



B A T T L E C R E E K
DEPARTMENT OF PUBLIC WORKS

November 23, 2011

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

Re: FY2012 Brownfields Grant Proposal
\$1,000,000 U.S. EPA RLF Grant
Battle Creek, Michigan

Dear Mr. West:

The City of Battle Creek is submitting the enclosed application for an EPA RLF Grant in the amount of \$1,000,000 for Hazardous Substances.

The City of Battle Creek, known as Cereal City, is located in the southern portion of Lower Michigan, approximately half-way between Chicago and Detroit. Battle Creek is bordered by various rural townships and has the largest urban population in Calhoun County. The City began developing in the late 1800s when railroads allowed local manufacturing companies to ship their industrial and agricultural products all over the country. Around this time, Dr. Kellogg developed a ready-to-eat breakfast food made of baked wheat kernels. A few years later, a former patient C.W. Post developed Grape Nuts cereal. The idea caught on, inspiring a "cereal boom" in the City.

Over the past 20 years, Battle Creek's population has been declining, changing demographically, and shifting southward, away from the downtown area and surrounding neighborhoods. During this time, Battle Creek's economy has been hard hit by the decline in domestic automobile production and the out-sourcing of manufacturing jobs. The combination of these two factors has resulted in numerous brownfields in close proximity to sensitive populations and a marked increase in unemployment.

The RLF program is a priority for the Battle Creek because they have identified four urban core neighborhoods where income deficiency, and pollution and contamination from exposure to brownfields has created an area of environmental injustice where sensitive populations endure inferior health, welfare and environmental conditions.

Battle Creek is facing the challenge of revitalizing portions of the City where brownfields have disproportionately impacted the health and welfare of minority neighborhoods in the City's urban core, and threaten to contaminant the City's waterways and greenspaces. Battle Creek must also address the declining profitability and under-use of the downtown business district and the City's industrial park. The presence of large areas of brownfields and available commercial space within the currently urban/industrial area of the City provide the raw material for sustainable development/redevelopment, helping to prevent

consumption of greenspace that remains in the southern portion of the City and adjoining townships.

A RLF Grant will help the City to continue addressing the numerous brownfields in target neighborhoods that are limiting redevelopment options, and negatively impacting the environment, residents' health, and the City's image. By completing this project, the City hopes to strengthen its brownfields program and provide incentives for businesses and residents to invest in the urban core.

The following applicant information is provided as part of the Grant Application:

- a. Applicant Identification: City of Battle Creek, 150 South Kendall Street, Battle Creek, Michigan 49015, Ph. (269)966-3378.
- b. Dun and Bradstreet (D&B): 020893244
- c. Funding Requested:
 - (i) Grant type: RLF
 - (ii) Amount: \$1,000,000
 - (iii) Contamination: Hazardous Substances
- d. Location: City of Battle Creek, Calhoun County, Michigan
- e. Contacts:
 - (i) Project Manager: Mr. C. Ken Kohs, Environmental Services Administrator, who may be contacted at 150 South Kendall Street, Battle Creek, Michigan 49015, Ph. (269)966-3378, email: CKKohs@ci.battle-creek.mi.us.
 - (ii) Highest Ranking Elected Official: Mrs. Susan Baldwin, Mayor, who may be contacted at 10 North Division Street, Suite 215, Battle Creek, MI 49014, Ph. (269)966-3371
- f. Date Submitted: November 23, 2011
- g. Project Period: Five years
- h. Population: 51,644 (American Community Survey, 2010)

Very truly yours,

C. K. Kohs

Mr. C. Ken Kohs
Environmental Services Administrator
City of Battle Creek, Michigan

Distribution: Ms. Deborah Orr, EPA Region 5 (one photocopy)



NARRATIVE PROPOSAL AND PROJECT DESCRIPTION FY2012 HAZARDOUS SUBSTANCES REVOLVING LOAN FUND GRANT

RANKING CRITERIA FOR REVOLVING LOAN FUND GRANTS

1. Community Need: The City of Battle Creek, known as Cereal City, is located in the southern portion of Lower Michigan, approximately halfway between Chicago and Detroit. The City has suffered economic decline and population shifts that have left its four urban core neighborhoods - Post/Franklin, Wilson/Coburn, Northcentral, and Fremont/Verona - with the lowest income, highest minority, least healthy populations in the City, and with the most brownfields.

a.i) Health, Welfare and Environment: Over 65% of the more than 500 brownfield sites identified by the Michigan Department of Environmental Quality (MDEQ) and City are located in the areas targeted in the City's brownfields program: the downtown business district and four surrounding low-income neighborhoods. The negative health, welfare, and environmental impacts of these sites on the area's air, soil, groundwater, surface water, ecology, and human populations have created a significant environmental justice disparity in these neighborhoods (demographic data in Section 1.b).

Cumulatively, the effects of brownfields and pollution in Battle Creek have had a profound impact on its citizens, especially the economically disadvantaged. Asthma affects 10.5% of the population of Calhoun County (no City statistics are available) versus 8.5% for the country as a whole (American Lung Association, 2007). As an example of disproportionate impacts, 48% of children in Calhoun County under the age of 18 and on Medicaid make one or more office visits per year for asthma treatment (MI Behavioral Risk Factor Survey, 2006). African Americans are three times as likely as caucasians to be hospitalized for asthma in Calhoun County (ibid.).

In 2006 and 2007, the age-adjusted cancer mortality rates in Calhoun County were 10% and 15% higher, respectively, than for the State of Michigan (Michigan Department of Community Health, 2008). In 2006 and 2007, the age-adjusted lung cancer mortality rates in Calhoun County were 50% and 20% higher, respectively, than for the state (ibid.). The average rate of cancer incidence per 100,000 for African American residents (515.2) was higher than for caucasian residents (498.7) (Michigan Department of Community Health, 1985-2004). Since Battle Creek is the largest population center with the highest populations of low income and minority citizens in the county, the asthma and cancer statistics are certainly worse in the City and the targeted neighborhoods.

The three-year (2004-2006; Michigan Department of Community Health, 2006) infant mortality rates in Battle Creek (10.4/1,000 births) are substantially higher than those in Michigan (7.4) and the U.S. (6.6). The infant mortality rate was nearly three times higher for African Americans (20.7) than Caucasians (7.3). Additionally, over 50% of elevated blood test results for children up to six years old in Battle Creek were reported in the neighborhoods in and around the downtown area (Consolidated Plan, 2010).

The City's existing EPA Assessment Grant program (Section 2.c.iii) has identified over 300 potential brownfields, including gasoline stations, automotive sales and repair, dry cleaners, machine shops, auto body shops, metal scrap yards, salvage yards, foundries, and plastics and metals manufacturing plants, in the urban core area. The downtown business district and the four target neighborhoods surrounding it have substantially higher numbers of low-income, sensitive populations (minorities, children, and the elderly) than the rest of the City (Section 1.b.). These neighborhoods also have higher numbers of brownfields and old/abandoned buildings. For example, active and abandoned industrial sites and railroad yards encompass approximately 25% of the land area in the Fremont/Verona neighborhood. The following six, high priority sites provide representative examples of the threats posed by the City's brownfields and demonstrate the need for EPA RLF funds to help clean them up.

Site	Sensitive Neighborhoods and Receptors	Contaminants	Exposure Pathways	Health Effects
United Steel & Wire #1 (7 acres)	Post/Franklin [Census Tract (CT) 6] Battle Creek River	Volatile solvents, metals, polycyclic aromatic hydrocarbons (PAHs)	Direct contact, airborne particulates, inhalation, vapor intrusion (VI)	Respiratory disease, neurological and liver/kidney damage, cancer
<i>Sensitive receptors: Franklin Elem. School; parks; residents in City's highest poverty rate/minority area; abandoned buildings attract children and support illegal activity; residual wastes are present.</i>				
Franklin Steel Scrap Yard (2 acres)	Post/Franklin [CT 6] Kalamazoo River	Lead, mercury, metals, PCBs, volatile solvents, oils	Direct contact, airborne particulates, VI	Anemia/bone marrow problems, nerve and liver/kidney damage
<i>Sensitive receptors: Franklin private school; adjoins Head Start kindergarten; parks; and residents in poor, minority neighborhood.</i>				
United Steel & Wire #2/ Michener Plating (1.5 acres)	Wilson/Coburn [CT 4/41 & 5] Kalamazoo River	Cyanide, lead, volatile solvents, metals	Direct contact, airborne particulates, inhalation, VI	Respiratory disease, neurological and liver/kidney damage, cancer, acute toxicity
<i>Sensitive receptors: less than one-half mile from the Battle Creek Central High School and the W.K. Kellogg Middle School, in a poor, minority neighborhood, and on the banks of the Battle Creek River; adjoins child/youth play area; abandoned drums remain on-site.</i>				
Grand Trunk Railroad Paint Shop (19 acres)	Fremont/Verona [CT 2] Verona Well Field	Chlorinated solvents, PAHs, diesel fuel	Direct contact, airborne particulates, vapor intrusion, drinking water	Respiratory disease, neurological and liver/kidney damage, cancer
<i>Sensitive receptors: three solvent-impacted aquifers covering 160 acres in poor neighborhood; City's Verona Municipal Well Field; some residential wells exist nearby.</i>				
Thomas Solvent Company (8 acres)	Fremont/Verona [CT 2] Verona Wellfield	Benzene, toluene, chlorinated solvents, petroleum solvents	Direct contact, airborne particulates, inhalation, vapor intrusion, drinking water ingestion	Respiratory disease, anemia/bone marrow problems, nerve and liver/kidney damage, leukemia, cancer
<i>Sensitive receptors: three solvent-impacted aquifers covering 160 acres in poor neighborhood; City's Verona Municipal Well Field; some residential wells exist nearby.</i>				
Manufactured Gas Plant (12 acres)	Northcentral [CT 3 & 10] Kalamazoo River	Cyanide, volatile aromatics, PAHs, metals	Direct contact, airborne particulates, inhalation, VI	Respiratory disease, neurological damage, cancer
<i>Sensitive receptors: children and adults in adjoining Northcentral neighborhood, which has the highest minority population (~70%) in the City; adjoins the Kalamazoo River.</i>				

Because these sites are located in residential neighborhoods and near parks, and/or schools occupied by low income, high minority, younger, sensitive populations with poor nutrition and health care and higher levels of health issues, the effects of exposure are exacerbated.

Another 100 known contaminated sites and 200 suspected brownfields in the City's business district and surrounding urban core neighborhoods, including the closed 80-acre Cereal City Landfill, are known, or suspected, to be brownfields. The landfill and former manufacturing sites, dry cleaners, and gasoline service stations are of particular concern because of methane and vapor intrusion threats to occupied structures both on-site and off-site. Many of these sites contain abandoned buildings, which pose a dangerous threat to children and create refuges for criminal activity.

The environmental threats posed by the brownfields in Battle Creek are primarily in its urban core. Pollution of the Battle Creek River and Kalamazoo River, which traverse the downtown area, poses a threat to both aquatic life and nearby residents. The rivers flow through all four of the low-income, high-minority neighborhoods targeted in the City’s RLF Grant program. Uncontrolled storm water run-off from the six priority sites and 12 additional known contaminated sites located within one-quarter mile of the rivers’ channels has severely damaged the river ecosystems. Contamination poses a significant threat (via direct contact and ingestion) to underprivileged neighborhood children who play in the rivers because they do not have access to other affordable recreational opportunities. The presence of contaminated sites and fill materials on brownfields along the Kalamazoo River are impeding the Corps of Engineers’ plans to remove the concrete channel and restore the river’s riparian areas.

1.b.i) Financial Need: Between 1950 and 1990, Battle Creek’s population declined 27%; between 1990 and 2010 it declined 5%. Like many other Midwest cities founded on a manufacturing economy, over the past few decades Battle Creek’s urban demographics have shifted toward lower income, higher minority populations. As shown below, this is especially true in the urban core of the City.

	Battle Creek	Michigan	National			
Population ³	51,644	9,686,475	308,745,538			
Unemployment ²	10.2%	10.9%	9.6%			
Poverty Rate ¹	21.1%	16.8%	14.3%			
Percent Minority ³	28.0%	25.4%	26.7%			
Per Capita Income ¹	\$20,996	\$23,622	\$26,530			
Households <50% HAMI ⁴ (low income)	27%	NA	NA			
Percent Hispanic ³	5%	4%	15%			
Percent <18 years ³	26%	27%	27%			
Housing % vacant ³	12%	15%	11%			
Housing % rental ³	34%	28%	33%			
	Target Census Tract (CT)					
	CT 2	CT 3	CT 10	CT 4/41	CT 5	CT 6
Poverty Rate ¹	22.8%	36.8%	23.2%	38.7%	22.9%	47.9%
Percent Minority ³	35.0%	77.0%	65.0%	49.7%	27.0%	42.0%
Per Capita Income ¹	\$18,374	\$12,504	\$17,705	\$11,315	\$13,908	\$12,070
<50% HAMI ⁴ (low income)	42%	44%	32%	49%	45%	42%
Percent Hispanic ³	7%	1%	2%	11%	9%	10%
Percent <18 years ³	30%	34%	31%	37%	31%	33%
Housing % vacant ³	19%	22%	18%	19%	16%	25%
Housing % rental ³	50%	40%	33%	53%	35%	55%
¹ Data from the 2008-2010 American Community Survey and is available at factfinder.census.gov						
² Data is from the Bureau of Labor Statistics (July 2011) and is available at http://www.bls.gov						
³ Data is from the 2010 U.S. Census data and is available at http://www.census.gov						
⁴ Data is from the HUD Area Medium Family Income (HAMI), 2000						

This data correlates to the City’s most brownfield-impacted neighborhoods by census tracts (CT) as follows: Fremont/Verona (CT 2), Northcentral (CT 3 and 10), Wilson/Coburn (CT 4/41 and 5), and Post/Franklin (CT 6). The data clearly show the classic effects of urban core decline on these neighborhoods relative to the City as a whole, the state, and nation: increased populations of low-income minority citizens with children, lower rates of home ownership, and higher numbers of abandoned and vacant houses. In a majority of these neighborhoods, the poverty and

income disparity approaches and/or exceeds twice the state and national averages. The decrease in property values due to the presence of so many brownfields in and near these neighborhoods attracts the economically disadvantaged to areas of low housing costs and inhibits the equity growth for those that do own homes. This is a classic example of environmental injustice made worse because these residents are exposed to more health-impairing pollution while struggling to earn enough money to simply pay their bills, ultimately depending more and more on public services (i.e., public assistance, unemployment benefits, medical benefits, etc.), which the City and state are struggling to provide.

A perfect storm of a declining population, declining property values, fewer jobs, fewer industrial tax payers, and declining state revenue sharing has put a severe squeeze on the City's revenues and budget. In the fiscal year ending June 2011, the City's revenues declined over 5% and property values declined 4%. State revenue sharing and income tax revenues have declined 17% and 8.5%, respectively, since 2008. The City staff has been reduced by 73 (12%) since 2006. Although the City has developed a brownfield program based on its EPA Assessment Grants and Brownfield Redevelopment Authority, it has no funds with which to conduct environmental response actions needed to complete brownfield redevelopments in urban core neighborhoods.

2. Project Description and Feasibility of Success

a. Program Description: i.) Battle Creek has developed a mature, well-functioning brownfield redevelopment program based on tax increment financing (TIF) and its 2009 EPA Hazardous Substances and Petroleum Assessment Grants. Since that time, the City has supported eight significant developments that created/retained over 600 jobs and added over \$150 million in investment into the community. Most of this investment did not benefit the urban core areas.

The City's available brownfield cleanup and redevelopment resources, primarily TIF, are generally reimbursement in nature. The role of the Assessment Grants was to provide cash assistance for site assessments, which generally must occur at the beginning of the project when financing is most difficult. Similarly, an RLF Grant will provide cash loans to fund environmental response actions, which also occur at the beginning of a redevelopment project. TIF or developer equity can be used to repay the RLF loan. Use of the RLF Grant will be prioritized to cleanup and redevelop brownfields in the target neighborhoods described in Section 1. This approach will help achieve the overarching goals Battle Creek's citizens and leaders identified in the City's Comprehensive Plan and Consolidated Plan: 1) provide decent housing; 2) provide a suitable living environment; and 3) expand economic opportunities. The RLF Grant program can help achieve a number of the supporting objectives, such as creating a sustainable economy, reinvesting in older areas of the City, revitalizing neighborhoods with a range of housing and lifestyle choices, redeveloping abandoned properties, cleaning up brownfield sites, ensuring environmental justice for all, protecting and revitalizing natural resources and greenspace, and creating recreational opportunities.

The City's Comprehensive and Consolidated Plans were created with consistent input and feedback from all elements of the community. The Comprehensive Plan (growth, development, and land use through 2020) was created with support from a 37-member multicultural Advisory Committee and citizens. Futuring sessions were held to get citizen input on priority issues, then citizens were presented three future land use scenarios and asked to comment. The final Vision-Based Future Approach was overwhelmingly selected, and policies and initiatives to implement the plan were developed. The Consolidated Plan, focused on housing and community development needs, was created using the City's Common Commitment in Action (CCiA) process. This brought together citizens, neighborhood organizations, local agencies, businesses, and non-profit organizations to ensure broad consensus and plan buy-in.

The key to a successfully revolving RLF program will be selecting the right projects and loan recipients and applying appropriate safeguards to ensure that RLF loans will be repaid in the shortest period possible. Loans will be made only to borrowers (see selection discussion below) who can demonstrate the following: 1) financial stability; 2) economic viability of their project; 3) sufficient project cash flow or incremental taxes to repay the loan; and 4) eligibility of the

project site and response activities for RLF funding. No RLF loan will be made until a Development Agreement, spelling out the developer/borrower's and Grantee's obligations and commitments, is negotiated. Borrowers also must agree to loan terms and security agreements that safeguard loan repayment. Loan repayment periods will be the shortest possible without placing project economics in jeopardy. To maximize resolvability, subgrants are not anticipated.

The RLF grant will be used to provide loan products for priority sites where residential, commercial, or industrial projects will reduce threats to human health and the environment and generate new tax revenue, housing, jobs, recreational opportunities, and/or greenspace. The City expects RLF loans to range between \$100,000 and the available RLF funds because the level of effort and cost to process a loan makes smaller loans much less attractive. Interest will be based on the level of risk associated with the loan, project economics, borrower credit worthiness, repayment schedule, likelihood of cleanup success, and priority of the project. Interest rates will range from 0% to 5%. Typical loan terms will be 3 to 15 years, with provision for a 1 to 3 year payment deferral to allow project completion and generation of positive cash flow or tax increment revenues. Loan guarantees and/or security in the form of bonds, letters of credit, or mortgages will be required to collateralize a developer's failure to repay the loan.

Projects will be selected first on eligibility of the borrower and site for RLF Grant funding. The next selection criterion will be project quality and whether the project meets the objectives of the Comprehensive and Consolidated Plans. Prospective borrowers must then demonstrate the economic viability of the project and their own financial stability. Borrowers must provide three years reviewed or audited financial statements and demonstrate that the project is economically viable through market studies or other empirical evidence, and provide project *pro formas* that demonstrate return on investment and cash flow sufficient to support the project and loan repayments. Developers also must provide evidence of sufficient capital (equity plus borrowing) to finance the project.

If the site is determined eligible for RLF funding, the project and requested loan then will be evaluated and approved or rejected by the City's RLF management team (see Section 2.a.iii for a detailed description of team members and roles). The RLF management team initially will review the submissions, with support from Battle Creek Unlimited (BCU) (developer and project financial viability) and environmental consultant (environmental activities, eligibilities, and costs). The following other factors will also be evaluated: adherence to the City's Comprehensive and Consolidated Plans, zoning, land use, etc., potential for job creation and retention; reuse of infrastructure and incorporation of sustainability components, and open space creation or preservation. If approved by the RLF management team, the loan will be forwarded to the City Manager for final approval.

After project approval, the Project Manager, supported by the Financial Manager, environmental consultant and legal counsel, will prepare and negotiate the loan agreement, security agreement, development agreement, promissory note, and mortgage (if applicable). The environmental consultant will prepare the grant documents (Quality Assurance Project Plan (QAPP), Analysis of Brownfield Cleanup Alternatives (ABCA), Community Involvement Plan, and Decision Memorandum), help establish a document repository, and coordinate a 30-day ABCA public comment period. After closing the loan, the Project Manager and environmental consultant will review and monitor the following: 1) preparation of bid plans and specifications (to ensure task eligibility, facilitate pay request reviews and approvals, and requirements for compliance with Davis-Bacon and federal cross-cutters); 2) Davis Bacon compliance during response actions; and 3) compliance with work plans and loan/contract documents. They also will review pay requests and perform program reporting.

The City is well aware that the requested RLF funds likely will be insufficient to fully cover the costs of environmental response actions and other brownfield redevelopment costs on a given site. Therefore, the City will use the RLF Grant program to leverage additional funds needed to support successful projects (Section 2.b.iii).

a.ii) The City anticipates providing RLF loans to developers and businesses with projects that require upfront cleanup to make the project viable. Developers of sustainable projects that reduce environmental impacts and create high-wage jobs or affordable housing with greenspace and recreational amenities will be the RLF applicants of choice. The City will actively seek projects and developers for the six priority sites described in Section 1. The City also will target the following entities as potential loan applicants: 1) private developers, 2) growing businesses, and 3) non-profit organizations. All of these entities are candidates that are encountered through the City's, BCU's, and tax increment financing authorities' (TIFA's) economic redevelopment and business attraction efforts. BCU and the TIFA are in the ideal position to market RLF loans because developers seek them out to initiate real estate, development, and financial discussions.

The City has made the area's lenders, attorneys, realtors, developers, businesses, and other local and regional business and community organizations familiar with the City's brownfield and EPA Assessment Grant programs. The City will reach out to these entities to educate them on the availability, use, and benefits of the RLF Grant program. The City also will undertake the following marketing campaign to promote the availability of the RLF Grant and seek projects and developers for the priority sites:

- City and BCU staff will introduce and explain the RLF Grant program when they present to local trade organizations, business groups, and state economic development functions. BCU will also include the RLF program and priority sites in its trade missions to Asia and Europe.
- The RLF Grant program and priority sites will be promoted on the City's and BCU's websites, which already include continuously updated details on the availability of redevelopable sites, available incentives and the status of EPA Assessment Grant projects.
- An RLF Grant fact sheet will be developed and distributed to stakeholders and made available at relevant community and business events.
- The City and BCU will work with Southwest Michigan First (SWMF), a regional non-profit economic development organization, to attract business and promote the RLF Program. SWMF's mission is to develop jobs via business retention, expansion, and attraction efforts.

a.iii.) The City has an experienced, dedicated brownfields team capable of managing the RLF Grant, leveraging funding for successful projects, and approving RLF projects. The RLF Project Team management will consist of a Project Manager and Financial Manager who are senior members of the City's management staff. This same team manages the EPA Assessment Grant program. The Project Manager will be responsible for coordinating all aspects of the grant program, including selecting projects and borrowers and making loans, planning and overseeing cleanups, conducting community outreach, project reporting, and retaining a qualified environmental consultant. The Financial Manager will be responsible for project accounting and reviews of borrowers and loans. Procedures and programs for reviewing loan requests, creating loan documents, tracking repayments, and enforcing loan and development agreements have been developed through existing economic incentive programs.

The Project Team will be supported by the City Manager, City Attorney, Community Development Supervisor, BCU, and a qualified environmental consultant. The City Manager will have final signatory authority for all loans. The City Attorney will assist in preparing and reviewing development agreements, and loan, security, and mortgage documents. BCU and the City's Community Development Supervisor will be responsible for marketing the program, attracting developers and businesses, qualifying developments and sites, identifying candidates for loans, and obtaining leveraged incentives. BCU also will perform financial reviews of borrower financial statements and project *pro formas*. The qualified environmental consultant will be responsible for cleanup planning and monitoring, Davis-Bacon compliance and auditing, and ensuring that cleanups comply with the Michigan Voluntary Cleanup Program (VCP).

Through a competitive procurement process, the City will secure technical expertise from one or more local environmental consulting firms. The selected firm(s) will be procured in accordance

with applicable federal acquisition requirements (40 CFR §30), and will have the necessary qualifications and experience with EPA RLF Grants to be a part of the City’s team.

b. Budget, Measuring Progress and Leveraging: i.) Approximately 92% (\$918,000) of the RLF loan budget will go directly to cleanup work, generating \$1.2 million in total cleanup work with cost share.

Hazardous Substances Sites – Project Tasks for Loans					
Budget Categories	Task 1 Programmatic Activities	Task 2 Project Review, Cleanup Planning, and Community Involvement	Task 3 Environmental Cleanup and Monitoring	Task 4 Loan Management	Total
Personnel	7,000	7,000		12,000	26,000
Contractual	5,000	25,000	20,000	6,000	56,000
Loans			918,000		918,000
Subtotal	12,000	32,000	938,000	18,000	1,000,000
Cost Share			200,000		200,000

No expenses will be incurred for fringe benefits, travel, equipment, or supplies. Costs for these categories will be in-kind. Travel expenses to brownfield conferences are included in the City’s existing EPA Assessment Grant budgets. In-kind labor is detailed in Section 2.b.iii. The 20% cost share will be achieved by requiring borrowers to contribute, directly or through external leveraging, at least 20% of the costs of conducting response actions funded with each RLF loan.

Task 1 – Programmatic Activities Task 1 will include the following activities: market the RLF program; develop forms and procedures for submission of project information, establish procedures and criteria for reviewing and qualifying projects and borrowers for loans, develop template development agreement, loan, security, and mortgage documents, and manage the environmental consultant and any other professional service providers. The costs for these activities will be \$7,000 in City staff time and \$5,000 for environmental consultant support (contractual). Up to an additional \$20,000 in City staff time will be contributed “in-kind.” Task outcomes will include completion of project marketing, development of project procedures and forms, development of templates for the four key loan documents, and movement of at least ten potential RLF loan projects to feasibility evaluation.

Task 2 – Project Review, Cleanup Planning, and Community Involvement Activities in Task 2 will begin when a redevelopment project is identified for RLF funding. Initial activities will include reviews of project summaries, site characterization reports, environmental issues, requested funding, and project financial *pro formas*. Once a project is approved for funding, an eligibility determination will be completed and submitted to the EPA for approval. After eligibility has been approved, an analysis of Brownfield Cleanup Alternatives (ABCA) and Site Specific Community Relations Plan (CRP) will be prepared, and a document repository established. Public comment on the ABCA will be received, and a Decision Memorandum will be issued to the Project Manager. Loan and security agreements will be prepared and signed, and the community involvement activities described in the CRP will be undertaken. Staff costs of \$7,000, contractual costs of \$25,000, and \$20,000 “in-kind” staff labor will be expended. Task outcomes will include selection and processing of up to four projects for funding, and completion of all document preparation and community involvement activities for the projects. At least three community involvement functions will be completed for each project.

Task 3 – Environmental Cleanup and Monitoring Contracted environmental services (\$20,000) will be expended to monitor the \$918,000 in cleanups for compliance with RLF Grant provisions, Davis-Bacon and federal cross-cutting requirements, and VCP cleanup goals and criteria. Environmental services also will include technical reviews of cleanup plans and reports, cost tracking and invoicing, and coordination with the state environmental agency. Property profiles will be entered and maintained in the ACRES system. Task outcomes will include

completion of up to four site cleanups, complete data entry into the ACRES database, completion of up to four Davis-Bacon compliance reports, and regulatory sign-off on conformance of cleanup projects with the VCP.

Task 4 – Loan Management Programmatic activities required to manage the RLF loans will be performed by City staff, supported by limited contractual environmental services. Loan management activities will include review and approval of invoice activities and amounts, tracking invoices and costs against approved work plans and budgets, preparing quarterly reports, tracking measures of success, and operating the revolving loan fund. Outcomes will include successful project accounting, grant drawdown, and invoice payment for up to four loans, and on-time quarterly reports.

b.ii. The City’s goals for its brownfield program are to encourage redevelopment in target neighborhoods by assembling and leveraging a set of economic development tools designed to offset the additional costs and risks of undertaking brownfield redevelopment. The economic, social, and environmental benefits of a successful brownfields redevelopment program are substantial. The RLF will provide a powerful tool to fund upfront cleanup costs on those brownfield sites where existing contamination is truly an impasse to redevelopment. The City will measure and track the listed outputs and outcomes on a quarterly basis. The results will be distributed to the project team and posted on an RLF Performance Dashboard on the City’s website. The dashboard will join the City’s own performance dashboard and be updated quarterly.

Tracked and Documented Outputs	Tracked and Documented Outcomes
Number of sites qualified for the RLF Grant program	Number and sizes of properties returned to a productive use
Number of cleanup plans prepared and approved by MDEQ for sites where EPA Grant funds are utilized.	Number of acres cleaned up to mitigate unacceptable exposures
Number of loans completed	Types/values of economic incentives leveraged
Number of new sites added to City’s Brownfield Plan	New investment leveraged
Number of sites remediated	Number of total housing units and affordable housing units constructed
Number of redevelopment projects completed	New jobs created
Number of LEED Certified redevelopment projects	Acres of greenspace created and/or preserved
	Increase in median incomes in target neighborhoods

b.iii.) RLF Grant funds can be a vital component for catalyzing a brownfield redevelopment project because they can cover the costs and cash flow for critical environmental response actions. This financial support alone is rarely sufficient to ensure a successful redevelopment, so it must be used to leverage other sources of funds. Leverageable funds come in two varieties: 1) those under the control of the Grantee and local partners for which commitments are highly certain; and 2) those under the control of others, such as state and local brownfield programs and foundations, for which commitments to a project are predicated upon eligibility requirements. The leverageable local funds available for the RLF program are listed in the following table:

Source	Resources and Role	Estimated Value	Likelihood
City of Battle Creek	Meeting rooms, educational materials, staff time for press releases, outreach meetings/hearings, website updates.	\$25,000 (500 hrs @ \$50/hr)	100%
	Staff time to prepare template loan agreements.	\$20,000 (400 hrs @ \$50/hr)	100%
	Staff time to document site selection process, establish document repositories and prepare/negotiate loan agreements.	\$20,000 (100 hrs @ \$50/hr per loan, 4 loans)	100%

Source	Resources and Role	Estimated Value	Likelihood
City of Battle Creek	Staff and heavy equipment to support site access (site clearing, building access, light excavation, etc.).	\$10,000 (equipment/staff @ \$1,000/day, 10 days)	100%
	Property tax abatements (50-100%) on new equipment and real property improvements up to 12 years	Depends on type and value of redevelopment	100% if eligible
Battle Creek Unlimited*	Financial reviews of projects, program and site marketing, leveraging support, event rooms and hosting.	\$150,000 (1,500 hrs @ \$100/hr)	100%
Brownfield Redevelopment Authority*	Tax increment reimbursement of eligible assessment, cleanup and redevelopment costs; grants and loans up to \$100,000/yr	Depends on cost of activities and value of redevelopment	100% if redevelopment occurs
Tax Increment Financing Authority*	Loans for site improvement and infrastructure (\$2,000,000/yr available)	Depends on cost of activities	100% if redevelopment occurs
Michigan Economic Development Corporation*	Tax increment reimbursement of eligible costs; grants, loans or other assistance.	Depends of cost of activities and value of redevelopment	100% if approved by MEDC

* Commitment letters attached in Attachment E.

The following existing state and federal resources are also available by application and may be used to supplement grant funds:

- Michigan Brownfields Grants and Loans - Grants and loans up to \$1,000,000 per site are available to fund assessment and remediation; approximately \$1.5 million in grant funds and \$10 million in loan funds are available.
- Michigan Community Revitalization Program - Beginning in 2012, the Michigan Economic Development Corporation will have \$50,000,000 in \$1,000,000 grant increments to disperse to support brownfields redevelopment.
- Michigan Business Development Program - Beginning in 2012, the Michigan Economic Development Corporation will have \$50,000,000 to disperse in increments up to \$10,000,000 to support development and expansion of businesses creating jobs.
- U.S. EPA Brownfields RLF Grant Supplemental Funding and/or Cleanup Grants - The City can apply for annual supplemental RLF funding and/or Cleanup Grants of up to \$200,000 per site for grantee-owned property (e.g., United Steel & Wire #2).

Finally, the City may secure additional funding through grants from the Battle Creek Community Foundation, W.K. Kellogg Foundation, and Miller Foundation (commitment letters in Attachment E).

2.c. Programmatic Capability and Past Performance: i.) The project team will be led by a Project Manager and Financial Manager and will include Battle Creek Unlimited (BCU) as a partner to support administration and marketing of the program, business/development attraction, and developer/project financial evaluations. Mr. Ken Kohs, PE, Director of Utilities and manager of environmental programs and remediation, will serve as the City's Project Manager. Mr. Kohs has over 15 years experience supporting City operations, environmental programs, and economic development in the City. He will be responsible for all grant operations (e.g., community relations/outreach, marketing, initial borrower/project evaluations, site/loan document preparation, reporting, etc.) and management of the environmental consultant. Mr. Kohs will be supported by Andrew Michalowski, Records Manager. Mr. James Ritsema, Assistant City Manager/Finance Director for the City, will serve as Financial Manager. Mr. Ritsema has been a municipal finance director for 14 years. He will be responsible for establishing and managing the

financial accounts of the program and payment requests and transfers through the Automated Standard Application for Payments (ASAP) system. He will be supported by Ms. Linda Morrison, Finance Administrator. Mr. Ken Tsuchiyama, City Manager, will represent the City/Grantee as signatory authority for all loans. Ms. Eileen Wicklund, City Attorney, will provide legal support to the project team for this RLF Grant. Other members of the City's staff will provide support to the project team, as needed. BCU's role in the RLF Grant program will be led by Mr. Karl Dehn. Mr. Dehn has been with BCU for 14 years, first as Marketing Director and now as President/CEO. He is highly skilled in domestic and international business attraction, project/developer evaluation, and attracting and administering redevelopment incentives. Mr. Dehn will be supported in project administration and marketing by Mr. Doug Voshell, Marketing Director. Mr. Voshell has over 30 years experience in the field of economic and community development. Mr. Dehn also will be supported in project economic and financial evaluation by Ms. Lisa Albrant, CFO and manager of the Direct Investment Fund. Ms. Albrant holds a degree in accounting and an MBA, and worked in public and corporate accounting before joining BCU. All of these key project team members for the City and BCU have performed the same roles for the City's EPA Assessment Grants since their award in 2009.

The City and BCU will endeavor to maintain the grant management team in place during the entire grant project. The key members of the project team have already demonstrated longevity with their respective organizations and expect to remain throughout the RLF program. The City's plan for management continuity, in the event of loss of the project manager, relies on the availability of the support personnel for each key position to step into that vacated position permanently or on an interim basis until a qualified replacement is identified. These support staff already have experience with EPA Assessment Grant management and will quickly master the additional requirements and nuances of RLF Grant management.

The City will retain a highly competent environmental consultant to assist in managing and tracking the activities funded by the RLF grant. The environmental consultant will be retained using a Qualifications-Based Selection Process that complies with the applicable federal procurement regulations (40 CFR §31.36). The consultant will be experienced in all aspects of U.S. EPA RLF Grant management and will have demonstrated extensive experience with, and understanding of, the Michigan Voluntary Cleanup and EPA RLF Grant programs, and will have managed at least three successful brownfields redevelopment projects where multiple brownfields redevelopment financing incentives were leveraged.

c.ii.) The City of Battle Creek has not received adverse audit findings from an OMB Circular A-133 audit or an audit conducted by a federal, state, tribal, or local government inspector or similar organization.

c.iii.) In 2009, the City was awarded EPA Assessment Grants for hazardous substances (\$200,000; ID 2B-00E87201-0) and petroleum (\$200,000; ID 2B-00E87301-0). Approximately \$1,000 hazardous substances assessment funds remain, and approximately \$130,000 petroleum assessment funds remain. The City submitted and received approval for project QAPPs and has conducted community engagement programs, complied with quarterly reporting and annual financial status reporting requirements, and successfully compiled required data in the ACRES database. Grant activities have conformed to the work plans, with the exception that slightly more Phase I assessments (ESAs) have been completed than planned, but the number of Phase II assessments is consistent because of lower costs. Cumulatively for the two grants, 15 Phase I ESAs and 12 Phase II ESAs have been performed, and 9 Baseline Environmental Assessment Reports and 5 Due Pare Plans have been prepared for Michigan's VCP. Notable projects during this period included a \$54 million expansion of the W.K. Kellogg Research Institute (400 jobs) and TODA America's new \$70 million manufacturing plant (50 jobs), both of which resulted in remediation and exposure mitigation of contaminated brownfields.

3. Community Engagement and Partnerships

3.a. Community Involvement: The City feels it is important to provide its citizens and community organizations ample opportunity to become informed and provide input into all

phases of community impact projects. This is evidenced by the use of the Common Commitment in Action (CCiA) process for preparation, adoption, and implementation of the City's Consolidated Plan and the community engagement process used to support the current EPA Assessment Grants program. The City will continue to use this type of approach for the RLF Grant program. The vital component of all community involvement programs is the City's Neighborhood Partnership Program, which is coordinated by Ms. Marcie Gillette, Neighborhood Services Manager. This program has been instrumental in the development of Neighborhood Planning Councils (NPCs), which are neighborhood citizen groups that meet once a month to discuss neighborhood concerns. The NPCs provide their suggestions to City officials, who work with them to bring about change. Each of the four neighborhoods (Section 1) targeted for use of RLF Grant funds has an NPC, which will be the primary vehicle for disseminating information to and receiving input from affected citizens. The impacts and potential uses of brownfields in these neighborhoods have been ongoing topics of concern and discussion between the NPCs and City. The City also will utilize electronic and print media and the community partners discussed below to ensure that outflow and inflow of information and opinion engages the broadest possible audience, especially minority and sensitive subpopulations.

Following EPA notice of the RLF Grant award, the City will announce the award to the community and solicit input to the Work Plan and Project Budget through a press release to the local English-language (*Battle Creek Enquirer*) and Spanish-language (*Nuevo Opinion*) newspapers, the nearest television station (WWMT), local radio station (WBCK 95.3 FM) and local access cable television (AccessVision), all of which have been identified by the Michigan Commission on Spanish-Speaking Affairs as supporting Hispanic news and issues. Notice will be placed on the City's and BCU's brownfields web page and provided in writing to the NPCs and the Battle Creek Chamber of Commerce to forward to local business leaders. News releases, web postings, and written materials will include, in Spanish, a notice that Spanish-language versions of all community outreach materials are available and that translators will be available for public meetings and other communications. Copies of project documents will be posted on the City's website, and hard copies will be available at City Hall and the Public Library to ensure access for those without information technology access. Public comments will be accepted verbally and in writing at the offices of the Project Manager and at an initial public kick-off meeting to be held at the City offices to acquaint citizens, community leaders, business and citizen groups, and other stakeholders with project goals and operational principles. The draft Work Plan will be modified, as appropriate, in response to relevant comments. Comments and responses will be summarized in the final Work Plan.

The next community outreach/involvement effort will occur when a site/project has been selected for an RLF loan, a remediation approach tentatively has been selected, or a draft ABCA has been prepared. The ABCA and supporting documents will be made available in readily accessible document repositories established at the City Hall and Public Library and posted on the City's brownfield web page. Notices of 30-day period for public comment on the ABCA, selected alternative, and proposed redevelopment will be disseminated as in the previous paragraph. A public meeting will be held at a readily identifiable and accessible public building in or as close as possible to the target neighborhood at the end of the comment period to receive and discuss additional comments. The City will partner with the neighborhood NPC to identify the best meeting location and methods to involve as many residents as possible. All comments will be documented, and appropriate modifications will be made to the cleanup plan. During the course of the project, updates will be distributed monthly to the target neighborhoods residents through the NPC or as requested by the NPC. Additional public meetings will be held at the conclusion of site cleanup and throughout the City's site plan approval process. Translators will be provided at the meetings, as needed.

3.b. Agency Partnerships: The City will continue its existing strong partnerships with local and state environmental/health agencies to ensure that the project is successful. The Calhoun County Health Department (CCHD) has been actively involved in education/notification, testing and monitoring, and exposure evaluations in the City. The CCHD is currently involved in

discussions/negotiations with several residents in the area of the Verona Well Field site who are still utilizing residential wells that may be contaminated. The CCHD is working with the City to ensure that these wells are abandoned and the residents are connected to the municipal water supply. The CCHD is also working to acquire a Community Development Block Grant (CDBG) grant that will provide funding for lead investigations for children found to have elevated blood-lead levels (children in Battle Creek have high blood-lead levels).

The partnership established with Michigan Department of Environmental Quality (MDEQ) through the City's existing brownfields and EPA Assessment Grant programs will be continued to help ensure appropriate RLF cleanup and development of brownfields. RLF cleanups will be conducted in compliance with Michigan's VCP. Partnering with MDEQ district and headquarters staff will be important for acquisition of technical support, resolution of regulatory or procedural issues, and interpretation of rules and guidance documents. The MDEQ will review and approve Closure Reports (compliance with VCP) for sites where response actions are conducted. When tax increment financing is used to reimburse eligible costs of environmental activities, Work Plans must be reviewed and approved by the MDEQ prior to implementation. The MDEQ also manages the state's Brownfields Grant and Loan Program.

The cleanup criteria established by the MDEQ under the Michigan VCP will be used to identify and address on-site health and environmental threats posed by the identified contamination. If imminent threats to human health or the environment are discovered during a cleanup project, the CCHD and/or MDEQ will be brought in as partners to provide appropriate notice, information, and services to the affected population. The expertise and experience of CCHD will be called upon to help identify/verify offsite health threats posed by identified contamination, identify related toxicological issues and perform risk evaluations, design and conduct notification/education programs, and coordinate health testing if a brownfield site is confirmed to pose an off-site exposure risk. The CCHD will call upon the Michigan Department of Community Health if additional expertise and/or support is needed. The MDEQ will identify appropriate response actions and monitoring programs to mitigate the threats.

There are no U.S. EPA Environmental Workforce Development and Job Training programs currently operating in the City of Battle Creek or in Calhoun County. The City plans to use its connection with Kellogg Community College to link residents to the education and training necessary to learn the skills needed to secure employment in the environmental field.

3.c. Community-Based Organizations The following community-based organizations will be directly involved in the RLF Grant project. The organizations' letters of support are in Attachment D.

Neighborhoods, Inc. (NI) NI works with neighborhoods and neighborhood organizations in Battle Creek to create safe, clean, secure, economically viable places to live and work. NI will use direct contact methods to facilitate community outreach meetings and two-way information transfer.

Neighborhood Partnership Program (NPP) Ms. Marcie Gillette, NPP Director, manages Battle Creek's program to preserve and revitalize neighborhoods, improve relationships between neighborhood residents and the City, and help residents access City services. The NPP coordinates Neighborhood Planning Councils (NPC; Section 3.a.), which work to improve their neighborhoods. Ms. Gillette will work with neighborhood NPCs to coordinate public meetings, solicit input, and distribute information about the RLF Grant program and brownfield sites

Community Inclusive Recreation (CIR) CIR's mission is to integrate individuals with disabilities into recreational programs. CIR will assist the City in doing this for brownfields redevelopments, especially in redevelopment of the Untied Steel & Wire #2 site into park and recreation facilities.

Miller Foundation The Miller Foundation assists local nonprofit, charitable organizations, and governmental agencies with economic development and neighborhood improvement. The foundation will assist the RLF Grant program by identifying target brownfields in blighted neighborhoods, helping leverage additional funds and hosting community outreach meetings.

Battle Creek Area Clean Water Partners (BCACWP) The BCACWP is a county-wide partnership dedicated to improving and protecting the Battle Creek River and Kalamazoo River watersheds. The CWP will assist the RLF management team in identifying sites negatively impacting the river, secure redevelopments that reduce riverine impacts, expand recreation and greenspace along the rivers, and educate target populations.

4. Program Benefits

The City's Comprehensive Plan is based on a community-approved "vision statement," which includes economic development/revitalization, safe and attractive neighborhoods with affordable housing, efficient public services, and protection and linking of existing parks/greenspace as key goals. The presence of numerous brownfields in close proximity to low-income, sensitive populations in the Post/Franklin, Wilson/Coburn, Northcentral, and Fremont/Verona urban core neighborhoods, along the Battle Creek River and Kalamazoo River, are contrary to, and impeding progress toward this vision. The availability of RLF Grant funding will provide positive support for the City's desired, but as yet unfunded, objective of addressing the health and welfare of disproportionately impacted populations, improving environmental justice, promoting economic growth and revitalization in the target neighborhoods, protecting and expand parks, greenspace, and recreational opportunities, restoring the rivers, supporting reuse of existing infrastructure, and promoting sustainable development. These redevelopment outcomes coincide with the guiding Livability Principles¹ of increasing economic competitiveness, leveraging federal investment, and valuing and supporting the community and its neighborhoods.

4.a. Welfare and/or Public Health: Consistent with the Comprehensive Plan's vision, redevelopment of the priority brownfields will improve target neighborhood residents' health and welfare by removing sources of contamination, thus limiting inhalation, ingestion, and dermal exposures and eliminating sources of contamination impacting the City's rivers. Redevelopment of the brownfields in the four selected urban core neighborhoods epitomizes the equitable development principles of enabling low-income and low-wealth residents to participate in and benefit from local development and economic activity. Because this work will be completed on existing industrial sites, residents will reap the benefits without being displaced from their homes or neighborhoods. The health and welfare risks described in Section 1 will be abated when exposures to contaminants and other dangers on the priority sites are mitigated. The actions and benefits associated with cleanup of the priority sites are summarized below:

- **United Steel & Wire #1** - The property will be secured, asbestos and lead-based paint will be abated, and buildings will be demolished/recycled. USTs will be removed. Soil contamination will be removed or capped, and solvent impacted soil and groundwater will be remediated to limit vapor intrusion/inhalation concerns for residents and contamination of the nearby Kalamazoo River. The site will be redeveloped with single and/or multi-family housing, including affordable units, and greenspace consistent with surrounding land uses.
- **Franklin Steel Scrap Yard** - Residual scrap and wastes will be removed, and soil contaminated with metals, oils, and PCBs will be removed or capped as appropriate. The site will be redeveloped for light industrial or commercial uses.
- **United Steel & Wire #2** - The site will be secured and abandoned drums and near-surface soil contaminated with metals, PAHs, and solvents will be removed. The site will be capped with soil, impervious surfaces, or buildings constructed with vapor intrusion barriers to prevent future exposures. The site, which adjoins the City's ice arena and a youth skateboard park, will be redeveloped into additional recreational facilities and greenspace for the surrounding urban neighborhoods.
- **Grand Trunk Railroad Paint Shop** - Soil contaminated with solvents, metals, and PAHs will be removed to reduce exposure risks, allow redevelopment, and prevent continued runoff

¹ Principles adopted by the partnership between the U.S. EPA, United States Department of Transportation, and United States Department of Housing and Urban Development to promote smart growth.

of contaminated sediment to the Battle Creek River. Off-site vapor intrusion risks will be mitigated through source (soil and groundwater) control. The site will be redeveloped for light industrial use consistent with surrounding land use.

- **Thomas Solvent Company** - The existing groundwater capture and treatment system will continue to operate to protect off-site receptors and the Battle Creek River. Heavily contaminated source areas will be removed. Soil contact and vapor exposure barriers will be installed to allow redevelopment as a multi-tenant, high-bay light industrial incubator.
- **Manufactured Gas Plant (MGP)** - Residual coal tar, soil contaminated with cyanide, organics and metals, and groundwater contaminated at levels posing a threat of vapor exposures will be remediated to allow redevelopment of the site. Vapor intrusion barriers will be installed under new buildings. Contaminated groundwater will be cut off from migrating into the adjoining Kalamazoo River. The site will be redeveloped into mixed office/commercial use with riverside greenspace.

Similar benefits, in whole or part, can be expected from redevelopment of smaller brownfields located throughout the City. The redevelopment of priority brownfields will also limit uncontrolled nonpoint pollution sources and illicit discharges and improve water and sediment quality in the Battle Creek River and Kalamazoo River. This will result in reduction in contaminants in the rivers, improving aquatic life and allowing for additional recreational opportunities.

4.b. Economic Benefits and/or Greenspace: i). The projected brownfield redevelopments will create jobs, improve the tax base, provide recreation and greenspace, provide new market-rate and affordable housing, and revitalize urban core neighborhoods, consistent with the Consolidated and Comprehensive Plans' goals. Planned redevelopments of four of the six priority sites will support industrial, office, and/or commercial uses, which will create good-wage job opportunities for local, low-income residents. The developments also will generate new property and income tax revenues for the City and stimulate economic activity in the respective neighborhoods. These outcomes coincide with the guiding Livability Principles of valuing and supporting the community and its neighborhoods and increasing economic competitiveness. A summary of projected economic benefits for specific priority sites is presented below:

- **United Steel & Wire #1:** Construction of a Leadership in Energy and Environmental Design (LEED) certified housing complex containing apartment, condominium, and townhouse components will result in private investment of over \$20 million, support over 50 construction jobs, generate \$500,000 annually in new property taxes, and create new market-rate and affordable housing.
- **Franklin Steel Scrap yard:** Light industrial development will generate \$5-\$10 million in investment, generate \$125,000-\$250,000 in new property taxes yearly, and create 10 to 30 new jobs in an area desperate for job opportunities.
- **Grand Trunk Railroad Paint Shop:** Light industrial development will generate \$2-\$8 million in investment, \$50,000-\$200,000 in new property taxes annually, and 5 to 15 new jobs.
- **Thomas Solvent Company:** Five to ten new, high-tech businesses could be attracted to the new, 100,000 square-foot, \$10 million, multi-tenant, high-bay commercial/light industrial incubator. Once established, these businesses could add another \$5-\$8 million in investment, \$125,000-200,000 in annual property taxes, and 50 to 100 jobs. As these businesses grow, they will move and open incubator space for other new businesses.
- **MGP:** The redevelopment plan for this riverside site near the W.K. Kellogg Research Institute calls for approximately 150,000 square feet of mixed office/commercial space constructed in three phases. This development will generate approximately \$30 million in private investment, over \$375,000/year in property taxes, and over 400 jobs.

4.b.ii). The City's Comprehensive Plan identifies preserving greenspace, limiting sprawl and developing and linking parks and greenways as priorities. Over 11,000 acres in the City are

undeveloped, 37% of which are currently agricultural. Redevelopment of brownfields in the urban core neighborhoods will help relieve pressure to develop this existing greenspace. The City has completed a shared-use trail and greenspace along portions of the Battle Creek River and Kalamazoo River, and has proposed development of a connected network of shared-use trails, sidewalks, and bike lanes through the four target low-income neighborhoods. Several brownfields lie in the path of these connections, and any development of these brownfields will be required to provide land and access for extension of the proposed shared-use trails.

The priority brownfield redevelopments will add to the parks, recreational options, and greenspace in the urban core. This is particularly important for the target neighborhoods because the low-income and minority populations living there tend to rely on low and no-cost public recreation for family activities. Redevelopment of the United Steel & Wire #2 site will create 1.5 acres of new park land developed with open space and child and youth recreational opportunities, such as a skateboard park, playscape, and ball fields. As part of site plan approval, the residential redevelopment on the United Steel & Wire #1 site will be required to set aside at least 20% of the site for greenspace and recreation. The redevelopment of the MGP site will be required to create greenspace along the Kalamazoo River to connect to the greenway system.

4.c. Environmental Benefits from Infrastructure Reuse/Sustainable Reuse: Sustainable development principles, including focusing development on urban core sites, matching land uses to available infrastructure, and protecting natural resources and greenspace, are key elements of the Comprehensive and Consolidated Plans. As former industrial facilities, the City's priority brownfields are served by existing infrastructure of sufficient capacity to support the planned redevelopments, thus minimizing expenditures on utility extensions, reducing the use of construction materials (steel and concrete pipe, fiber optic lines, etc.), and reducing construction air emissions (greenhouse gases, particulate matter).

The City's priority sites are located in the urban core neighborhoods, which are served by the existing mass transit system. Redevelopment of these sites will bring jobs, recreational opportunities, and other amenities into areas where residents are far more dependent on public transportation to get to jobs, shopping, and recreation than other areas of the City. This satisfies a goal of the City's brownfield program, which is to improve environmental justice and equitable access issues for residents of the low-income neighborhoods.

Brownfields redevelopment in the City will follow the City's lead-by-example compliance with its Energy Reduction Plan, 15% by 2015 (15 by 15) Renewable Energy Goal, and Climate Protection Act Policy (CPAP). To date, a green roof and rain garden have been installed at the police station, rain gardens are installed in all new and rehabilitated parking lots, and a biomass boiler has been installed at City Hall. The City has instituted diesel emission reduction programs to support its CPAP. All new construction in Battle Creek is required to retain the first inch of rain water on site, and use of bioswales and rain gardens is highly encouraged. RLF Grant funds loan terms and the site plan review process will be used to encourage sustainable reuse and energy efficiency through the LEED program and recycling/reuse programs. Developers will be required to deconstruct buildings, such as at the United Steel & Wire #1 site, to maximum reclamation/recycling of materials. Developments on RLF Grant sites will have to support the 15 by 15 program by including renewable energy sources. Green assessment and remediation techniques will be required for response actions undertaken with RLF Grant funds. These will include use of solar-powered equipment, biofuels, and low energy and water use remedial technologies, minimized engine idling, commute distances, and off-site transportation and disposal of contaminated media, and documented and benchmarked green remediation accomplishments. The City will once again lead by example and employ all of these sustainable reuse principles and methods when redeveloping the United Steel & Wire #2 site into a park and public recreational facilities.

ATTACHMENT A
THRESHOLD DOCUMENTATION



THRESHOLD CRITERIA

FY2012 HAZARDOUS SUBSTANCES REVOLVING LOAN FUND GRANT

1. **Applicant Eligibility:** The City of Battle Creek is the applicant for a \$1,000,000 EPA Revolving Loan Fund (RLF) Grant. The City of Battle Creek is a "General Purpose Unit of Local Government" in the State of Michigan.
2. **Description of Jurisdiction:** The RLF Grant will serve the entire City of Battle Creek, an area encompassing approximately 43.7 square miles, as defined by the city boundaries.
3. **Letter from State Environmental Authority:** The City of Battle Creek has received a letter (Attachment B) from the Michigan Department of Environmental Quality (MDEQ) acknowledging that the City plans to establish a revolving loan fund and conduct cleanup activities using federal grant funds.
4. **Oversight Structure and Legal Authority to Manage a Revolving Loan Fund Grant**
 - a. The City will oversee cleanups by 1) requiring Michigan Department of Environmental Quality (MDEQ) approval of cleanup plans to ensure compliance with the Michigan response action program and 2) retaining a qualified environmental consultant to monitor the borrower's activities to ensure conformance with approved cleanup plans and applicable laws and regulations.

The City will require each loan recipient to obtain MDEQ approval of Response Activity Plans before conducting cleanups. The City will include that requirement in redevelopment and loan documents. Cleanups in Michigan are governed by Part 201 of the Natural Resources and Environmental Protection Act, Public Act 451 of 1994, as amended (Part 201). The MDEQ and EPA have entered into a Memorandum of Understanding, which acknowledges that Michigan's Part 201 program for brownfield redevelopment provides response actions that are protective of human health and safety; offers an opportunity for public involvement; and allows for appropriate oversight and technical assistance. Non-labile brownfield developers have three options for obtaining MDEQ verification that planned response actions comply with the requirements of Part 201: 1) approval of a Response Activity Plan, and subsequent No Further Action letter, that describes activities necessary to protect human health and prevent exacerbation of contamination during site development and future use, 2) approval of an Act 381 Work Plan that describes activities necessary to protect human health/welfare/environment and that are eligible for tax increment financing, or 3) approval of a Remedial Action Plan that describes response actions needed to achieve closure of the site under Part 201. Deed restrictions used as part of safe-use strategies will be approved by the MDEQ.

The City will procure services of one or more qualified environmental consulting firms (consultant(s)) to provide cleanup design and monitoring support. The City and consultant(s) will work with RLF loan recipients in the early stages of project development, prior to MDEQ plan reviews, to provide feedback and guidance on intended cleanup actions to help ensure they achieve project goals, meet the desired cleanup goals, are cost effective, and meet Part 201 requirements. The consultant(s) will review remediation and bid plans and specifications to verify compliance with MDEQ-approved plans and inclusion of appropriate terms and conditions to ensure compliance with Davis-Bacon,

federal cross-cutter, and other program-specific requirements. The consultant(s) also will monitor field activities to verify compliance with approved work plans and contract documents.

Services of the consultant(s) will be procured upon award of the RLF grant, prior to selection of the first borrower/project. The consultant(s) will be selected in a competitive procurement process consistent with the provisions of 40 CFR 31.36.

All loan documents and grants will include language that provides to the City the right to access and secure sites in the event of an emergency or default of a loan agreement or non-performance under a subgrant.

b. The legal opinion from the City Attorney (Attachment C), affirms that the City of Battle Creek has the legal authority to access and secure sites in the event of an emergency, loan default, or non-performance under a subgrant. This legal opinion further affirms that the City has legal authority to perform the actions necessary to manage a revolving loan fund.

5. **Cost Share:** The City's 20% cost share for the \$1,000,000 RLF Grant will be met primarily through borrowers' contributions. Borrowers will be required to contribute 20% of the cost for RLF-eligible environmental response actions. This contribution may be in the form of equity, in-kind services, or a tax increment financed loan. The borrowers' required contribution may be off-set by leveraged funds from other sources, such as the MDEQ Brownfield Redevelopment Grant and Loan programs, Battle Creek Brownfield Redevelopment Authority (BRA) Local Site Remediation Revolving Fund, Battle Creek Tax Increment Financing Authority, and local foundations, when available and approved for the project.

ATTACHMENT B
LETTER FROM STATE AUTHORITY



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



DAN WYANT
DIRECTOR

November 18, 2011

Mr. C. Ken Kohs
Utilities Director
City of Battle Creek
150 South Kendall Street
Battle Creek, Michigan 49015

Dear Mr. Kohs:

SUBJECT: Letter of Acknowledgement Regarding the United States Environmental Protection Agency Brownfield Revolving Loan Fund Grant Proposal

The purpose of this letter is to respond to the city of Battle Creek's request for acknowledgement of a proposal to the United States Environmental Protection Agency (EPA) for a brownfield grant under Title II, Subtitle A, of the Small Business Liability Relief and Brownfields Revitalization Act of 2002 (the Brownfields Law). The Department of Environmental Quality, Remediation Division, is supportive of community-based redevelopment efforts and has reviewed the information you provided.

The city of Battle Creek is applying for a \$1,000,000 revolving loan fund grant which can be used to conduct cleanup activities at eligible brownfield sites in the city. The applicant is considered eligible for this award as a general purpose unit of local government.

Should the EPA provide this brownfield grant to the city of Battle Creek, it would allow the city to support brownfield redevelopment and reuse, and improve the community's economic development and environmental conditions. If you need further information or assistance, please contact Mr. Ron Smedley, Brownfield Coordinator, Remediation Division, at 517-373-4805, or you may contact me.

Sincerely,

Ronald Smedley for

Susan Erickson, Chief
Brownfield Redevelopment Unit
Program Support Section
Remediation Division
517-241-8707

cc: Ms. Deborah Orr, USEPA Region 5
Mr. Ron Smedley, DEQ

ATTACHMENT C

LEGAL OPINION



BATTLE CREEK
CITY ATTORNEY

November 17, 2011

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

RE: City of Battle Creek – Legal Opinion for U.S. EPA Brownfield Grant
Authority to Manage Revolving Loan Fund
Authority to Access and Secure Sites

Dear Mr. West:

It is my opinion that State Statutory provisions found in MCL 3.541 (Authority of Municipality to Accept Federal Funds), MCL 117.1 et.seq. (Home Rule City Act), MCL 125.2651 et.seq. (Michigan Brownfield Redevelopment Financing Act), along with City Charter sections 2.1, 12.2 and 12.5, give the City the authority to establish and manage a revolving loan fund with U.S. EPA Brownfield Grant funds including holding funds, making loans, entering into loan agreements, and making payments. Those same state statute and City Charter provisions give the City the authority to allow for its access to and securing of sites in the event of an emergency or default of a loan agreement or non-performance under a sub-grant from those funds.

Very truly yours,

Eileen W. Wicklund
City Attorney

cc City Manager

ATTACHMENT D

LETTERS FROM COMMUNITY-BASED ORGANIZATIONS



**Neighborhoods, Inc.
of Battle Creek**
rebuildthedream

November 16, 2011

Mr. Ken Kohs
City of Battle Creek
150 S. Kendall Street
Battle Creek, MI 49015

Dear Mr. Kohs:

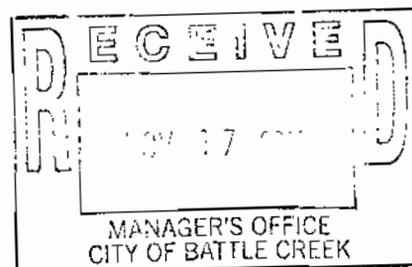
On behalf of Neighborhoods Inc of Battle Creek (NIBC) it is my pleasure to provide this letter of support for the United States Environmental Protection Agency City of Battle Creek Revolving Loan Fund (RLF) Grant. Battle Creek has many needs related to its residents and therefore NIBC is committed to helping neighbors achieve healthy neighborhoods. We believe that this grant will assist the community in initiating economic development, specifically at brownfields located within neighborhoods, and be used as a tool to encourage sustainable redevelopment that will lead to improving the community and quality of life for our residents. Therefore, we fully endorse the grant application.

For over thirty years NIBC has been working with residents in the community. The mission of NIBC is to help neighbors achieve healthy neighborhoods by identifying leadership, resources, and effective strategies that bring about long term change. NIBC considers a healthy neighborhood to be: safe, clean, diverse, free of crime and drugs, economically healthy, with caring and involved neighbors and well maintained properties. Community engagement is only successful when it is an organic process originating from the hearts and minds of the residents in our community. Our job, as a community development organization is to be a resource in the community facilitating projects and discussions. We know from experience that engagement represents a mosaic of activities and people.

During the course of the RLF Grant, NIBC will work with the City to identify brownfields that are immersed in residential neighborhoods that if redeveloped, will help the City and the neighborhoods achieve the mission outline by NIBC. We look forward to working with the City of Battle Creek to support this project.

Sincerely,

William G. Phillips, CCIM
President and CEO



47 WASHINGTON NORTH AVENUE • BATTLE CREEK, MI • 49037
PHONE 269.968.1113 • FAX 269.963.7022

NeighborWorks

November 18, 2011

Mr. Ken Kohs
City of Battle Creek
150 S. Kendall Street
Battle Creek, MI 49015

Re: U.S. EPA Brownfields RLF Grant

Dear Mr. Kohs:

The City of Battle Creek established a City of Battle Creek Neighborhood Planning Council Charter in 1979. The purpose of Neighborhood Planning Councils is to inform and discuss any issues or concerns of that neighborhood. Generally this work requires the City to inform the NPC of the facts and potential results of pending decision, opportunity or other change. The NPC then discusses and decides what, if any, recommendation needs to be made.

Neighborhood Planning Councils are large geographically defined neighborhood bodies with voluntary leadership, often from long term residents concerned about the viability of their neighborhoods. The City has defined neighborhoods, each having their own NPC. They provide an organized outlet for improved communication with the City on community level issues. Once a month the NPCs have meetings and a city staff member attends the meeting to discuss topics of interest. The City provides further support by mailing out agendas and meeting minutes to all residents.

Over the last 30 years, NPC's have provided an open, inclusive and diverse forum for deliberation on neighborhood issues. It is through these organized actions that issues and concerns are elevated from the resident and community level to the City level where partnerships develop and change occurs. It is my understanding that the RLF Grant application focuses on several priority brownfield sites located in four target neighborhoods. I believe the NPCs provide a unique and exceptional method to both disseminate information and obtain input regarding the cleanup and redevelopment of these brownfield sites. I am committed to being the liaison between the RLF program and the residents.

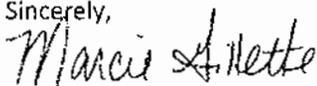
Specifically, we believe we can provide the following support:

- Disseminate grant information to residents living in the target NPCs, including notice of award, information regarding the grant, and planning activities regarding the grant.
- Facilitate and encourage neighborhood engagement for sites selected for cleanup and redevelopment.
- Facilitate community input for identification of potential sites for redevelopment assessment, health effects from brownfield sites, and any other concerns residents might have regarding the brownfield site.
- Fostering relationships, when appropriate, with other community organizations to develop partnerships in an effort to enhance specific elements of a brownfield redevelopment project.

Residents of the City of Battle Creek continue to work collectively to improve the quality of life in their respective neighborhoods and are excited to have this opportunity to play an active role in cleaning up and revitalizing Battle Creek.

Please feel free to contact me should you have questions regarding the involvement of the NPCs and our role in acting as a liaison between the NPCs and the RLF Grant project team.

Sincerely,



Marcie Gillette
Neighborhood Services Manager
10 N. Division Street
Battle Creek, MI 49017
269.966.3379 (p)
mgillette@battlecreekmi.gov



Community Inclusive Recreation

November 16, 2011

Mr. Ken Kohs
City of Battle Creek
150 S. Kendall Street
Battle Creek, MI 49015

Dear Mr. Kohs:

On behalf of Community Inclusive Recreation, Inc (CIR) it is my pleasure to provide this letter of support for the United States Environmental Protection Agency City of Battle Creek Revolving Loan Fund (RLF) Grant. Battle Creek is a wonderful community to live in. And just like every other community, Battle Creek is diverse. We believe that this grant will assist the community in initiating diverse redevelopment of brownfields that could include accessible recreational opportunities for everyone in the community, including people with disabilities. Therefore, we fully endorse the grant application.

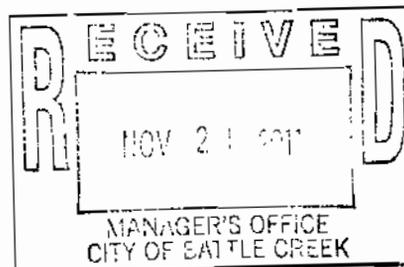
CIR was incorporated in 1994 as a tribute to Leonard Linke who passed away at the age of 44 from Alzheimer's disease – a disease common for individuals born Down Syndrome. CIR is a perfect name and tribute to Leonard's vision for wanting everyone to be accepted and to feel welcome. At the first board meeting the group discussed the importance of "waking up our community" as it relates to need for integration of individuals with disabilities to recreational opportunities and community life.

CIR's base programs include bowling, golf, tennis, billiards, water and downhill skiing, volunteer activities, field trips, camping, hiking and walking clubs, youth groups, family programming, and more. In addition to recreational activities, CIR has an accessible art studio (ETC ARTS Studio) and provides educational programming that includes life skills training and levels of programming designed to increase autonomous community participation

During the course of the RLF Grant, CIR will work with the City to identify brownfields that are suited for accessible recreational use redevelopment. We look forward to working with the City of Battle Creek to support this project.

Sincerely,

Linda Linke
Executive Director





MILLER FOUNDATION

Board of Directors

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Arthur W. Angood, Vice Chair

Gregory D. Dotson, Treasurer

Allen L. Miller, Secretary

Barbara L. Comai

Rance L. Leaders

Paul R. Ohm

Gloria J. Robertson

November 15, 2011

Diane L. Thompson
President & CEO

Mr. Ken Kohs
City of Battle Creek
150 S. Kendall Street
Battle Creek, MI 49015

Dear Mr. Kohs:

The Miller Foundation would like to express its support of The City of Battle Creek's efforts to pursue a USEPA Brownfield RLF Grant. It is our understanding that this grant would be used to fund assessment activities for Brownfield sites within the city boundaries.

We believe that this grant would be useful to the City's efforts towards economic redevelopment, specifically in areas of our community that are in particular need of community investment. The Miller Foundation would like to offer its support of this assessment project in the following ways:

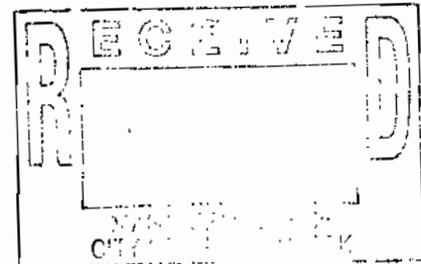
1. Continue the existing partnership and communication between the City of Battle Creek / Battle Creek Unlimited and The Miller Foundation regarding economic development issues impacting the Battle Creek community.
2. Identify potential redevelopment sites in severely blighted neighborhoods for assessment.
3. Identify other economic incentive tools that would help leverage additional funding for future redevelopment of Brownfield sites within the City.
4. In-kind contribution of our facilities to host meetings.

Please do not hesitate to contact me to discuss other potential ways in which The Miller Foundation can assist you with regard to this project.

Sincerely,

Diane Thompson
President and CEO

Cc: Davin Ojala
John Gallagher, Board Chair



November 21, 2011

Mr. Ken Kohs, Utilities Director
City of Battle Creek
150 South Kendall Street
Battle Creek, MI 49037

Dear Mr. Kohs:

On behalf of the Battle Creek Area Clean Water Partners (BCACWP), I convey our full support for the City of Battle Creek's United States Environmental Protection Agency (USEPA) RLF Grant Application.

The Battle Creek Clean Water Partners is the City of Battle Creek; the City of Springfield; Calhoun County Road Commission; the Calhoun County Water Resources Commissioner; the townships of Bedford, Emmett, Leroy, Newton, and Pennfield, the Hart-Dole-Inouye Federal Center, Kellogg Community College and Battle Creek Area Schools joining together with the common goal of protecting the waterways in the Kalamazoo and Battle Creek River Watershed Area.

During the RLF Grant project, the Partners will assist the City with identifying sites that have the potential to detrimentally impact natural resources, support development plans regarding expanding/creating additional recreational areas, parks, trails, and wildlife areas, and support the City with educating the community regarding the importance of watershed management.

Sincerely,



Christine Kosmowski
Chair
Battle Creek Area Clean Water Partners

ATTACHMENT E
COMMITMENT LETTERS FOR LEVERAGING

BATTLE CREEK UNLIMITED

November 18, 2011

Mr. C. Ken Kohs
Environmental Services Administrator
150 S Kendall Street
City of Battle Creek, Michigan 49015

RE: FY 2012 U.S. EPA Brownfields RLF Grant Application
Leveraging Support

Dear Mr. Kohs:

Battle Creek Unlimited (BCU) understands the City of Battle Creek is applying for a \$1,000,000 EPA Revolving Loan fund Grant to support redevelopment of brownfields to foster environmental justice in the lowest income neighborhoods in the city. BCU is committed to supporting the City's RLF program as an operational partner and a provider of additional leveraged redevelopment funding. BCU is a quasi-governmental, non-profit, economic development organization that facilitates regional wealth creation through human, economic, and community development by stimulating a diverse civic culture and fostering new ideas, organizational models and healthy lifestyles. BCU's development activities include business retention and attraction, including Asia and Europe, alone and in cooperation with the Michigan Economic Development Corporation's international marketing program using the development and redevelopment incentives available. BCU manages the Direct Investment Fund, a source of loan and equity capital to help developing, expanding or relocating businesses to acquire buildings and equipment. The organization works closely with the City to identify and evaluate developments for investment of municipal resources, time, and capital. BCU has been responsible for creating the Fort Custer Industrial Park in the city of Battle Creek and attracting over 9,000 jobs, mostly in the manufacturing sector, to the Fort Custer Industrial Park. The industrial park is part of the former Fort Custer Military Base which operated from 1915 until it closed in the 1960s. At 3,000 acres, the park is the largest in Michigan and is one the most successful brownfield redevelopment projects in the United States.

BCU will serve as a supporting partner for the RLF Grant management team. We will perform the grant and site marketing functions, identify and attract developers and businesses to the target sites and neighborhoods, identify and help secure leveraged financial incentives for redevelopment projects, and assist the Financial Manager with evaluating the financial and economic viabilities of developers and proposed projects. Since BCU provides administrative and management support to the Battle Creek

Mr. Kohs
Page Two
November 18, 2011

Brownfield Redevelopment Authority and Battle Creek Tax Increment Financing Authority, we will facilitate leveraging of funds from those sources for supported projects.

BCU will provide the above services at no cost to the City or RLF Grant program. We estimate the value of those services at \$150,000 (1,500 hours over five years). BCU also will provide additional leveraging support by evaluating businesses that locate development projects in the target neighborhoods for investment consideration through the Direct Investment Fund. The value of leveraged funds will be dependent on eligibility and financial need.

BCU fully supports the City as it seeks an EPA RLF Grant and looks forward to partnering with the City to successfully use those funds to support redevelopment of the target brownfields.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Dehn', with a horizontal line extending to the right.

Karl Dehn
President and CEO

**BATTLE CREEK
BROWNFIELD REDEVELOPMENT AUTHORITY**

4950 West Dickman Road, Suite A-1 ♦ Battle Creek, Michigan 49037 ♦ Telephone 269.962.7526 ♦ Fax: 269.962.8096

November 18, 2011

Mr. C. Ken Kohs
Environmental Services Administrator
150 S Kendall Street
City of Battle Creek, Michigan 49015

RE: FY 2012 U.S. EPA Brownfields RLF Grant Application
Leveraging Support

Dear Mr. Kohs:

The Battle Creek Brownfield Redevelopment Authority (BCBRA) understands that the City of Battle Creek (City) is applying for a U.S. Environmental Protection Agency (EPA) Brownfields Revolving Loan Fund (RLF) Grant. As part of the grant application, the BCBRA understands that the City must leverage additional funds/resources to support the grant project. The BCBRA believes that the grant project will benefit the City and would like to offer its support for the project.

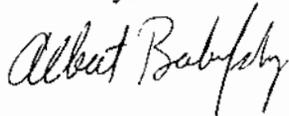
The Battle Creek Brownfield Redevelopment Authority (BCBRA) is committed to helping the City of Battle Creek leverage funds received from the requested EPA Brownfields RLF Grant. The BCBRA has two sources of funds that it can make available to brownfield redevelopment projects supported by the RLF Grant. The Local Site Remediation Revolving Fund (LSRRF) is available to provide immediate financial support for brownfield projects. The LSRRF is funded through collection of incremental taxes generated by successfully completed brownfield redevelopment projects in the city. Incremental taxes can be collected for five years after the developer's eligible brownfield costs are reimbursed. The BCBRA is committed to providing available LSRRF funds, in the form of grants or loans, as needed for additional financial support of redevelopment projects supported with EPA grant funds as approved by the BCBRA Board. LSRRF funds can be used for environmental assessment, cleanup planning, remediation and exposure mitigation, building demolition, asbestos abatement, site preparation and infrastructure improvement. The LSRRF funding level is expected to reach approximately \$100,000 annually in the coming years.

Mr. Kohs
Page Two
November 18, 2011

The BCBRA is also responsible for approving the inclusion of properties in the Battle Creek Brownfield Plan, which makes them eligible for tax increment financing of the excess costs of brownfield redevelopment. The LSRRF-eligible activities described above are eligible for tax increment financing. The BCBRA herewith commits to include in the Brownfield Plan any eligible property on which EPA RLF Grant funds are expended and when approved by the BCBRA Board. This will allow capture of incremental taxes for up to 30 years to reimburse the costs of eligible activities. The value of this funding for any given project will depend on the value of the project, the amount of incremental taxes generated, and the amount of eligible costs. The value of this financial support for projects in Battle Creek has ranged from \$100,000 to \$3,000,000. This revenue stream could be used to repay loans from EPA RLF Grants.

The BCBRA supports the City as it seeks an RLF Grant, and looks forward to using their programs and funds to support the redevelopment of brownfields in the City of Battle Creek.

Sincerely,

A handwritten signature in cursive script that reads "Albert Bobrofsky".

Albert Bobrofsky
Chairman



Battle Creek Tax Increment Finance Authority
4950 West Dickman Road
Battle Creek, Michigan 49015
Telephone: (269) 962-3682 Fax: (269) 962-8096

November 18, 2011

Mr. C. Ken Kohs
Environmental Services Administrator
150 S Kendall Street
City of Battle Creek, Michigan 49015

RE: FY 2012 U.S. EPA Brownfields RLF Grant Application
Leveraging Support

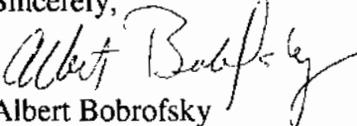
Dear Mr. Kohs:

The Battle Creek Tax Increment Financing Authority (BCTIFA) understands that the City of Battle Creek (City) is applying for an EPA Brownfields Revolving Loan Fund (RLF) Grant. As part of the grant application, the BCTIFA understands that the City must leverage additional funds/resources to support the grant project and help ensure successful brownfield redevelopments in the urban core neighborhoods. The BCTIFA believes that the grant project will benefit the City and would like to offer its support for the project.

The BCTIFA collects incremental tax revenues within its development district and uses those funds to halt the decline of property values and to promote growth in the development area. The BCTIFA can support construction, renovation, repair or preservation of infrastructure, public facility or individual property. Approximately \$2,000,000 is available each year to support the Authority's selected projects. The BCTIFA, upon approval of the Authority's board, will provide loans for site improvements and infrastructure improvements to eligible RLF-funded redevelopments in the RLF program's target areas. The amount of funds and loan contributed to a specific project will depend on project needs, local impact and available funds and the approval of the TIFA Board.

The BCTIFA fully supports the City as it seeks an EPA RLF Grant and looks forward to using their programs and funds to support redevelopment of the target brownfields.

Sincerely,


Albert Bobrofsky
Chairman

PURE MICHIGAN®

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MEDC Executive Committee
President & CEO, Business
Leaders for Michigan, Detroit

Jeff Noel
Vice Chair
MEDC Executive Committee
Corporate Vice President,
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Affairs, Whirlpool Corporation,
Benton Harbor

Lizabeth Ardisana
ASG Renaissance

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John W. Brown
Stryker Corporation

Robert Collier
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Stephen R. D'Arcy
Detroit Medical Center and
Partner, Quantum Group LLC

Haifa Fakhouri, Ph.D.
Arabs American and
Cairelean Council (ACC)

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Christopher L. Rizik
Renaissance Venture Capital Fund

Ann Marie Sastry, Ph.D.
Sakti3

Marilyn Schlack, Ph.D.
Kalamazoo Valley
Community College

Dayne Walling
City of Flint

November 22, 2011

Ms. Deborah Orr
U.S. Environmental Protection Agency (EPA), Region 5
77 West Jackson Boulevard
Chicago, IL 60604-5307

Dear Ms. Orr:

The Michigan Economic Development Corporation (MEDC) would like to express its support for the City of Battle Creek's U.S. EPA Brownfield's Revolving Loan Fund application. The EPA's assistance has provided communities throughout the state with the Brownfield cleanup and redevelopment resources needed to reinvigorate communities, mitigate health and environmental hazards, and address long-standing environmental justice issues associated with our Brownfield sites. The EPA has been a valued partner in Michigan's efforts to turn blighted, contaminated properties into nationally recognized Brownfield redevelopments.

The MEDC is committed to continuing our partnership of success with the EPA to use EPA Brownfield's grant funds to leverage additional state resources to complete Brownfield redevelopments. The MEDC will continue to support Brownfield redevelopments, on a case-by-case basis, through the use of such programs as Brownfield Tax Increment Financing and the Michigan Community Revitalization Program. Brownfield Tax Increment Financing (TIF) captures new taxes generated by a successful redevelopment to pay for the extraordinary environmental, demolition, site preparation, and infrastructure costs incurred in Brownfield development. With MEDC and MDEQ approval, incremental state tax revenues can be combined with incremental local tax revenues to reimburse the costs of eligible activities to developers and businesses. In addition the Michigan Community Revitalization Program will provide grants, loans, or other economic assistance of up to \$10 million to projects that will revitalize urban areas, act as a catalyst for additional investment in the community, reuse vacant or historic buildings, and promote mixed use and sustainable development.

EPA funding will continue to compliment our successful partnership and allow Michigan to continue the economic momentum sweeping throughout our state. We encourage the EPA to review this application and give it full consideration as it works to distribute funds through this program.

Sincerely,


Michael A. Finney
President and CEO

Michigan Economic Development Corporation

300 North Washington Square | Lansing, MI 48913 | 888.522.0103 | MichiganAdvantage.org | michigan.org



November 15, 2011

Mr. Ken Kohs
City of Battle Creek
150 S. Kendall Street
Battle Creek, MI 49015

One Riverwalk Centre
34 West Jackson Street
Battle Creek, Michigan
49017-3505

269.962.2181 tel
269.962.2182 fax

bccf@bccfoundation.org
www.bccfoundation.org

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Post Foods, LLC

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Extended Univ. Programs
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Regional Medical Lab, Inc.

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Oral Surgeon
Battle Creek Oral Surgery

Brenda J. Minter
Director, Procurement Inbound Supply
Kellogg Company

Benjamin Roosevelt, MBA
Financial Advisor
Wells Fargo Advisors, LLC

Shanay A. Settles
Community Volunteer

T.R. Shaw, Jr.
President & CEO
Shaw Funeral Home

James K. Sholl
Vice President, Internal Audit & Compliance
Kellogg Company

PRESIDENT & CEO
Brenda L. Hunt

Dear Ken:

On behalf of the Battle Creek Community Foundation, it is my pleasure to provide this letter of support to the United States Environmental Protection Agency City of Battle Creek RLF Grant. We believe that this grant will assist our community in initiating economic development and be used as a tool to encourage redevelopment, an element that is essential to our community improvement and we fully endorse the grant application.

The mission of the Battle Creek Community Foundation is to assist people and organizations in investing in our community and its residents to make a positive difference therefore creating a vibrant, healthy and viable community. We feel that economic development and addressing environmental issues is an important investment to effectively facilitate positive community change.

We have worked with the City of Battle Creek as a partner for many years on several projects in our community, some specifically for economic development or preservation of open space. One of our main focus areas is Livable Communities-specifically the environment and physical infrastructure of our community. We have provided past funding and plan to continue funding of projects of this nature. Specifically, the Battle Creek Community Foundation is willing to invest \$10,000.00 of additional funding for projects we support.

We look forward to continuing our strong working relationship with the City of Battle Creek on future economic development projects and programs and in support of a better community.

Sincerely,

Brenda L. Hunt
President & CEO

For good. For ever. For all.

November 17, 2011

Mr. Ken Kohs
City of Battle Creek
150 S. Kendall Street
Battle Creek, MI 49015

Dear Mr. Kohs:

On behalf of the W.K. Kellogg Foundation, it is our pleasure to provide this letter in support of the City of Battle Creek's grant application to the United States Environmental Protection Agency seeking support for the City of Battle Creek's Revolving Loan Fund.

Battle Creek, unfortunately, has many needs related to its residents, many of which are living below poverty levels and subject to poor living conditions. This is especially true in the older neighborhoods where families with children continue to live. We believe that this grant will assist the community in initiating economic development and be used as a tool to encourage redevelopment, an element that is essential to improving the community with the subsequent benefits such as providing jobs for residents, improving quality of life, and providing a thriving community for children. Therefore, we fully endorse the grant application.

Founded in 1930, the W.K. Kellogg Foundation has transformed over time since its beginning in relation to current cultural and economic trends. However, in the late 2000s, the W.K. Kellogg Foundation realigned its mission statement to return to its original focus. Our mission statement reads "The W.K. Kellogg Foundation supports children, families, and communities as they strengthen and create conditions that propel vulnerable children to achieve success as individuals and as contributors to the larger community and society".

**W.K. KELLOGG
FOUNDATION**

One Michigan
Avenue East
Battle Creek, MI
49017-4058
USA
269-968-1611
TDD on site
Facsimile: 269-968-0413
www.wkcf.org

Building on nearly 80 years of experience, our framework recognizes that success for vulnerable children depends on an intricate weave of elements. Our programming emphasis on Education and Learning; Food, Health and Well-Being; and Family Economic Security all play interconnected roles in creating an environment in which vulnerable children are protected, nurtured, equipped and stimulated to succeed. The new framework also recognizes that the active pursuit of racial equity, the eradication of structural racism, and the rigorous encouragement of civic and philanthropic engagement are essential to creating a social context in which all children can thrive, including the most vulnerable.

The W.K. Kellogg Foundation supports downtown revitalization efforts and already has committed \$35M to projects in the City of Battle Creek that improve the quality of life for families and children in our community. Approximately \$9M of the original \$35M remains available for various projects and we look forward to working with the City of Battle Creek to determine which efforts we might be able to support.

Sincerely,



Reggie L. LaGrand
Director of Greater Battle Creek Programming

*To help people
help themselves
through the practical
application of knowledge
and resources to improve
their quality of life and
that of future generations*



MILLER FOUNDATION

Board of Directors

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Arthur W. Angood, Vice Chair

Gregory D. Dotson, Treasurer

Allen L. Miller, Secretary

Barbara L. Comai

Rance L. Leaders

Paul R. Ohm

Gloria J. Robertson

November 15, 2011

Mr. Ken Kohs
City of Battle Creek
150 S. Kendall Street
Battle Creek, MI 49015

Diane L. Thompson
President & CEO

Dear Mr. Kohs:

The Miller Foundation would like to express its support of The City of Battle Creek's efforts to pursue a USEPA Brownfield RLF Grant. It is our understanding that this grant would be used to fund assessment activities for Brownfield sites within the city boundaries.

We believe that this grant would be useful to the City's efforts towards economic redevelopment, specifically in areas of our community that are in particular need of community investment. The Miller Foundation would like to offer its support of this assessment project in the following ways:

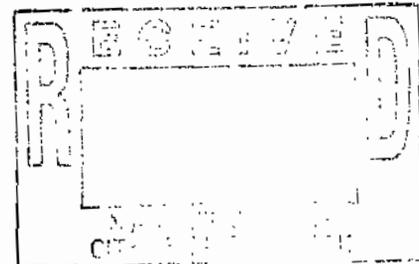
1. Continue the existing partnership and communication between the City of Battle Creek / Battle Creek Unlimited and The Miller Foundation regarding economic development issues impacting the Battle Creek community.
2. Identify potential redevelopment sites in severely blighted neighborhoods for assessment.
3. Identify other economic incentive tools that would help leverage additional funding for future redevelopment of Brownfield sites within the City.
4. In-kind contribution of our facilities to host meetings.

Please do not hesitate to contact me to discuss other potential ways in which The Miller Foundation can assist you with regard to this project.

Sincerely,

Diane Thompson
President and CEO

Cc: Davin Ojala
John Gallagher, Board Chair



ATTACHMENT F
SPECIAL CONSIDERATIONS CHECKLIST

Appendix 3 Special Considerations Checklist

Please identify (with an **X**) if any of the below items apply to your community or your project as described in your proposal. EPA will verify these disclosures prior to selection of the grant.

- Community population is 10,000 or less
- Federally recognized Indian tribe
- United States territory
- Applicant assisting a Tribe or territory
- Targeted brownfield sites are impacted by mine-scarred land
- Targeted brownfield sites are contaminated with controlled substances
- Community is impacted by recent natural disaster(s)
- Community demonstrates firm leveraging commitments for facilitating brownfield project completion by identifying amounts and contributors of funding in the proposal and have included documentation
- Community experiencing plant closures (or other significant economic disruptions), including communities experiencing auto plant closures due to bankruptcy
- Applicant is a recipient of a HUD/DOT/EPA Partnership for Sustainable Communities grant