decline in property value is reflected in the target community's median real estate taxes of \$331; compared to \$907 for Fayette County as a whole.

The 5,339 people living in the neighborhoods of the target community are disproportionately impacted by the brownfield sites due to their close proximity, which increases the opportunity for exposure to contaminants from wind-blown dust and surface water runoff. Children may also be subject to direct exposure to contaminants as well as other safety concerns from playing in and around vacant facilities. Surface water runoff from many of these properties enters into Town Branch of Elkhorn Creek, designated by the Kentucky Division of Water as an impaired stream, which flows "underneath" downtown Lexington and through the middle of this area. These neighborhoods' are some of the earliest neighborhoods to develop beyond the original core of Lexington, having historic roots going back to the 1870s. Davistown is one of the oldest and most distressed neighborhoods in Lexington, which once housed many African-Americans who moved to the city following emancipation in 1866. Irishtown is also an old residential area that once housed Irish railroad workers during the 19th century. This neighborhood once contained "company housing" for Cincinnati-Southern Railroad workers. Note, redevelopment of Davistown has been contemplated for decades, even being identified as a top priority for Lexington in a planning study completed in 1971.

According to the 2000 U.S. Census (the most recent census year for which this level of detail is available), the target community contains 2,321 households and is characterized as racially diverse when compared to Lexington-Fayette County as a whole. The demographics of the target community are: African American (53%), White (39%) and Other (7%); compared with Fayette County: African American (13%), White (79%), and Other (6%). These neighborhoods also have a younger demographic with a median age of residents of 32 years, with thirty two percent of households having at least one person younger than 18 years of age. This community also has a higher percentage of renter occupied properties at 51 percent; as opposed to 41 percent for Lexington Fayette County. The educational attainment of residents is lower when compared to the community as a whole. Twenty percent of the residents age 25 and over do not have a high school diploma, while the Lexington-Fayette County value is only 13 percent.

b. Financial Need

(i) Economic impact of brownfields on the targeted community.

The target community's close proximity to several brownfields sites has put its citizens at an economic disadvantage compared to the rest of Fayette County. Again according to the 2000 U.S. Census which is the most recent year for which this level of detail is available, the residents of these neighborhoods have lower incomes and higher poverty rates when compared to the surrounding community. The median household income for the target community is \$24,179; compared to \$45,622 for Fayette County. In addition, 25 percent of the population of the target community is at or below the poverty level and 39 percent of the population between the ages of 16 and 64 reports an employment disability. The median year for homes built in the target neighborhoods is 1947; compared to 1974 for Fayette County. It is not surprising that the older housing stock also translates to lower median home values of \$90,000 in the target community compared to \$146,000 for Fayette County as a whole.

Kentucky's August 2010 unemployment rate was 10% and Lexington's August 2010 unemployment rate of 7.8% shows that while the Fayette County rate is better than the state-wide rate, the community's unemployment rate is almost double the 2007 rate. In fact, it is one of the highest levels of unemployment suffered by the community in over 33 plus years, according to Kentucky's Workforce Development Cabinet. The U.S. Bureau of Labor Statistics reported 4,239 job losses over the last year (2009) in Lexington Fayette County and an additional 9,400 jobs the previous year (2008). Plus Fayette

County's unemployment rate ranked 164th out of the 372 Metropolitan Statistical Areas studied. These county-wide numbers are significant when compared to our population, but the target community has very likely experienced an even sharper decrease in employment than the other parts of Fayette County. The 2000 U.S. Census lists the primary occupations of individuals over 16 years of age in the target neighborhoods as: service industry, construction industry and production industry. All three of these industries have experienced serious slowdowns and worker layoffs over the past two years. For example as mentioned in last year's grant application the GE Glass Plant, operational in Lexington since 1946, is closing. In addition, Toyota's Kentucky plant, a major employer in the region located in Georgetown, recently cut 500 temporary assembly line workers and cut managers pay by a third.

This grant will serve as a catalyst for revitalization in the target community that currently suffers from urban blight due to abandoned and run down properties, lower property values, and a generally lower quality of life. Substantial efforts have been dedicated to planning and seeking public input to ensure responsible growth that maximizes redevelopment and infill, revitalizes our neighborhoods and preserves our existing green space. The opportunity for redevelopment has never been better. Lexington is positioned at a tipping point of innovative "inward bound" growth which is bolstered by the Urban County Government's policies encouraging infill and redevelopment.

However there are also distinct challenges to creating new infill and redevelopment as opposed to "Greenfield" or conventional development. Often private developers are wary of investing in infill and mixed use developments in areas where the neighborhoods are seen to be in decline unless they are incentivized. Public incentives such as subsidies, tax breaks and infrastructure improvements are common approaches communities use to help incentivize infill and redevelopment. However over the past several years local governments to include Urban County Government have experienced a significant reduction in tax collections and other revenue due to the global recession, making the creation of additional redevelopment incentives in Lexington-Fayette County difficult in these tight budgetary times. This assessment grant will allow the Urban County Government to translate the considerable planning work that has been done to spur redevelopment into action to identify, assess and prioritize sites for future cleanup and redevelopment. This is a critical step in the redevelopment of these old industrial/commercial corridors that will stimulate interest from the private development sector. In addition, the Urban County Government is currently reviewing local ordinances that impede or fail to recognize the unique challenges of infill and redevelopment and is making appropriate revisions to remove these impediments.

2. Project Description and Feasibility of Success

a. Project Description

We believe Lexington is somewhat unique in that one of the responsibilities our local government is specifically charged with under section 3.02 of our Code of Ordinances is to "provide for the redevelopment, renewal or rehabilitation of blighted, deteriorated, or dilapidated areas."

To meet this obligation and (more importantly) to improve the lives of our residents, the LFUCG is applying for EPA's FY 2011 Brownfields Hazardous Substances Assessment Grant on behalf of our more vulnerable citizens. Due to the likelihood that both petroleum and non-petroleum contaminants may be present at the properties to be assessed, Lexington applied for EPA FY 2010 brownfields grant funds of \$200,000 to assess properties for petroleum contamination and an additional \$200,000 to assess properties for hazardous substances other than petroleum. Lexington was successful in obtaining \$200,000 to assess properties for petroleum contamination and has entered into a cooperative agreement with the EPA to expend these funds. However Lexington was not successful in obtaining FY 2010 EPA grant funds to assess brownfields properties for hazardous substances. We feel assessing properties for hazardous substances is *crucial* to the success of our local brownfields efforts and we are applying for a

\$200,000 FY 2011 Brownfields Assessment Grant for hazardous substances. These funds will be expended within the specified three-year grant timeframe if awarded.

Upon award, the LFUCG plans to use the requested funds to improve the quality of life for residents in brownfield areas by identifying candidate properties and assessing them for hazardous substance contamination which we believe will in turn lead to beneficial reuse of these properties. We will do this by utilizing a highly qualified environmental consultant experienced in performing Phase I and Phase II Environmental Site Assessments (ESAs) which meet CERCLA due diligence All Appropriate Inquiry (AAI) requirements and to prepare remedial action plans for select properties. We believe it is important to note that we are currently in the process of issuing a Request for Proposals (RFP) to obtain a qualified consultant to perform the petroleum assessments for our FY 2010 Brownfields Assessment Grant and we have structured this RFP so that we can also utilize the selected consultant to perform hazardous substance assessments. This will save money and time and expedite grant activities. This consultant will be selected through a transparent RFP process, both to ensure fairness and to ensure the best consultant is selected. Responses will be reviewed by our Division of Central Purchasing and experienced environmental staff within our Division of Environmental Policy, several of which have consulting experience and performed Phase I and Phase II audits prior to joining the LFUCG. We will also use EPA guidance on hiring "environmental professionals," a requirement of the AAI rule, to help us in our selection.

Since the properties to be assessed lie within an urban area, protocol contained in ASTM International's E1527-05 *"Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process"* will be used by the consultant when conducting Phase I ESAs as opposed to ASTM E2247-08 *"Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process for Forestland and Rural Property."* EPA recognizes the ASTM E1527-05 Standard as fully compliant with the AAI final rule. Should Phase I ESAs determine that sampling is required on a specific property, the selected consultant will develop a plan to conduct a Phase II ESA in accordance with ASTM Standard E1903-97(2002) *"Standard Guide for Environmental Site Assessments: Phase II Environmental Site Assessment Process."* A Sampling and Analysis Plan will be developed and submitted to EPA for review and approval along with a site specific Health and Safety Plan designed to protect the well being of site workers and the general public.

We are applying for a community-wide grant; however we anticipate most if not all of the assessment work will occur in the northwest part of town. The needs are great in this area but so are the opportunities. In determining which properties to assess, we will build on the recent study of underutilized properties completed by of our Division of Planning and Division of Code Enforcement mentioned previously. Please note that prior to assessing any properties, we will engage the community in a discussion of the EPA Brownfield Program and will work to educate individual property owners on the benefits of participating in the EPA Brownfield Program. We will also complete Site Eligibility Analysis, and obtain landowner permission and EPA approval prior to beginning assessment work on the targeted properties. Once specific properties are assessed, the consultant will also be asked to prepare remedial planning & design documents (Remedial Action Project Plans and/or Analysis of Brownfield Cleanup Alternatives) for the more promising properties. The LFUCG also plans to work with property owners to apply for EPA Brownfields program cleanup grants for eligible properties in subsequent years. We also plan to work with LFUCG economic development personnel and planning personnel as well as with community organizations such as Commerce Lexington and Downtown Development to promote reuse of properties that are not contaminated (as determined through these assessments) or where the levels of contamination identified are low enough that they do not preclude redevelopment.

The knowledge we will garner during the ESAs will help protect public health, help address environmental justice issues, promote economic revitalization, and help preserve green space and

farmland by promoting infill and redevelopment. As the (likely) areas to be assessed and revitalized lie in close proximity to downtown Lexington, revitalization will also help create a downtown which improves the quality of life of residents living in the target areas and is also more vibrant and welcoming to all our residents as well as our guests.

We believe there is strong potential to use the requested grant funds to leverage additional funds. One obvious example is that if awarded the hazardous substances assessment grant, we can use these funds to complement our (current FY 2010) petroleum assessment grant efforts. Specifically, since these grant periods will overlap, being awarded a FY 2011 hazardous substances assessment grant will allow us to assess properties for both petroleum and hazardous substances at the same time which will save money by eliminating the likelihood that a property would have to have a "petroleum" Phase I and/or or Phase II ESA then later have to have a "hazardous substance" Phase I and/or or Phase II ESA performed before the property could be redeveloped. It would also reduce the number of site mobilizations, cost of drilling, cost of education and outreach, etc. We believe an additional benefit that may be hard to quantify but will be extremely valuable is the fact that being able to assess properties for both petroleum and hazardous substances will in all likelihood increase landowner's interest in having their properties assessed. Another obvious example of leveraging is that the LFUCG will not be charging our personnel costs to the grant; as noted in the budget discussion below we anticipate that LFUCG "in kind" services are estimated to be \$29,000.

However the best example that exemplifies the potential for leveraging is using the requested assessment funds to facilitate the Lexington Distillery District redevelopment project on Manchester Street. Lexington's 25-acre Distillery District is conceived as an adaptive reuse and redevelopment of the historic industrial corridor of Manchester Street into a vibrant retail and residential-based arts and entertainment destination. According to the October 2008 C. H. Johnson Consulting report *The Distillery District Impact Analysis and TIF Revenue Projections*, the proposed development will have a Bourbon Trail Welcome Center; a Boutique Distillery and Museum; 277 units of for-sale residences; 83,300 square feet of office space; 118,600 square feet of retail and restaurants; the first Boutique Bourbon Hotel, with Spa and 125 rooms; and 700 parking spaces in a total of 15 development parcels (nine West District parcels and six East District parcels). The five-story Pepper distillery and storage building will operate as public facilities. Nearly 300,000 square feet of industrial architecture and ten structures in the renovated Old Tarr Distillery and James E. Pepper Distillery are proposed to be developed as bookends to a vibrant new commercial and residential district. Total development cost is estimated at \$190.9 million, to be developed in three phases.

A century ago, the street was home to the primary concentration of bourbon distilleries in Central Kentucky, with the Old Tarr, the Pepper, and the Lexington distilleries covering nearly 60 acres. Consolidation in the industry and decades of neglect, however, means there is little awareness today of the colorful history of this area. A whole storyline can be developed, telling the history of spirits making, prohibition, evolution of bootlegging, and reestablishment of the industry in Kentucky. Revealing this history through original industrial architecture, Lexington can establish itself as an eastern tourism driver for "Bourbon Country." It should also be noted that this project will very likely benefit from the keen interest in the *Kentucky Bourbon Trail*. Since being formed in 1999 by the Kentucky Department of Agriculture, millions of visitors have traveled the *Kentucky Bourbon Trail* and toured eight historic bourbon distilleries located in Bluegrass Country.

The objective of the C. H. Johnson Analysis was to determine the market potential and feasibility of the Distillery District's project as well as to support an application by Lexington Distillery District, LLC for Tax Increment Financing (TIF) under the Commonwealth of Kentucky Participation Program for Mixed-Use Redevelopment in Blighted Urban Areas. Based on research and analysis documented in the C. F.

Johnson report, the proposed Distillery District development is estimated to generate significantly greater economic and fiscal impact to both the local and state economies. Its construction is estimated to generate one-time impact that includes \$87.8 million of total spending, \$34.9 million of increased earnings, over 3,500 jobs (including over 2,600 construction jobs), and \$7.1 million in state and local tax revenues. It should be noted that the Commonwealth of Kentucky recently made a final determination that this project was eligible for \$45,804,000 in tax increment financing (TIF) for public infrastructure. This \$190,871,069 project, when completed, will redefine the northwest and west end of Lexington. For more info on the project, please see <http://www.lexingtondistillerydistrict.com/>. For more info on the tax increment financing please go to the KY Economic Development's Finance Authority website <http://www.thinkkentucky.com/kyedc/kybizince.aspx> and click on "list of active state participation Tax Increment Financing Projects."

It should be noted that there is a huge amount of local interest in developing the distillery district and we are already seeing this area come alive! As an example the Barrel House Distillery is now producing Lexington's first vodka (called Pure Blue) which is being served in over 180 restaurants and retail establishments. The name chosen for this product may have been influenced by the fact that the Barrel House Distillery is located a scant 2000 feet west of Rupp Arena, home of the Big Blue (UK) basketball Wildcats. Also the Actor's Guild of Lexington, Buster's Billiards and Backroom, the Manchester Club, MS Renzy Photography, Scream Park (haunted house attraction), and Dogtown (pet day care), have all recently opened within the Distillery District which speaks to the fact that a wide variety of businesses believe this area will be successful and also speaks to the diversity of businesses that will ultimately locate to the Distillery District.

Additionally work has begun on Town Branch Trail, which many residents picture as our version of San Antonio's River Walk. Town Branch Trail is a proposed 'shared-use' greenway trail (paved route for pedestrians and bicyclists) that will connect Downtown Lexington with its world-famous equine landscape via area neighborhoods, parks, and historic sites as it follows the westward course of Lexington's historic waterway- the Town Branch of Elkhorn Creek along whose banks Lexington was founded in 1779. This Trail is a significant component of Lexington's Greenway Masterplan, the Downtown Masterplan, the Downtown Streetscape Plan, and the Newtown Pike Extension (now named Oliver Lewis Way in honor of the African American jockey who won the first Kentucky Derby in 1875 aboard the horse Aristides). Town Branch Trail seeks to transform neglected or underutilized urban areas along our historic creek into a landscape trail that will serve among other things: recreation, commuting, the environment, tourism, and economic development. Since 2001, Town Branch Trail Inc., a local 501(c)(3) nonprofit corporation, has been advocating for this trail project, writing grants, and working to raise consensus within the community. In conjunction with LFUCG, Town Branch Trail, Inc has raised over \$1 million in trail funds, \$1 million in land donations, and has three miles of trail in design and construction. Currently Town Branch Trail, Inc is partnering with the Manchester Development Company to create miles of trail through Lexington's historic Bourbon Distillery District via TIF financing. Town Branch Trail, Inc is also working with RJ Corman Railroad Group to pursue opportunities to build trails along rail lines that run through some of the most spectacular scenery in the Bluegrass. Also recently the owners of The Red Mile harness racing track between Versailles Road and South Broadway unveiled conceptual plans for 68 acres of the 132-acre track. These conceptual plans not only include the creation of businesses, retail shops and residences at the racetrack, but also a hiking trail along Red Mile Road connecting to Town Branch Trail on Old Frankfort Pike. Town Branch Trail, Inc is also producing educational materials for our regional middle school classrooms to raise awareness of our rich history and our connection to our watershed. Phase I & II, comprising two miles of Trail, are now completed. Phase III of the trail, the next one mile section, has been funded, and in the coming months will be designed with construction planned to begin in 2011. Phase IV

and V are in the stage of conceptual design. To see the latest "visioning" map showing how Phase V will dovetail with the Manchester Street Distillery District, please go to http://www.townbranch.org/maps/Tif_Poster_July-2008.pdf The requested EPA brownfield assessment funds could be used to assess the properties along the route to be taken for the part of the Trail yet to be constructed, facilitating Trail efforts and promoting economic growth and other benefits. For additional information on Town Branch Trail, Inc please see <http://www.townbranch.org/>.

In summation, we are confident that our proposed approach will be successful. We have experienced personnel in place to provide the coordination needed, we have community support for infill and redevelopment as well as the planning tools and financial tools (such as tax increment financing) needed to promote infill and redevelopment, we have a strong interest in economic development in the target area (particularly the Distillery District and Town Branch Trail), and we have a number of brownfield sites that will benefit from being assessed.

b. Budget for EPA Funding and Leveraging Resources

(i) Project Tasks and Budget

A budget for the hazardous substances grant (total of \$200,000) is presented in tabular form below as suggested by EPA guidance. A written description of each task is also presented below. *Please note that where possible, identical tasks for our current FY 2010 petroleum assessment grant and the FY 2011 hazardous substance assessment grant (if awarded) will be conducted simultaneously to increase efficiencies and reduce costs.* As an example, if awarded the hazardous assessment grant, when conducting community outreach we will focus on both petroleum and hazardous substances.

Hazardous Substances	Task 1 Programmatic Costs	Task 2 Community Outreach	Task 3 Site Inventory	Task 4 Site Assessment	Task 5 Cleanup Planning	Total Grant Budget
Personnel[1]	\$0	\$0	\$0	\$0	\$0	\$0
Fringe Benefits[1]	\$0	\$0	\$0	\$0	\$0	\$0
Travel[2]	\$1,100	\$500	\$0	\$0	\$0	\$1,600
Equipment[3]	\$0	\$0	\$0	\$0	\$0	\$0
Supplies[4]	\$0	\$400	\$0	\$0	\$0	\$400
Contractual[5]	\$0	\$2,000	\$6,000	\$160,000	\$30,000	\$198,000
Other	\$0	\$0	\$0	\$0	\$0	\$0
Total [6]	\$1,100	\$2,900	\$6,000	\$160,000	\$30,000	\$200,000

Notes:

[1] Existing LFUCG personnel will administer/coordinate this grant initiative and will not charge administrative or indirect costs to this grant.

[2] The amount budgeted includes \$500 for travel to facilitate community outreach. Since the FY 2010 petroleum assessment grant we were awarded includes funds allowing LFUCG personnel to travel to the three US Brownfields annual conferences, this hazardous substance budget only includes funds to allow one LFUCG employee to attend one additional Brownfields annual conference. This cost is estimated to be \$1,100 for the one trip taken for the last year of the hazardous substances assessment grant cycle.

[3] EPA defines equipment as items that cost \$5,000 or more with a useful life of more than one year. Equipment is typically not needed for assessment grants per EPA guidance.

[4] We anticipate using funds budgeted for supplies for printing outreach materials, forms, etc.

[5] We will comply with procurement procedures contained in 40 CFR 30.40 through 30.48 when contracting services.

[6] Total does not include in kind services provided by the LFUCG which will not be charged to this grant. Total LFUCG in kind personnel costs to facilitate this grant are estimated at \$29,000.

Task 1 Programmatic Costs: A combined total of \$1,100 in travel expenses is estimated for this task to allow one LFUCG employee to travel to one U.S. EPA Brownfields annual conferences (\$1,100 per trip for the last year of assessment grant cycle). The LFUCG will provide additional (in kind) resources in the form of LFUCG staff to coordinate/administer the grant. These in kind resources, estimated at \$5,000 in labor, will be used to document the brownfields site selection process, coordinate meetings, provide information on financial incentives to property owners, provide direction to consultants, add info on brownfields sites to the LFUCG GIS database, and similar tasks.

Task 2 Community Outreach: Obtaining involvement and community support will be key to the success of our efforts. A combined total of \$2,900 from the hazardous substance assessment grant budget will be spent on outreach efforts to educate the community on this initiative and to reach out to stakeholders, including property owners. This total includes \$2,000 in contractual costs (which will allow the selected consultant to hold community outreach meetings and explain the ESA process), \$400 in supplies to facilitate printing of brochures and pamphlets (to be printed in English and Spanish), and \$500 in travel. LFUCG staff will also provide in kind resources (labor) to attend outreach meetings, provide coordination, draft and issue press releases, post brownfields information on the LFUCG website, and compile public comments. These in kind labor services are estimated to be worth approximately \$4,000. We will also provide meeting space at our Recycling Center and/or the McConnell Springs Nature Center, both of which are located on Old Frankfort Pike.

Task 3 Site Inventory: Costs to develop a site inventory are estimated to be \$6,000. A consultant will be tasked with reviewing the underutilized properties listing for completeness, conducting windshield surveys of the targeted area, and compiling site recommendations received from the community. The sites will then be prioritized for the performance of Phase I and Phase II ESAs. As part of this prioritization, the consultant will discuss promising economic development opportunities in the targeted area with landowners and LFUCG Economic Development personnel, discuss greenway plans with Town Branch Trail Inc, review pending infill and redevelopment projects in the targeted area, and review the needs of the affected community. LFUCG employees will help in developing the site inventory and the prioritization of sites. These in kind labor services are estimated to be worth \$5,000.

Task 4 Site Assessment: Costs to perform the Phase I and Phase II ESAs for the hazardous substance assessment grant are estimated to be \$160,000. This includes \$40,000 to perform 20 Phase I ESAs at an estimated cost of \$2,000 each and \$120,000 to perform 10 Phase II ESAs at \$12,000 each. Please note these estimates are based on our anticipation that half of the sites where Phase I ESAs are performed to assess hazardous substance contamination will require a Phase II ESA be performed. The actual number of ESAs performed will depend on owner participation as well as consultant costs.

As mentioned previously ESAs will be performed by a qualified environmental professional (consultant) in accordance with AAI protocol. The ESAs will provide the knowledge needed to help ascertain cleanup requirements, develop cleanup plans, and spur redevelopment. We anticipate that based on the industrial history of the target area, some properties may need to be assessed for both petroleum contamination and hazardous substance contamination. We anticipate that we will be able to assess these properties for petroleum contamination and hazardous substances contamination at the same time if awarded this FY 2011 EPA hazardous substance assessment grant, which will be more efficient, will save money, and will allow us to conduct additional ESAs. LFUCG will provide project management and oversight of the ESA investigations and resulting reports, and we anticipate that the LFUCG in kind labor will be worth approximately \$5,000.

Task 5 Cleanup Planning: Cleanup and redevelopment planning will be conducted on select properties where redevelopment is pending and ESAs showed the presence of contamination which needs to be dealt with before the property can be redeveloped. This work will be contractual, in that it will be performed by the consultant that performed the ESA. Cleanup plans will provide approaches to addressing contamination, and may recommend removal of contaminants, on site treatment, management in place, risk based closure, or other similar approaches. We have budgeted \$30,000 to develop cleanup plans for 5 properties being assessed for hazardous substance contamination at a cost of \$6,000 each. Please note these estimates are also based on our anticipation that half of the assessment sites where Phase II ESAs are performed will require cleanup plans. The number of sites and consultant costs will determine the actual number of cleanup plans developed.

Although the consultant will be primarily responsible for cleanup recommendations, LFUCG personnel will work with the consultant and landowner on redevelopment plans, and we anticipate that the LFUCG in kind labor will be worth approximately \$10,000.

ii) Leveraging. As mentioned previously, the potential for leveraging funds through tax increment financing is significant. Total cost for the Lexington Distillery District project discussed in detail above is estimated to be \$190 million. However this blighted redevelopment project has already received preliminary approval from the Kentucky Economic Development Finance Authority (KEDFA) for \$60,754,483 in state tax increment financing for a term of 20 years. This speaks volumes about the viability of this project. Similarly we anticipate our brownfields assessment efforts will complement efforts of Town Branch Trail Inc. which relies on community donations and has already raised over \$1 million in trail funds and \$1 million in land donations.

Also the LFUCG Council recently authorized the creation of the Land Bank Authority. The purpose of the Land Bank Authority is to create an entity that can receive (or in certain circumstances, purchase) property that typically does not have a clear title. Once the Land Bank Authority has possession of the property, any liens and overdue taxes against the property are forgiven and the title is cleared, thus making the property useable again. The Land Bank Authority can then choose to sell (or donate, depending on circumstances) the land for a productive use such as affordable housing providers. The Land Bank Authority may accept any residential, commercial, or industrial property in Fayette County. This is another powerful tool that the LFUCG is using to promote infill & redevelopment, and with a particular focus on providing affordable housing on previously un-useable properties.

One additional initiative that is directly related to the Land Bank is our newly adopted Abandoned Urban Property Tax. This is a tax that is allowed via Kentucky state law. This Urban Property Tax will greatly increase the property taxes on a piece of property that has been determined to be an abandoned urban property (AUP). The LFUCG has passed the ordinances allowing the AUP Tax, and will be setting up a Vacant Property Review Commission (VPRC) to determine whether properties should be designated as abandoned urban properties. The increased taxes will motivate property owners to fix up and utilize their properties or donate the properties to the Land Bank (in order to clear title and any taxes / liens). The actual tax rates for the AUP tax will be set in August of each year.

The Lexington Community Land Trust is another leveraging tool. This Land Trust, which was incorporated in November of 2008, was formed to enhance affordable housing opportunities in Fayette County and is focusing on the Southend Park area (within our brownfields target area). One of the innovative tools this Trust is using allows residents to control housing although they do not own title to the land (i.e. such as a 99-year lease).

Additionally a leveraging mechanism that is not often considered but could be quite useful is the use of assessment results to procure cleanup funds from the Kentucky Division of Waste Management. Under KRS 224.43-505 the Kentucky Division of Waste Management administers the Kentucky Pride Fund.

This Fund was established for undertaking closure and corrective action at formerly permitted solid waste disposal facilities or abandoned solid waste sites or facilities that ceased accepting waste prior to July 1, 1992, which pose the most significant environmental or human health risk. Should assessments conducted under this EPA Brownfields Grant indicate that sites such as old landfills, incinerators, dumps, etc. pose a significant environmental or human health risk and there are no responsible parties, we can approach the Kentucky Division of Waste Management and request the site(s) be cleaned up using Pride funds.

c. Programmatic Capability

(ii) The Lexington-Fayette Urban County Government received an EPA FY 2010 Brownfields Petroleum Grant in July of 2010 and is in the process of administering this grant at the current time. We have also received other federal assistance agreements.

The Urban County Government uses fund accounting for financial management of all federal funds in accordance with OMB Circular A-102, "Grants and Cooperative Agreements with State and Local Governments." Established procedures are in place to provide separate financial records for each project for the purpose of identifying the source and use of grant funds. All expenses are fully supported by source documentation. The Urban County Government's Department of Finance and Administration has three divisions that interact to ensure compliance with regulations. The **Division of Community Development** serves as the centralized grant management unit for all federal and state grants for purposes of monitoring allowable costs and to ensure timely programmatic and financial reporting. The **Division of Accounting** maintains the general accounting system and is responsible for paying all invoices. This Division has responsibility for reviewing and approving financial reports prepared by the Division of Community Development. The **Division of Central Purchasing** is responsible for all major purchases for the Urban County Government. This Division has responsibility for ensuring that the procurement regulations are met as well as the federal procurement provisions contained in 40 CFR Part 31. The Urban County Government has a history of successfully managing and performing work in accordance with our grants. The following table lists five current federally funded assistance agreements. The LFUCG is current and in compliance with the reporting requirements required by these grants.

Name of Funding Source	Type of Grant	Date of Grant	Amount
US EPA / KY Division of Water	Nonpoint Source, §319, CWA Gainesway Retention Retrofit	2004 - to be completed 12/31/09	\$373,560
US EPA	South Elkhorn Pump Station Special Appropriation Project	2009	\$1,146,000
US EPA / KY Division of Water	Nonpoint Source, §319, CWA McConnell Springs Project	2004 - To be completed 12/31/09	\$314,110
US Dept. of Health & Human Services / KY Cabinet for Health & Family Services	Temp. Assistance to Needy Families-New Chance Program	Annually since 1996	\$448,036 (current award)
US Department of Transportation/KY Transportation Cabinet	Congestion Mitigation and Air Quality project for Maine Chance Farm Bike Path	2008	\$2,000,000

Management System

The Urban County Government's staff will administer the community-wide brownfields assessment grant and will have primary responsibility for the financial management, contracting, consultant/contractor selection and oversight and all reporting functions. In 2006, the Urban County Government began implementation of an Enterprise Resource Planning system based on Oracle PeopleSoft version 8.9, with

the goal of integrating all information systems and business processes. The Projects/Grants module was launched July 1, 2009 and will be the principal tool used to track and monitor progress under the grant.

Susan Bush, Director of the Division of Environmental Policy will be the project manager for the assessment grant. Ms. Bush is a registered professional geologist with over 29 years experience in the environmental field; in both the private and government sectors. During her fifteen year tenure with state government she was responsible for administering federal programmatic grants; including several from EPA. As Director of the Kentucky Division of Waste Management she oversaw a budget of \$60 million and was responsible for meeting the EPA grant requirements for the Underground Storage Tank Program; Hazardous Waste Program; Superfund Program and the Toxic Substances Control Act Program. During her tenure, the EPA oversight reports for these programs confirmed that grant commitments had been met. Ms. Bush has also worked for over a decade as an environmental consultant performing site assessments of contaminated properties and developing appropriate clean-up plans. Her considerable experience with administering federal grants as well as performing environmental assessments and clean-up of properties will serve the brownfields assessment project well. Ms. Bush currently serves as the Director of the Division of Environmental Policy within the Urban County Government. She oversees a budget of approximately \$1.3 million and is responsible for new environmental initiatives within the Urban County Government. The Project Manager will work closely with the assigned Grant Manager within the Division of Community Development to monitor the financial and reporting aspects of the grant. The Grant Manager has been trained in grant reporting requirements and has 18 years of experience successfully managing grants for the Urban County Government. An Assistant Project Manager has been assigned to this assessment grant project. The Assistant Project Manager's role is to participate fully in all aspects of the brownfield assessment project to allow him to seamlessly assume the duties of the Project Manager in the event that becomes necessary for unforeseen reasons. The Assistant Project Manager has over 25 years experience conducting and managing environmental projects and has worked extensively with the Grants Manager on several state and federal grants.

Also, Lexington created the position of "Infill and Redevelopment Facilitator", a senior level position in the Division of Planning to help shepherd developers through the local process and to make recommendations regarding improvements to the overall growth management system to promote infill and redevelopment. Any potential developer of a brownfield site will have the opportunity to work directly with this position in order to identify potential issues and to ensure that the development process will go as smoothly as possible. The Infill and Redevelopment Facilitator regularly meets with potential developers and property owners of potential brownfield sites, and will be a great resource for potential public-private partnerships for redevelopment.

The Urban County Government expects to retain the services of a qualified environmental consulting firm to perform the technical aspects of the assessment grant project. The consulting firm will be selected using a competitive procurement qualification-based process that complies with the provisions of 40 CFR Part 31.36. The successful consulting firm will have the following minimum qualifications: demonstrated thorough knowledge of Kentucky's Voluntary Environmental Remediation Program; successful completion of five brownfield assessment and redevelopment projects; and a demonstrated history of successfully performing in accordance with EPA Brownfield Program grant requirements.

Description of Adverse Audit Findings

For the Single Audit Report under OMB Circular A-133 for the fiscal year ended June 30, 2008, the Urban County Government's independent auditors identified a significant deficiency in the internal control of a major program but did not consider this deficiency to be a material weakness. This finding concerned the operation of a lease-purchase program by a subrecipient under the HOME Investment Partnerships Program. The auditors determined that Urban County Government staff lacked sufficient knowledge and

understanding of program compliance requirements and regulations for this program. Four members of the Community Development staff have now been trained and certified as HOME Program Specialists. The independent auditors further recommended that the Commissioner of Finance and Administration regularly review training needs of the staff responsible for administering federal programs to insure that they have sufficient knowledge and understanding of compliance requirements. The Commissioner of Finance and Administration has fully implemented this recommendation.

3. Community Engagement and Partnerships

The LFUCG is widely known for its longstanding, progressive, urban planning system and merged city-county government. Community participation and involvement in governance is a cornerstone of our system, one that is embedded in the organizational culture of the LFUCG. All legislative actions of the local government, and many other public meetings, are broadcast live on local television and streamed freely over the internet. For this brownfield assessment project LFUCG will take advantage of existing partnerships, and form new relationships with other entities with a stake in the sustainable development of our community.

The Infill and Redevelopment Steering Committee, which has been operational for nine years, is a key mechanism we have in place to further community brownfields partnerships and promote redevelopment of brownfields. Supported by our Division of Planning, this committee includes realtors, planning consultants, businesses, home builders, neighborhood associations, attorneys, engineers, architects, and representatives of community development organizations. The underlying premise of the committee's work, and Lexington's overall comprehensive plan, has been to promote development of the under-utilized parcels of land within the Urban Services Boundary in order to preserve the unique rural landscape of Fayette County.

In addition to this committee, the LFUCG has an outstanding group of supporters aligned to move this brownfield assessment program forward as evidenced by the attached letters of support voicing their commitments. The LFUCG's advisors for this project include social service organizations, economic development interests, land preservation groups, property owners, financiers, environmentalists, and educators. Each of the groups described below will be extended an invitation to participate in the brownfield planning group/process if they are not already participating or represented.

a. Community Involvement

Several means of communication will be employed for this brownfields assessment project. There will be press releases and newspaper articles (to including multilingual release in such publications as the Spanish *La Voz* newspaper), emails, and web updates on our goals, our progress, and our accomplishments. There will be public hearings held to receive input from our citizenry and presentations to community groups in the brownfield sectors we have identified to include visioning sessions (as needed) which the Kentucky Division of Compliance Assistance has agreed to lead. The Lexington Department of Environmental Quality will provide timely updates to the Urban County Council (the local government's legislative branch) on the project's progress which will be televised. Our partners will conduct outreach and education, serve in advisory roles to provide direction to the project, facilitate and host meetings (in ADA accessible meeting space) and our university partners will also provide students to assist with our work and participate in internships as needed. The following is a brief description of our partners.

b. Partnerships with Environmental and Health Agencies

The LFUCG has the full support of the **Kentucky Department of Environmental Protection**. This state agency administers its brownfields program through the Division of Compliance Assistance (DCA). A letter of support dated September 13, 2010 from the state Brownfields Coordinator, Mr. Herb Petitjean, is included in this application. The DCA has been extremely helpful to the LFUCG by providing training and day-to-day support in developing the LFUCG brownfields program. The LFUCG can draw

upon the wealth of experience of the DCA staff and the Department of Environmental Protection as a whole.

Additionally we are including a June 1, 2010 letter from the **Kentucky State Clearinghouse** which recommends our current brownfields petroleum assessment project be approved for assistance by the cognizant federal agency. Since the scope of work to be performed under this grant application is very similar to that proposed under the petroleum assessment grant we received, we are confident they will also support this project.

Also, the **Lexington-Fayette County Health Department** has agreed to participate in this brownfields assessment initiative by playing an active role. They have appointed their Environmental Health and Protection Manager as their designee to serve on our brownfields advisory team and to help conduct outreach at community meetings, which demonstrates their level of commitment to the success of this project. The Lexington Fayette County Health Department has been protecting community health since it was formed in 1907 and will be a tremendous asset.

c. Community Based Organizations

The **Lexington Distillery District, LLC** project is located on Manchester Street less than 2,000 feet to the west of Rupp Arena (home of University of Kentucky basketball) and the central business district of downtown Lexington. The Manchester Street corridor is heavily industrial in its current state and is characterized by empty warehouses, a tow yard, parking lots and abandoned residential property. The corridor's history will not be repeated here, but the enduring distillery buildings are bound along the length of the proposed development area by the Town Branch of the Elkhorn Creek on which the distilleries--and the city of Lexington--were sited. The developers envision a mixed-use cultural destination for both local citizens and tourists. This is clearly one of Lexington's most significant redevelopment projects. For this brownfield assessment project, the LDD has agreed to provide historical data on properties, provide meeting space, conduct community outreach, and to advise the LFUCG on our work.

Town Branch Trail, Inc. (TBT), discussed previously, is a community group whose mission is to establish a greenway and trail, or linear park, that will connect downtown Lexington with areas west of town, following the meandering path of the Town Branch of the Elkhorn Creek. Town Branch Trail is envisioned to become a major component of the city/county greenway system, and will link historical and recreational resources from downtown and the western side of the city and county, for the benefit of local residents and visitors alike. As part of this grant project, TBT Inc. will assist the LFUCG in identifying candidates for assessment and will also incorporate the Distillery District when planning for Phase V of this trail. Town Branch Trail is a strong supporter and has not put any limitations on their level of assistance--they have offered "to help in any way that we can." Most likely we will call upon Town Branch Trail Inc to help with visioning and community outreach efforts.

The **Lexington Downtown Development Authority (DDA)** assists in facilitating development and redevelopment in the downtown area. DDA authored the downtown development plan and the "college town plan" which creates the linkage between downtown and the University of Kentucky (UK) campus. DDA establishes design and related standards for development and redevelopment, and coordinates activities of other LFUCG supported departments, offices, and corporations involved in development and redevelopment related activities. DDA's Director serves on the LFUCG Infill and Redevelopment Steering Committee. For this project, DDA will provide meeting space and bring projects to our brownfield areas after assessments have been completed. DDA has also facilitated planning for the Newtown Pike Extension project, which is a major road project that will have a significant impact on our brownfield sectors.

Commerce Lexington Inc. was formed in January 2004 with the merger of various local economic development organizations. Commerce Lexington seeks to promote economic development, job creation, and overall business growth in Lexington and its neighboring communities, while strengthening its existing

businesses through the many programs and services that the organization offers. For this project, Commerce Lexington can serve a vital role in facilitating communication between LFUCG, developers, and property owners in our brownfield sectors.

A key component of the Newtown Pike Extension project is the establishment of the **Lexington Community Land Trust (CLT)**. The CLT is a non-profit entity that helps provide affordable housing to lower-income people. The CLT will obtain and maintain land—in this case an existing neighborhood called South End Park in the Davistown area—and lease sections of the land to homeowners, businesses, and other organizations. The land leased by the CLT is never sold; however, houses or commercial property located on the land are sold to the person or organization leasing the land. The CLT is a partner on this brownfield assessment project, sharing their data and advising on properties to assess, and will provide a vital linkage between this project and the Newtown Pike Extension.

Founded in 1982, **Community Ventures Corporation (CVC)** is a community-based, non-profit organization headquartered in Lexington that exists to improve the quality of life for urban and rural residents throughout Kentucky. CVC helps people increase income and build assets with three main strategies - small business ownership, home ownership, and job creation through business expansion. The CVC was selected by the U.S. EPA to receive a brownfields cleanup grant for a site in Lexington's East End neighborhood. The target site is a former dry cleaner and laundry. As Lexington's sole EPA-funded cleanup project, the CVC has a great deal of knowledge and experience that can aid LFUCG in this brownfield assessment project. CVC has committed to advising the LFUCG on this assessment project, serving as a moderator at community meetings, and providing meeting space when needed.

Bluegrass PRIDE's mission is to promote personal responsibility to improve our local environment. PRIDE has a long history of partnering with the Lexington Fayette Urban County Government by providing outreach and education about many different environmental issues. Bluegrass PRIDE has a lot of experience and contacts throughout the community and currently works with over 300 businesses, 100 apartment complexes and 80 schools in Lexington. PRIDE will help promote participation in this brownfield program to all of our contacts and also discuss the program at neighborhood meetings.

The **Fayette Alliance** is a land-use advocacy organization that promotes sustainable growth and preservation of Lexington's signature Bluegrass landscape. The Alliance encourages infill redevelopment as a component to achieving economic growth and environmental quality. The Alliance represents citizens from the entire community, with significant representation from thoroughbred horse farm owners, Lexington's signature industry. For this project the director of the Alliance will continue to serve on the Infill and Redevelopment Steering Committee.

Nathaniel United Methodist Mission, located in one of our four brownfield sectors, has been serving the residents of the Irishtown and Davistown neighborhoods since it was established in 1946. This area of Lexington is one of the most economically depressed sections of our inner city. Most residents are the "working poor," some are disabled, and most have limited job skills and education. Adequate health care is out of reach for most residents and poor nutrition is a serious threat to both adults and children. In addition to serving residents of this area, the Nathaniel Mission Health Clinic receives numerous referrals from outside agencies who serve the homeless and other indigent populations. Nathaniel Mission will use their relationships with the community to help the process, will participate in the Community Land Trust Executive Committee, and will provide meeting space if needed.

Transylvania University is a distinguished liberal arts college of approximately 1,100 students that is consistently ranked and praised in the leading national college guides. "Transy", founded in 1780 as the first college west of the Allegheny Mountains, is linked with many famous names in American history including two U.S. vice presidents, a Supreme Court justice, 50 U.S. senators, 101 U.S. representatives, 36 governors, and 34 ambassadors. Transy is also a downtown institution with properties along Lexington's

Fourth Street corridor. As such they are a major stakeholder in the redevelopment of Lexington brownfield areas. Transy has agreed to support our brownfield assessment project by providing meeting space, and supplying interns who will benefit from the learning opportunity provided by this project.

Another significant partner from higher education is the **Bluegrass Community and Technical College (BCTC)**. BCTC is a comprehensive public two-year, degree-granting community and technical college serving primarily the central Kentucky region. Historically affiliated with the University of Kentucky's community college system, BCTC was created via Kentucky's higher education reform legislation of 1997. And, like Transy, BCTC will soon be a downtown institution. In a brilliant land swap announced in 2008, BCTC will move to the 65-acre Eastern State Hospital property at the corner of Fourth Street and Newtown Pike. This will place BCTC in a critical location adjacent to one of our four brownfield sectors. The relocation of this school will have a profound affect on the Newtown Pike corridor and serve as an anchor for redevelopment of surrounding properties. Environmental assessments are currently being conducted along Newtown Pike between Main St and 4th Street, and BCTC's Master Plan for their new campus will be coordinated with LFUCG.

4. Project Benefits

This project will complement Lexington's ongoing work in infill and redevelopment. Over the past six years, the city has created zoning rules for an Office / Warehouse Project, an Industrial Mixed Use Project, and an Adaptive Reuse Project, which all serve to reduce the traditional zoning barriers which separated industrial uses from other forms of development. These provisions allow for a more streamlined process in order to stimulate redevelopment of "tired" industrial properties.

a. Welfare and/or Public Health

Creating an inventory and performing environmental assessments of and cleanup plans for brownfield properties to stimulate redevelopment will have a significant impact on the target community in multiple ways. Assessments of potentially contaminated properties will identify risks posed by hazardous substances to sensitive populations such as pregnant women, children and the elderly and the community as a whole. Proper environmental assessments of brownfield properties will ensure that the level of subsequent remediation is appropriate for the planned land use and protective of persons utilizing the property. In addition, revitalization and redevelopment will eliminate the abandoned buildings and properties that invite crime; making the target community a safer place to live. Citizens that feel safe in their neighborhoods will be able to enjoy the green spaces or just take a walk; something many of us take for granted. As redevelopment expands and transforms the blighted areas, badly needed amenities such as sidewalks, street lights, green spaces, and retail opportunities will be created bringing a renewed sense of hope and pride to the target community. The Urban County Government is also piloting an urban gardening program with local neighborhood associations. The pilot program utilizes vacant public property located within or in close proximity to residential areas. These grant funds will facilitate the expansion of this program into the target community as suitable properties are assessed and remedial work is completed. Local urban gardens enhance the sense of community as people work together and share the healthy food produced by their gardens. Urban gardens also lower the carbon footprint of the community by reducing the need to import food from long distances.

The Urban County Government believes brownfield assessment is the key to stimulating redevelopment as well as improving the health and welfare in the target community. Therefore the majority of the grant funds will be used to perform Phase I and II environmental site assessments that satisfy the "all appropriate inquiry" standard to identify hazardous substances and petroleum contaminants that require remediation. The environmental assessments will be performed by trained professionals in a manner protective of the surrounding population. To ensure the health and welfare of the public is protected, site specific health and safety plans will be developed and implemented for each site that is both protective of

the surrounding community and on-site workers. All sampling activities will be performed by qualified personnel knowledgeable of sampling protocols on contaminated sites. Investigation derived waste such as soil cuttings from soil borings and groundwater from monitoring well development will be properly containerized and disposed of in accordance with state and federal regulations. If hazards on a particular property are identified during an assessment, proper signage and barriers will be erected to isolate any hazards.

b. Economic Benefits and/or Greenspace

(i) Economic Benefits

Meaningful redevelopment of brownfield properties is a top priority of the Urban County Government and vital to the future growth of Lexington-Fayette County. The environmental assessments of brownfield properties within the target community will contribute to and support current redevelopment efforts. A good example of the emerging redevelopment efforts is the relocation of Buster's, a well known entertainment venue, to Manchester Street within the target community, as well as the Newtown Pike Extension project and the adaptive reuse of the abandoned 25-acre Distillery District. The Distillery District's annual economic and fiscal impact is estimated to include \$125.8 million of total spending, \$49.95 million of increased earnings, approximately 1,500 jobs, and \$8.3 million in state and local tax revenues. Of these benefits, approximately \$32.1 million of total spending, \$12.7 million of increased earnings, 313 jobs, and \$1.8 million of state and local tax revenues are net new to the Commonwealth. In a 20-year period, various activities occurring within the Distillery District are estimated to amount to billions of spending and hundreds of millions of tax revenues. A 20-year operational impact is estimated to include \$2.93 billion of total spending, \$1.16 billion of increased earnings, 1,577 jobs, and \$191.2 million of state and local tax revenues. Of these benefits, net new impact to the Commonwealth of Kentucky is estimated to amount to \$760.1 million of total spending, \$301.9 million of increased earnings, 343 jobs, and \$42.2 million of State and local tax revenues.

These fiscal benefits clearly far exceed the existing tax revenue from the site, which is estimated at \$160,089 annually (by end of 2007 estimates). In a 20-year period, the Distillery District is estimated to generate a total of \$126.8 million, \$48.1 million, and \$23.8 million of State and local tax revenues from Phase I, Phase II, and Phase III, respectively. By contrast, if the area within the District footprint remains "as-is" and undeveloped, tax revenues are estimated to amount to \$4.7 million during the same period.

The target community and surrounding areas will reap a host of economic benefits as a result of these and future redevelopment projects. Brownfield revitalization will increase job opportunities as well as property values for the residents of the target community.

An additional major economic benefit of infill and redevelopment of brownfields properties is the use of existing infrastructure. Many former commercial and industrial sites have large capacity infrastructure that will support new uses with little or no need for additional capital investment.

(ii) Non-Economic Benefits

Currently the target community only has one very small park with a few pieces of playground equipment for their use and recreation. The target community is clearly underserved in the amount of green space that is available compared to other areas. The assessment of brownfields and revitalization of the old industrial corridors in the target community will undoubtedly ultimately increase the creation of new green space to complement the Town Branch Trail project.

c. Environmental Benefits from Infrastructure Reuse/Sustainable Reuse

This assessment grant will also complement Lexington's current sustainability initiatives. Major efforts are under way to conserve energy, reduce greenhouse gas emissions, increase recycling, reduce stormwater runoff, increase green space, and improve water quality. As examples, in 2008 Lexington joined the International Council of Local Environmental Initiatives (ICLEI), Cities for Climate Protection

Program, and we are in the process of crafting the first-ever climate protection plan for the community with the help of a very diverse group of community stakeholders. Since energy touches all aspects of our lives, we believe this plan will be a sustainability roadmap for our community. We also have hired our first ever LFUCG Energy Manager, are taking the EPA/DOE ENERGY STAR Challenge, and are administering a 2.7 million dollar Energy Efficiency and Conservation Block Grant designed to make both the LFUCG and the community more energy efficient (www.lexingtonky.gov/energy). We now have a zero waste vision and tripled our capacity to process recyclable materials earlier this year.

The Urban County Council also recently enacted a new stormwater quality fee to reduce runoff and improve water quality that is based on the amount of impervious surface present on a property. This new fee provides an effective economic incentive for the installation of green infrastructure from rain gardens to permeable concrete by the development and business community. Effective and sustainable stormwater management practices are critical components of redevelopment in the target community and will be required due to the presence of Town Branch, which flows the entire length of this former industrial corridor. As properties are redeveloped we anticipate that green infrastructure will be used to reduce stormwater quality fees- this will benefit the target community by decreasing flooding, increasing green space and improving water quality.

In addition, Lexington's recent zoning changes promote sustainable practices by offering increased flexibility in redevelopment plans for projects that qualify as an Adaptive Reuse Project. To qualify as an Adaptive Reuse Project, property owners must reuse existing buildings, provide a threshold amount of community benefits, and further the purposes of Lexington's Comprehensive Plan. We anticipate that developers will utilize many "green" best practices as they redevelop these properties such as reusing buildings, using existing infrastructure, making buildings more energy efficient, and using demolition materials for beneficial purposes.

Finally the revitalization of the brownfield properties will facilitate the completion of the Town Branch Trail. This green infrastructure will afford bike and walking access to downtown Lexington and offers an opportunity for people to bike or walk to entertainment, shopping and business venues instead of taking their cars; helping to reduce traffic congestion, improve air quality, promote healthy living, and lower Lexington's carbon footprint (which was recently rated worst per capita for U.S. cities in the Brookings Institute Report "*Shrinking the Carbon Footprint of Metro America*").

d. Tracking and Measuring Progress

The goals of the brownfield assessment project are to reduce environmental threats to the community, eliminate blight, increase redevelopment of idle or abandoned properties and create new jobs. The Urban County Government will track and measure progress in achieving the project's goals and report progress quarterly to the EPA project manager as well as annually and at the end of the grant as required. All reports will be made through ACRES. We will work in concert with the community and specific stakeholders to prioritize properties for evaluation under this project to include holding targeted community meetings. In addition, the Urban County Government plans to work closely with our EPA project manager to set realistic goals for this community-wide assessment grant project based on the output and outcome measurements listed below.

Outputs	Outcomes
Brownfield properties inventoried	Acres of land ready for redevelopment
Phase I ESA's completed	Number of new jobs created
Phase II ESA's completed	Amount of funds leveraged
Cleanup Plans completed	Acres of green space created



ENERGY AND ENVIRONMENT CABINET

Steven L. Beshear
Governor

DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF COMPLIANCE ASSISTANCE

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September 13, 2010

Jim Newberry, Mayor
Lexington Fayette Government Center, 12th Floor
200 East Main Street
Lexington, Kentucky 40507

Re: Letter of Support for Brownfield Grant Application from Lexington-Fayette Urban
County Government

Dear Mayor Newberry:

The Kentucky Department for Environmental Protection (DEP) is supportive of, and committed to, the work of the Lexington-Fayette County Government (LFUCG) to identify and address brownfield sites in the community. DEP is the state agency charged by the legislature with the responsibility of implementing the Kentucky equivalent of the federal Superfund program, and as such, is an essential component of any attempt to systematically address brownfields redevelopment. We support LFUCG's application for a Brownfield Assessment Grant and look forward to continuing our work with LFUCG on this important issue.

Sincerely,

Herbert Petitjean
Brownfield Coordinator

HCP:hp

cc: Tom Webb (LFUCG)
Amanda LeFevre (Brownfield Outreach Coordinator)
Kenya Stump (Division of Compliance Assistance)
Shawn Cecil (Superfund Branch)
Richard Thomas (Division of Waste Management, Frankfort Regional Office)



STEVEN L. BESHEAR
GOVERNOR

DEPARTMENT FOR LOCAL GOVERNMENT
OFFICE OF THE GOVERNOR
1024 CAPITAL CENTER DRIVE, SUITE 340
FRANKFORT, KENTUCKY 40601-8204
PHONE (502) 573-2382 FAX (502) 573-2939
TOLL FREE (800) 346-5606
WWW.DLG.KY.GOV

TONY WILDER
COMMISSIONER

June 1, 2010

Ms. Irene Gooding
LFUCG
200 East Main Street
Lexington, KY 40507

RE: Brownfields Assessment
SAI# KY20100505-0846
CFDA# 66.818

Dear Ms. Gooding:

The Kentucky State Clearinghouse, which has been officially designated as the Commonwealth's Single Point of Contact (SPOC) pursuant to Presidential Executive Order 12372, has completed its evaluation of your proposal. The clearinghouse review of this proposal indicates there are no identifiable conflicts with any state or local plan, goal, or objective. Therefore, the State Clearinghouse recommends this project be approved for assistance by the cognizant federal agency.

Although the primary function of the State Single Point of Contact is to coordinate the state and local evaluation of your proposal, the Kentucky State Clearinghouse also utilizes this process to apprise the applicant of statutory and regulatory requirements or other types of information which could prove to be useful in the event the project is approved for assistance. Information of this nature, if any, concerning this particular proposal will be attached to this correspondence.

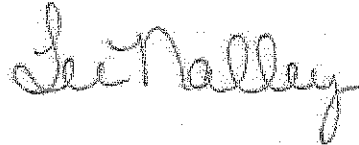
You should now continue with the application process prescribed by the appropriate funding agency. This process may include a detailed review by state agencies that have authority over specific types of projects.

This letter signifies only that the project has been processed through the State Single Point of Contact. It is neither a commitment of funds from this agency or any other state or federal agency.

The results of this review are valid for one year from the date of this letter.
Continuation or renewal applications must be submitted to the State Clearinghouse annually.
An application not submitted to the funding agency, or not approved within one year after completion of this review, must be re-submitted to receive a valid intergovernmental review.

If you have any questions regarding this letter, please feel free to contact my office at 502-573-2382.

Sincerely,

A handwritten signature in cursive script that reads "Lee Nalley". The signature is written in dark ink and is positioned above the printed name and title.

Lee Nalley
Kentucky State Clearinghouse

Attachments

The Fish & Wildlife has made the following advisory comment pertaining to State Application Identifier Number KY201005050846

Based on the information provided, the Kentucky Department of Fish & Wildlife Resources has no comments concerning the proposed project.

The Labor Cabinet has made the following advisory comment pertaining to State Application Identifier Number KY201005050846

PW RATES DO NOT APPLY

The Natural Resources has made the following advisory comment pertaining to State Application Identifier Number KY201005050846

This review was based upon the information that was provided by the applicant through the Clearinghouse for this project. An endorsement of this project does not satisfy, or imply, the acceptance or issuance of any permits, certifications or approvals that may be required from this agency under Kentucky Revised Statutes or Kentucky Administrative Regulations. Such endorsement means this agency has found no major concerns from the review of the proposed project as presented other than those stated as conditions or comments.

The Heritage Council has made the following advisory comment pertaining to State Application Identifier Number KY201005050846

The applicant must ensure compliance with the Advisory Council on Historic Preservation's Rules and Regulations for the Protection of Historic and Cultural Properties (36CFR, Part 800) pursuant to the National Historic Preservation Act of 1966, the National Environmental Policy Act of 1969, and Executive Order 11593.

The completion of Phase 1 Environmental Site Assessments will likely have no effect on historic properties and could be conducted without further consultation.

For any properties identified during the course of the grant period as candidates for Phase 2 Environmental Site Assessments, additional consultation with the Kentucky Heritage Council will be required to determine whether activities associated with the assessments (deep soil testing, etc.) will affect historic properties.

The Transportation has made the following advisory comment pertaining to State Application Identifier Number KY201005050846

Blair (7), Bret:

Blair (7), Bret:

In the event construction activities encroach upon state maintained right of way, it may become necessary to obtain a standard encroachment permit. Permit requests and questions may be directed to Corrin Gulick, District Seven Highway Dept. Permits Engr. @ 763 W. New Circle Road, Lexington, KY 40512. Phone (859) 246-2355 or email at corrin.gulick@ky.gov.



Lexington-Fayette County Health Department

650 Newtown Pike
Lexington, Kentucky 40508-1197
(859) 252-2371
(859) 288-2359 Fax
(859) 288-7510 Medical Fax

September 24, 2010

Hon. Jim Newberry, Mayor
Lexington-Fayette Urban County Government
12th Floor, Government Center
200 East Main Street
Lexington, Kentucky 40507

Dear Mayor Newberry:

This letter is written in support of the Lexington-Fayette Urban County Government's (LFUCG) Department of Environmental Quality/Division of Environmental Policy (DEP) application for FY 2011 EPA Brownfields Grant to assess brownfields properties for non-petroleum hazardous substances.

In 1907 the Lexington-Fayette County Health Department (LFCHD) was created in Fayette County to protect and improve the health of the community. In 1938 the city and county health departments merged and in the 1970s Lexington city and Fayette county governments merged and LFCHD became an urban combined city/county health department.

Brownfields redevelopment is important in many communities' land use development plan but the health effects of the potential environmental contaminants prevents the use of the land. Therefore, assessing brownfield properties for hazardous substances other than petroleum would build on the work of the Infill and Redevelopment Steering Committee. In order to protect the public's health, the development of the brownfields would only occur after the hazardous materials were removed/remediated.

To demonstrate our commitment to the success of the DEP Brownfields Assessment grant, LFCHD will play an active role. I will designate Jessica Cobb, LFCHD Environmental Health and Protection Manager or her designee, as our primary representative to this effort. Our representation will consist of membership on the core team that will advise the grant and our presence at Brownfields community meetings.

LFCHD looks forward to working with LFUCG DEQ/DEP on the Brownfields Assessment grant. If you have any questions about our support of this application, please contact me.

Sincerely,

Melinda G. Rowe, MD, MBA/MPH
Commissioner of Health
Lexington-Fayette County Health Department
Lexington, Kentucky

cc: Susan Bush, Acting Commissioner, LFUCG Department of Environmental Quality
Jessica Cobb, LFCHD Environmental Health and Protection Manager
Rodger Amon, LFCHD COO

PREVENT

PROMOTE

PROTECT

September 21, 2010

the distillery DISTRICT

1200 Manchester St.
Lexington, Kentucky 40504
859.361.3339

Hon. Jim Newberry, Mayor
Lexington-Fayette Urban County Government
12th Floor, Government Center
200 East Main Street
Lexington, KY 40507

RE: Brownfields Assessment Grant Application

Mayor Newberry:

I am writing on behalf of the development partners of the Lexington Distillery District to offer our continued support for Lexington's environmental leadership, particularly in regard to brownfields. As you know, the reclamation of urban core brownfields along the Town Branch Creek--Lexington's founding waterway--is at the heart of the 25-acre infill and redevelopment efforts of the Distillery District in west downtown.

Receipt of the petroleum assessment grant earlier this year was encouraging. Building on this success with funding for the full spectrum of environmental review is essential in separating real risks from those merely clouded by the perception of contamination. We thus enthusiastically support the work of your administration and LFUCG Environmental Quality toward pivotal, non-petroleum brownfield assessments.

Please consider the partnerships of the Lexington Distillery District as a waiting resource. We would appreciate the opportunity to serve, be it in an advisory role, the provision of facilities for meetings, community outreach, or as you may otherwise see fit.

Thank you for your efforts to date. Please call on us if we may be of help in any way as Lexington and its Distillery District strive to make the most of our city's urban assets.

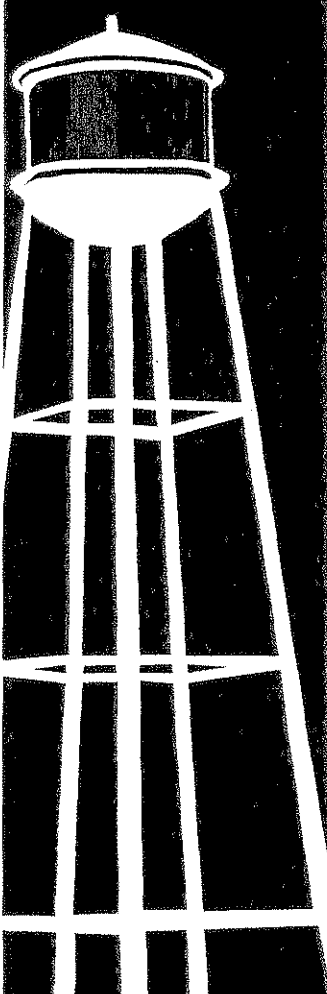
Best Regards,



Barry McNees
Managing Member
Lexington Distillery District, LLC
Pepper Distillery, LLC
Manchester Development, LLC

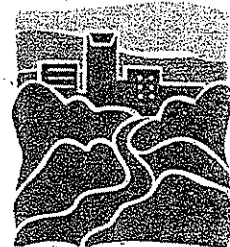
cc: Susan Bush, Acting Commissioner, LFUCG Department of Environmental Quality

The Spirit of Downtown Lexington



TOWN BRANCH TRAIL, INC

a greenway trail along Lexington's historic waterway



10.14.2010

Hon. Jim Newberry, Mayor
Lexington-Fayette Urban County Government
12th Floor, Government Center
200 East Main Street
Lexington, KY 40507

Dear Mayor Newberry:

On behalf of Town Branch Trail, Inc., a local private nonprofit dedicated to the creation of a bicycle-pedestrian greenway trail along the corridor of the Historic Town Branch Creek, I strongly support the LFUCG application for a Brownfields Assessment Grant for Hazardous Substances.

The Town Branch corridor is surrounded by residential, commercial, and educational uses. Identifying and removing the hazardous materials that undermine our health and safety as a community is of the utmost of importance.

Because this area of Lexington is at its heart and is very heavily used, we hope that the city can obtain the funds to identify and remediate all hazardous conditions that stand in the way of its full redevelopment as a vital public resource and catalyst for much needed urban infill redevelopment.

We unreservedly endorse this effort and will assist anyway we can.

Sincerely,

Van Meter Pettit, AIA
President

cc: Susan Bush, Acting Commissioner, LFUCG Department of Environmental Quality



Lexington
Downtown
Development
Authority

101 East Vine Street
Lexington, KY 40507

Office: (859) 425-2296

Fax: (859) 425-2292

www.lexingtondda.com

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Dr. Lee Todd

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Harold R. Tate, *President/Executive Director*
Penny B. Ebel, *Program and Services Director*

23 September 2010

Hon. Jim Newberry, Mayor
Lexington Fayette Urban County Government
12th Floor, Government Center
200 East Main Street
Lexington, Ky. 40507

Dear Mayor Newberry:

The Lexington Downtown Development Authority was established in 2001 to promote development, land uses and activities that make downtown Lexington the thriving economic, cultural and residential heart of Central Kentucky. As a member of the LFUCG Infill and Redevelopment Steering Committee, I strongly support the brownfield assessment grant submitted by the Urban County Government, Department of Environmental Quality. The resulting inventory of under utilized properties in the downtown is a key first step in the redevelopment process.

The Lexington Downtown Development Authority will fully support this project as it is implemented. Our conference room is available to be scheduled for meetings and the DDA will work with Developers to bring projects to the areas as they are identified and cleared.

Please feel free to contact me if you have questions. I am looking forward to working with your staff on this grant.

Sincerely

Harold R. Tate
President/Executive Director

xc: Susan Bush, Director of Environmental Policy
Lexington-Fayette Urban County Government



October 1, 2010

The Honorable James H. Newberry, Jr.
Mayor, Lexington-Fayette Urban County Government
12th Floor, Government Center
200 East Main Street
Lexington, Kentucky 40507-1310

Dear Mayor Newberry:

As you know Commerce Lexington Inc.'s mission is to enhance the community's economic development efforts by focusing on job growth through entrepreneurial development, retention and expansion of our existing business base, recruitment of new business, and by encouraging sound public policy at the local, regional, state, and federal levels. On behalf of our 1850 member companies, Commerce Lexington Inc. enthusiastically supports your initiative to seek a \$200,000 U.S. Environmental Protection Agency grant for a community-wide Brownfield's assessment.

Specifically, we support the City's Infill and Redevelopment Steering Committee's identification of these sectors for assessment: the area along Newtown Pike between Main Street and 4th Street; two sections of Manchester Street, including the Distillery District; and the area along Versailles Road between South Forbes Road and Robertson Street.

We believe the data this assessment would provide will ultimately lead to the identification of Brownfield properties, the proper reclamation, and our community's ability to develop the land for the overall good of Lexington-Fayette County.

Please let me know if Commerce Lexington Inc. members or staff can be of additional support or assistance.

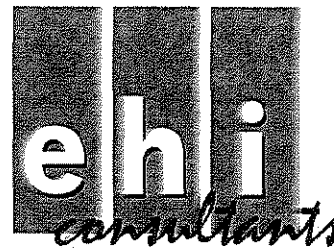
Sincerely,

Robert L. Quick, CCE
President and CEO

cc: Susan Bush, Director of Environmental Policy
Lexington-Fayette Urban County Government

September 27, 2010

Hon. Jim Newberry, Mayor
Lexington-Fayette Urban County Government
12th Floor, Government Center
200 East Main Street
Lexington, KY 40507



Dear Mayor Newberry:

As one of the lead project consultants that developed the Southend Park Urban Village Plan, we helped define the primary neighborhood objectives that led to the creation of the Lexington Community Land Trust (CLT). EHI Consultants has been involved with the formation and implementation of the CLT and has been assisting in its early board development. The CLT Board of Directors and its President, Mr. Norman Franklin, endorse your efforts to pursue the EPA Brownfield Grant.

This grant would significantly enhance our efforts in redevelopment of the neighborhood through the assistance and identification of potential brownfield sites. It would play a valuable role in land use planning and redevelopment through the implementation of several of the adopted goals, objectives and strategies of the Southend Park Urban Village Plan.

As the CLT undertakes the housing development component of the plan by developing over 100 affordable single and multifamily housing units in the Southend Park Neighborhood, a brownfield study and assessment would be a major community tool that could be used to help determine the appropriateness of development. As we work to empower the community and its residents both socially and economically with an environmentally safe and sustainable community.

By environmentally cleaning and effectively reusing land within the area, Lexington can lead the way in its planning and redevelopment efforts of this deserving low and moderate income neighborhood. The CLT would be willing to assist in this project by advising on properties assessed, property inventory and sharing data compiled in our planning and environmental assessment efforts.

EHI and the CLT support and endorse your efforts to pursue this grant and applaud you for having the vision to move our community forward environmentally, socially and economically through a sustainable strategy and planned approach.

Sincerely,

A handwritten signature in dark ink, appearing to read 'E. J. Holmes'.

Edward J. Holmes
President, EHI Consultants

A handwritten signature in dark ink, appearing to read 'Norman Franklin'.

Norman Franklin
President, Lexington Community Land Trust

cc: Susan Bush, Acting Director, LFUCG Department of Environmental Quality



HEADQUARTERS

1450 North Broadway
Lexington, KY 40505
Phone: 859-231-0054
Fax: 859-231-0261
Toll-free: 800-299-0267

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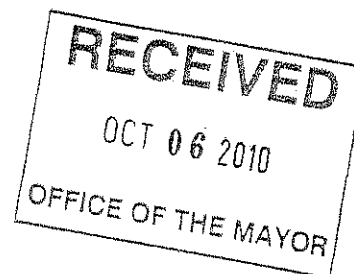
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James Coles
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Johnetta Roberts
Executive Vice President—Louisville

October 1, 2010

Hon. Jim Newberry, Mayor
Lexington-Fayette Urban County Government
12th Floor, Government Center
200 East Main Street
Lexington, KY 40507



Dear Mayor Newberry:

Community Ventures Corporation (CVC) is a nonprofit community-based organization which has worked to revitalize neighborhoods and assist in the alleviation of poverty in central Kentucky since 1982. CVC has provided business and homeownership education, counseling and lending products for 25 years and assisted over 5,000 people to write business plans, start and expand businesses, create jobs, purchase homes, and avoid foreclosure to assist them to build and sustain wealth for them and their families. In addition, CVC has extensive experience in building and rehabilitating homes and commercial facilities to assist in revitalization/stabilization of distressed neighborhoods.

CVC is a 2009 recipient of an EPA Brownfield Clean-Up Cooperative Agreement that provides financial resources and technical assistance for the mitigation of environmental contaminants at a site acquired by the agency in a distressed inner city Lexington neighborhood. This property is a former dry cleaners company and contains hazardous materials, potentially causing harm to human health and environment in Lexington. Following mitigation, CVC will redevelop the site to consist of mixed-use residential and commercial properties to expand homeownership, business ownership and job creation in an area of the city characterized by blight, low incomes, high unemployment, high crime, etc. This is CVC's second clean-up/redevelopment project in the 3rd Street Corridor; it will further the agency's and its partners' effort to improve the neighborhood and stimulate local economic growth and personal wealth for residents.

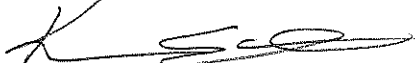
CVC supports the Brownfield Assessment proposal submitted by the Lexington-Fayette Urban County Government. CVC commits to sharing its Brownfield administration experience with the city, and also to serve in the advisory capacity during implementation of their assessment activities. CVC can be key in identifying properties needing assessment and potential redevelopment strategies for targeted properties and neighborhoods to meet the economic needs of the

community and its residents. CVC also offers it three conference rooms to LFUCG for the facilitation of project related meetings, and is willing to assist in moderating community meetings.

CVC commends LFUCG for their commitment to addressing environmental concerns throughout the city/county and their long range vision for improving the local environment, human health and economic status of neighborhoods and families.

Please let me know if you need additional information to demonstrate our support and commitment to LFUCG's Assessment Project.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin R. Smith', written over a horizontal line.

Kevin R. Smith
President/CEO

October 15, 2010

Hon. Jim Newberry, Mayor
Lexington-Fayette Urban County Government
12th Floor, Government Center
200 East Main Street
Lexington, KY 40507

Dear Mayor Newberry:

Bluegrass PRIDE has a long history of partnering with the Lexington Fayette Urban County Government by providing outreach and education about many different environmental issues. We have a lot of experience and contacts throughout the community and we look forward to helping with your proposed project.

PRIDE's mission is to promote personal responsibility to improve our local environment, and brownfield redevelopment fits very well with our mission. We use proven education and community outreach tools to encourage behavior change and increase knowledge about environmental issues. Redeveloping brownfields is an important way to improve the environmental quality of our community.

PRIDE currently works with over 300 businesses, 100 apartment complexes and 80 schools in Lexington and we would be happy to help promote brownfield redevelopment and your project to all of our contacts. We can also discuss the project at neighborhood meetings, and with the staff and residents of our Live Green Lexington Partners.

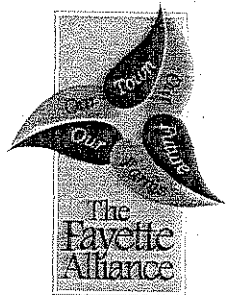
We are very excited to be able to assist in this wonderful project and look forward to the positive environmental change it can bring to Lexington.

Sincerely,

A handwritten signature in cursive script, reading "Amy Sohner".

Amy Sohner
Executive Director
Bluegrass PRIDE

cc: Susan Bush, Acting Commissioner, LFUCG Department of Environmental Quality



The Fayette Alliance

601 West Short Street, Ste. 200

Lexington, KY 40508

(859) 281-1202

www.fayettealliance.com

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Executive Director

Knox van Nagell

The Hon. Jim Newberry, Mayor

LFUCG Government Center

12th Floor

200 East Main Street

Lexington, KY 40507

September 29th, 2010

Dear Mayor Newberry,

I am writing this letter on behalf of The Fayette Alliance. The Fayette Alliance is Lexington's only land-use advocacy organization dedicated to preserving our renowned rural landscape in Fayette County, while strengthening the city of Lexington through innovative infill redevelopment and adequate infrastructure.

If responsibly pursued, this sustainable growth strategy will improve our city and protect our productive and beautiful farmland—creating a quality of life crucial to Lexington- Fayette County's economic and environmental success today and in the future.

In furtherance of this mission, The Fayette Alliance supports LFUCG's application to acquire \$200,000 in federal funding to perform a countywide assessment of brownfields affected by non-petroleum hazardous substances.

With this financing, LFUCG will develop an inventory and examine contaminated properties in the Northwest area of the city, including those along the:

- The Manchester Street corridor;
- The Newtown Pike corridor; and
- The Versailles Road corridor

Former distilleries, tobacco factories and warehouses, brick and lumberyards, petroleum refineries, stockyards, and manufacturing plants may be subject to this analysis—resulting in the collection of necessary economic and environmental data for their potential redevelopment.

No doubt, this brownfields assessment could lead to the transformation of several tired and economically depressed areas in downtown Lexington—a timely opportunity, considering it's estimated there are over 12,000 acres of blighted, underutilized, and vacant land inside Lexington's Urban Services Area, according to the recently released LFUCG Housing Market study.

Therefore, The Fayette Alliance endorses LFUCG's brownfield assessment grant application because it will improve Lexington's quality of life potential, while expressly furthering the

recommendations of several local land-use authorities including the 2007 Comprehensive Plan, the 2009 Housing Market Study, and the LFUCG Infill Redevelopment Committee.

Thank you for your consideration, and please contact me anytime at 859.281.1202 if I can be of further assistance.

Sincerely,

Knox van Nagell, J.D.



PO Box 31
Lexington, KY 40588-0031
859.255.0062
859.367.0089 fax
www.nathanielmission.org

October 13, 2010

Hon. Jim Newberry, Mayor
Lexington-Fayette Urban County Government
12th Floor, Government Center
200 East Main Street
Lexington, KY 40507

Dear Mayor Newberry:

Nathaniel Mission has had a presence in the Davis Bottom area (Southend Park neighborhood) of Lexington since the 1930's. Nathaniel continues its historical mission of caring for and facilitating reconciliation for our neighbors who suffer from the pressures of systemic poverty. We understand that our neighbors live in brokenness with God, self, each other, and their environment.

The brownfields grant will aid our efforts by identifying environmental issues in the neighborhood. When the government begins to focus on this neglected area of the city, our neighbors will be encouraged to care more for their environment. The brownfields grant will help in the reconciliation process.

The Mission currently has space available for meetings, relationships with our neighbors which may help the process, and participates on the Lexington Community Land Trust on the Executive Committee.

We support the brownfields grant and its goal of providing identification and remediation of environmentally damaged sites.

May Grace and Peace be multiplied to you,

Rev. David MacFarland
Senior Pastor

cc: Susan Bush, Acting Commissioner, LFUCG Department of Environmental Quality



TRANSYLVANIA UNIVERSITY
FOUNDED 1780

OFFICE OF THE PRESIDENT

September 23, 2010

Hon. Jim Newberry, Mayor
Lexington-Fayette Urban County Government
12th Floor, Government Center
200 East Main Street
Lexington, KY 40507

Dear Jim:

You know our story. Chartered in 1780 as the first college west of the Allegheny Mountains and the 16th in the nation, Transylvania brought the light of higher learning to what was then the American frontier. Transylvania's historic mission was to educate the populace of the trans-Allegheny West so that they could become leaders in government, business, medicine, law, and education throughout the South and West as the young nation expanded.

Transylvania succeeded in this mission as two United States vice presidents and two members of the U.S. Supreme Court were among the university's most prominent early alumni, and several thousand doctors and lawyers graduated from Transylvania and provided essential medical and legal services to the nation.

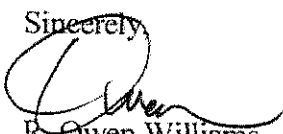
Today, Transylvania is similarly successful in fulfilling its contemporary mission of offering a high quality liberal arts education to students and a faculty dedicated to excellence in teaching.

A distinctive asset of Transylvania is its location in Lexington. The city, which lies in the heart of Kentucky's beautiful Bluegrass region, is among the most progressive and dynamic metropolitan areas in the nation.

We are excited and supportive of the Lexington-Fayette Urban County Government's proposal to the U.S. Environmental Protection Agency for a \$200,000 community-wide brownfields assessment grant for hazardous substances other than petroleum. Brownfields redevelopment would certainly compliment Transylvania's sustainability initiative. Infill and redevelopment in the area along Newtown Pike between Main and Fourth streets would be beneficial to Transylvania. We are also supportive of a thriving arts area in the Distillery District.

If we can be of any assistance in providing meeting spaces or student interns, please do not hesitate to call me. Best wishes.

Sincerely,



R. Owen Williams
President

TRANSFORMING LIVES
**TRANSFORMING
KENTUCKY**

October 13, 2010

Office of the President

Lexington Campuses

Cooper Campus
470 Cooper Drive
Lexington, KY 40506-0235
(859) 246-6200

Leestown Campus
164 Opportunity Way
Lexington, KY 40511-2623
(859) 246-6200

Regency Campus
2659 Regency Road
Lexington, KY 40503-2922
(859) 246-6200

Danville Campus
59 Corporate Drive
Danville, KY 40422-9690
(859) 239-7030

Lawrenceburg Campus
1500 Bypass North, US 127
Lawrenceburg, KY 40342-9465
(502) 839-8488

**Winchester-Clark County
Campus**
2020 Rolling Hills Lane
Winchester, KY 40391-6078
(859) 737-3098

Hon. Jim Newberry, Mayor
Lexington-Fayette Urban County Government
12th Floor, Government Center
200 East Main Street
Lexington, KY 40507

Dear Mayor Newberry:

Bluegrass Community and Technical College (BCTC) is in an exciting process at this time – near completion of planning and beginning development of the new BCTC Newtown Pike Campus on the current Eastern State Hospital property located in Lexington. BCTC will be an important part of the “Higher Education Triangle” that is to be formed between Bluegrass Community and Technical College, the University of Kentucky, and Transylvania University.

As BCTC has created a Master Development Plan, conversations and discussions have been held with many community groups and planning professionals. These consultants have an interest in the Eastern State Hospital site, are knowledgeable about the history of the site, and have experience in academic space planning and utilization. Our consultants on urban design understand the potential of this site as an integral part of the re-development of Newtown Pike as a major traffic artery into downtown Lexington and the University of Kentucky.

The U.S. Environmental Protection Agency grant proposal for a brownfields assessment grant for non-petroleum hazardous substances would be of major benefit to the development of the proposed new BCTC campus, since initial environmental assessments are being conducted along Newtown Pike between Main Street and 4th Street, near the future home of BCTC. This work will build upon the work of the Infill and Redevelopment Steering Committee and provide valuable data for interested parties who are ready to take the next step in economic development of this sector, and the other two sectors in the same area.

Redevelopment in these areas will benefit the community as a whole, particularly neighboring properties such as the new BCTC campus. The entire project involves significant preservation issues, both architectural and archaeological. An initial archaeological survey of the site has been performed by the Kentucky Archeology Survey team and will be on-going as development occurs. Ground-penetrating radar, magnetometry and resistivity have been used in addition to actual physical excavations.



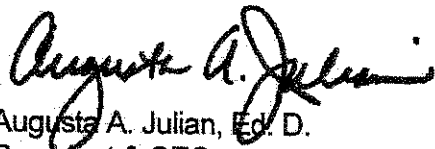
KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

Preservation issues include numerous unmarked gravesites (known and unknown), location of the original cemetery, and archaeological remains (artifacts or structures).

We are fully supportive of the Lexington-Fayette Urban County Government's proposal to the U.S. Environmental Protection Agency for a community-wide brownfields grant to assess properties for non-petroleum hazardous substances, since re-development of the specified areas would greatly benefit BCTC, and the entire Lexington community.

If we can provide any further information, please do not hesitate to contact me at (859) 246-6502.

Sincerely,

A handwritten signature in black ink, appearing to read "Augusta A. Julian". The signature is fluid and cursive, with the first name "Augusta" being more prominent.

Augusta A. Julian, Ed. D.
President & CEO

Cc: Jada Walker Griggs, Environmental Initiatives Specialist, Division of Environmental Policy Lexington-Fayette Urban County Government