

1. Applicant Identification

Waukegan Port District, 55 South Harbor Place, Waukegan, IL 60085

2. Funding Requested

a. Grant Type: Multipurpose

b. Federal Funds Requested: \$1,000,000

3. Location: City of Waukegan, County of Lake, State of Illinois

4. Target Area and Priority Site Information:

| Common Address | Acreage | Phase I & II Needed: | Cleanup Ready? |
|----------------------|---------|----------------------|----------------|
| 2 E. Madison St. | 1.8 | Updates needed | Yes |
| 20-24 E. Water St. | 1.1 | No | Yes |
| 315 E. Sea Horse Dr. | 0.71 | Yes | No |
| 0 E. Clayton St. | 0.67 | Yes | No |
| 34 E. Clayton St. | 0.91 | Yes | No |
| 0 Pershing Rd. | 0.83 | Yes | No |
| 0 N. Harbor Place | 0.28 | Yes | No |
| 315 Sea Horse Dr. | 2.1 | Yes | No |
| 110 N. Harbor Place | 0.5 | Updates needed | Yes |
| 199 N. Harbor Place | 0.54 | No | Yes |

Eleven-digit census tract number from CJEST: 17097862200

5. Contacts: Project Director

Max Pekcan, General Manager, Waukegan Harbor & Marina
 55 South Harbor Place, Waukegan, IL 60085. 847-244-3133.
 mpekcan@waukeganport.com.

Highest Ranking Elected Official:

Ben Veal, Chairman of the Board, Waukegan Port District.
 55 South Harbor Place, Waukegan, IL 60085. 847-244-3133.
 bveal@waukeganport.com

6. Population: Population of Waukegan, IL: 89,321; 2020 Decennial Census

7. Other Factors Checklist:

| Other Factors | Page # |
|---|--------|
| Community population is 10,000 or less. | NA |
| The applicant is, or will assist, a federally recognized Indian tribe or United States territory. | NA |
| The priority brownfield site(s) is impacted by mine-scarred land. | NA |
| The priority site(s) is adjacent to a body of water (i.e., the border of the priority site(s) is contiguous or partially contiguous to the body of water or would be contiguous or partially contiguous with a body of water but for a street, road, or other public thoroughfare separating them). | Page 2 |
| The priority site(s) is in a federally designated flood plain. | NA |
| The redevelopment of the priority site(s) will facilitate renewable energy from wind, solar, or geothermal energy. | NA |
| The reuse of the priority site(s) will incorporate energy efficiency measures. | Page 2 |

WAUKEGAN
PORT DISTRICT
 AIRPORT . MARINA . PORT

| | |
|--|---------|
| At least 20% of the overall project budget will be spent on eligible site reuse or area-wide planning activities for priority brownfield site(s) within the target area. | Page 10 |
| The target area is located within a community in which a coal-fired power plant has recently closed (2013 or later) or is closing. | Page 1 |
| <i>NA = Not Applicable to this project</i> | |

8. Letter from the State Authority: Attached

9. Releasing Copies of Applications:

No portion of our grant application is considered confidential.



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 • (217) 782-3397

JB PRITZKER, GOVERNOR

JOHN J. KIM, DIRECTOR

**Subject: State Acknowledgement Letter for the Waukegan Port District
FY2024 US EPA Brownfield Multipurpose Grant**

10/18/2023

Waukegan Port District
ATTN: Max Pekcan
General Manager/ Harbormaster
55 South Harbor Place
Waukegan, IL 60085

Dear Max Pekcan,

The Illinois Environmental Protection Agency (Illinois EPA) has received your request for a letter of acknowledgment for an upcoming Multipurpose Grant application to U.S. EPA. Waukegan Port District is applying for a \$1,000,000 Multipurpose Grant.

The grant will be a Multipurpose Grant for Hazardous Substances and Petroleum.

Illinois EPA acknowledges Waukegan Port District's efforts to obtain federal Brownfields funds for this project. If you have any questions, I may be contacted at the above address or telephone numbers below, or at Jacob.fink@illinois.gov.

Sincerely,

Jacob Fink
Brownfield Program Administrator
Bureau of Land/Office of Site Evaluation
Office# (217) 785-8726
Cell# (217) 986-0818
Jacob.fink@illinois.gov



2125 S. First Street, Champaign, IL 61820 (217) 278-5800
1101 Eastport Plaza Dr., Suite 100, Collinsville, IL 62234 (618) 346-5120
9511 Harrison Street, Des Plaines, IL 60016 (847) 294-4000
595 S. State Street, Elgin, IL 60123 (847) 608-3131

2309 W. Main Street, Suite 116, Marion, IL 62959 (618) 993-7200
412 SW Washington Street, Suite D, Peoria, IL 61602 (309) 671-3022
4302 N. Main Street, Rockford, IL 61103 (815) 987-7760

MULTIPURPOSE GRANT

IV.E. NARRATIVE / RANKING CRITERIA

1. PROJECT AREA DESCRIPTION AND PLANS FOR REVITALIZATION (45 Points)

1.a Target Area and Brownfields (15 Points)

1.a.i Overview of Brownfield Challenges and Description of Target Area (5 Points)

The Waukegan Port District is a political subdivision within the limits of the City of Waukegan. It is separate and apart from the City of Waukegan government body. It is responsible for control and operation of the Waukegan National Airport, Waukegan Harbor and Marina, and the Port of Waukegan. The Port District owns numerous land parcels located along the shoreline of Lake Michigan in the northeast section of Lake County, Illinois. A closed Midwest Generation coal-fired power plant is located North of Port-owned property in Waukegan. Although the Waukegan Lakefront once bustled with jobs from industrial processing and material development, over the last several decades lakefront industrial activity has drastically declined; leading to plant closures, lower income, higher unemployment, and an overall drop in Waukegan tax base which has significantly impacted the ability to attract new businesses. The US Census Bureau estimates that the City of Waukegan’s total population in 2017 was 87,729, which is a 1.5% decrease from its 2010 population of 89,078. The 2013-2017 census estimates that 21.1% of the population below the age of 65 don’t have health insurance and that 17.8% of people live below the poverty line. Furthermore, over 100 years of industrial use has left behind a legacy of extensive contamination along the Harbor and lakefront (see **Figure 1**). The above average percentage of citizens living below the poverty line and disproportionate number of Brownfield and Superfund sites within the City's municipal boundary, combined with the significant minority population who call Waukegan home make it one of the few Environmental Justice Communities remaining in Lake County, Illinois.

Figure 1: Acres of Lakefront Brownfield Contamination in Waukegan

| Overall Waukegan Lakefront Acreage: Approx. 1,330 acres | | |
|---|------------|---------------------|
| North Lakefront: 810 Acres | | |
| Harbor/South Lakefront: 520 Acres | | |
| Specific Brownfield Sites | Acres | % of Lakefront Land |
| Midwest Generation Closed Waukegan Coal Fired Power Plant | 204 | 15% |
| Former OMC/Johnson Motor Plant 1 | 14 | 1.05% |
| Johns-Manville Superfund | 150 | 11.28% |
| North Shore Gas North MGP Plant | 16 | 1.20% |
| North Shore Gas South MGP Plant | 25 | 1.88% |
| OMC Plant 2 Superfund | 80 | 6.02% |
| Slip 3 PCB Containment Cell | 2 | 0.15% |
| Former Coke Plant Site Superfund | 20 | 1.50% |
| ComEd/Former Greiss-Pfleger Tannery | 38 | 2.86% |
| Abbott Landfill | 13 | 0.98% |
| Lakeshore Foundry | 2 | 0.15% |
| Diamond Scrapyard | 17 | 1.28% |
| *Former Fansteel | 11 | 0.83% |
| EJ&E RR | 19 | 1.43% |
| Former Roundhouse RR Location | 2 | 0.15% |
| Total | 613 | 47% |

Data are from the Bureau of Labor Statistics and are available at www.bls.gov

Throughout the first half of the 20th century, the City of Waukegan Harbor attracted substantial industry along the lakefront, including foundries and plating shops, lumber yards, tanneries, coal and fuel storage, wire mills, paint plants, roofing material processes, wall board, fire proofing, creosoting and galvanizing plants, and chemical formulating/pharmaceutical creation. These raw materials were processed prior to the development of environmental regulations and standards. While this industry provided important jobs, they also left behind an environmental legacy of soil and groundwater contamination across much of the Harborfront. In recent years the cleanup of the Waukegan Harbor Area of Concern (AOC) has received national support and extensive remediation in the form of Superfund and Great Lakes Legacy Act Funds which addressed PCB sediment contamination within the Harbor itself. Soil, harbor sediment, and local groundwater contaminated with PCBs associated with the Outboard Marine Corp. Superfund Site have been remediated by consolidating and capping contaminated material on lakefront property, by using aerobic bacterial reactors to digest organic chemical contaminants in groundwater, and by hauling contamination to licensed landfills under EPA oversight. All affected properties, including those under Port District authority, are routinely monitored and pose no risk to development efforts. In June of 2017, the Waukegan Port District adopted the Harbor Master Plan, which shines a light on the importance of remediating and reclaiming adjacent and neighboring Harbor properties, many of which are considered undevelopable due to uncertain or unacceptable environmental business risks.

1.a.ii. Description of Priority Brownfield Site(s) (5 Points)

The Port District's Harbor Properties are bounded to the east by Waukegan Harbor. LaFarge North America and multiple Marine-owned warehouses bound the property to the north. The property is bounded to the east by Pershing Road and the Elgin, Joliet and Eastern (now CN RR) railroad tracks and right-of-way (ROW). The Site is bounded to the south by Lake Michigan shoreline. The Brownfield grant request will NOT be utilized to address any of the contamination originating from the NSG SOUTH MGP Superfund Site as it is subject to a consent order through potentially responsible party (PRP) actions under federal and state oversight. Therefore, we have excluded Port District properties in this grant application that overlay the MGP Site contamination plume. The Sites applying for the Brownfield Multipurpose Grant include the properties bordering or near Waukegan Harbor in Waukegan, Lake County, Illinois 60085. They are located within high recreational and marina-use area of Waukegan Harbor. Residential use has not yet been established in this area but is a near-term goal of the Port District once these former industrial sites are prepared for re-use. The Port District's Harbor Master Plan envisions multi-use residential and commercial buildings, recreational spaces, and conservation areas throughout the lakefront including this target properties. New structures built on brownfield sites will incorporate energy efficient measures and reduce climate impact by eliminating heat islands using improved open green space and tree canopy conservation. The Port District's goal is for these properties to be assessed, remediated, and revitalized from post-industrial-use conditions so that they can contribute to Harbor redevelopment efforts and community resilience. Reviving the subject properties for Lakefront, residential, and open space redevelopment will help attract public users to achieve the Master Plan goals by creating homes, businesses, recreation, and entertainment for the public. The properties described above will be subject to Phase I All Appropriate Inquiry and Phase II Environmental Assessments under the grant. These assessments will remove development uncertainty and define legacy environmental conditions along the Waukegan Harbor. Recall that from the early 1900's to the 1970s, the harbor area was full of fuel

storage, brass foundries, and similar small manufacturing facilities that operated before environmental regulations were in place.

Table 1--Target Area Properties—Port District Owned

| Common Address | Acreage | Phase I & II Needed: | Cleanup Ready? |
|----------------------|---------|----------------------|----------------|
| 2 E. Madison St. | 1.8 | Updates needed | Yes |
| 20-24 E. Water St. | 1.1 | No | Yes |
| 315 E. Sea Horse Dr. | 0.71 | Yes | No |
| 0 E. Clayton St. | 0.67 | Yes | No |
| 34 E. Clayton St. | 0.91 | Yes | No |
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| 110 N. Harbor Place | 0.5 | Updates needed | Yes |
| 199 N. Harbor Place | 0.54 | No | Yes |

The brownfield at 20-24 East Water Street, Waukegan Illinois is a 1.1-acre property that lies just north of the Waukegan River. The Port District acquired the former auto scrap yard in 2017 and conducted all appropriate inquiry environmental due diligence reviews, including a Phase I ESA which established the Port District as a bona fide prospective purchaser. Prior site investigation revealed that a past release of diesel and railyard waste from a neighboring orphan site had migrated onto Port District property, including the lot at 24 East Water Street. In addition to impeding efforts to develop the Waukegan lakefront, there is concern that the mobilized pollutants could potentially migrate into the Harbor. Waukegan Harbor has a history of environmental impact. Although the Harbor-related AOC have since been remediated, lingering negative perceptions of the area have continuously deterred developer investment in lakefront Port District properties. If pollutants successfully migrate, there will be detrimental environmental impacts, more extensive remediation will be needed, and negative perceptions will increase. Ultimately, these deleterious effects will impede efforts to revitalize the entirety of the Port District’s lakefront properties. The Waukegan Port District will utilize Brownfield Grant funding to cleanup petroleum contamination on its 24 East Water St. property and nearby target properties to prevent contaminant migration, reduce negative public perception, and advance revitalization efforts at Waukegan Harbor.

1.a.iii Identifying Additional Sites (5 Points)

The Port District-owned assemblage of Harborfront properties (**Table 1**) include underutilized cement silos that can no longer receive full barge loads of cement due to sediment build up in the harbor, a boat parking lot that has legacy conditions of PNAs and heavy metals preventing construction financing and investment, a blighted Harborfront open space park that does not benefit from best and highest use due to adjoining property blight and disinvestment, a struggling, closed down Yacht Club restaurant that has never had the clientele to support it in this underserved Harborfront EJ community. These are all contiguous properties owned by the Port District and identified by the private development sector as priority target investment/redevelopment sites, but for the uncertain environmental cleanup costs and collateral value hesitancy of commercial and private lenders have not moved forward. Grant funding can change this condition.

1.b Revitalization of the Target Area (20 Points)

1.b.i. Overall Plan for Revitalization (10 Points)

Overall plans for the revitalization of Waukegan Port District Harbor properties include the 2003 City of Waukegan Downtown Lakefront Master Plan, the 2015 Lakefront Active Implementation Plan, and the 2017 Waukegan Port District Waukegan Harbor Master Plan. The Waukegan Harbor Master Plan identifies the location of brownfield properties owned by the Waukegan Port District, lists each site's recognized environmental concerns, provides redevelopment considerations, and illustrates three detailed alternative plans for property redevelopment. Common program elements retained by all three of the Master Plan alternatives include a waterfront hotel and conference center, improved parking, residential development, improved pedestrian connections from downtown to the marina, a continuous waterfront promenade, and improvements to the Waukegan River corridor, which flows into the Harbor. The Lakefront and Harbor plans strongly agree on the need for Harborfront property remediation and share the overarching goals of revitalizing the Waukegan community by creating economic opportunities, encouraging developer investment, cleaning existing contamination, and preventing future pollution in the Waukegan Port District shoreline. Together, the Master Plans provide the framework that will make the Port District a major economic driver for the City of Waukegan. Specific tasks that will lead to this revitalization at each site include:

- Conducting Phase I & II ESAs on Port District-owned priority target properties located outside of the NSG SOUTH PLANT MGP plume. This will remove environmental business risk and environmental uncertainty related to Harbor Front development and investment. Please see the link to the Port District's [Waukegan Harbor Master Plan](https://waukeganharbor.com/wp-content/uploads/170630-Waukegan-Harbor-Master-Plan.pdf) to identify the various property parcels. <https://waukeganharbor.com/wp-content/uploads/170630-Waukegan-Harbor-Master-Plan.pdf>
- Conducting a petroleum cleanup at the 24 E. Water St. property (now owned by the Port District). Cleanup will include management and disposal of contaminated soil and groundwater as well as exposure pathway control through installation of engineered barriers, installation of vapor intrusion barriers, and implementation of institutional controls.

1.b.ii. Outcomes and Benefits of Overall Plan for Revitalization (10 Points)

The primary goal of the Waukegan Port District's Brownfield Multipurpose Grant funding is to remove environmental uncertainty and business risk from their target area and to implement cleanups on key Port-owned gateway sites. With this necessary funding from the USEPA, they will continue to "set the table" for the City's and Port District's Master Plans and, in the process, attract private sector investment that will transform the lakefront. These plans provide a detailed roadmap to guide the Port District in achieving the overall vision of a more active, vibrant waterfront that is home to a much greater mix of residents, businesses, and accessible public spaces on beautiful Lake Michigan. The revitalization of parcels within the target area and the success of developments such as Bay Marine's Yachting Center will create an assemblage of shovel-ready land adjacent to a new lakefront business with proven success. This demonstration of how engineering and institutional controls at Bay Marine were used to address unique site conditions will provide investors with an example of successful redevelopment on impaired property, that will create additional development momentum.

1.c Strategy for Leveraging Resources (10 Points)

1.c.i. Resources Needed for Site Reuse (5 Points)

Not only will funds from the brownfield multi-purpose grant aid in the assessment and remediation of Waukegan Port District Harbor sites, but they will also support further

development of infrastructure and natural resource amenities. The latter will be funded by other grant sources like USEPA GLRI, IDNR, USFWS, IDOT and funding from private developers that are incentivized by both Waukegan TIFs and public-private cost-sharing opportunities. By addressing the initial hurdles of assessment and remediation to bring lakefront Brownfield sites to “shovel ready” status, the Waukegan Port District will remove daunting environmental obstacles to development and increase the sites’ appeal to private investors. It is also important to recognize that this Waukegan Port District Harborfront brownfield site immediately adjoins an **Opportunity Zone**, as defined in the Tax Cuts and Job Act of 2017. The tax benefit created by the new Opportunity Zone legislation is “designed to spur economic development and job creation by encouraging long-term investments in economically distressed communities nationwide,” according to the Treasury. “This incentive will foster economic revitalization and promote sustainable economic growth, which was a major goal of the Tax Cuts and Jobs Act,” said Secretary Steven T. Mnuchin. It is anticipated “that \$100 billion in private capital will be dedicated towards creating jobs and economic development in Opportunity Zones.” This is important leverage in the harbor front area of the Waukegan Port District.

1.c.ii Use of Existing Infrastructure (5 Points)

Waukegan’s urban lakefront has all infrastructure in place to attract private developer investment. The Harbor is located along major utility, transportation, and rail corridors, in addition to having a regionally renown marina that provides access to Lake Michigan. The City enjoys access to north-south highways, as well as public transportation and regional bike trails. These transportation connections link Waukegan to the broader metropolitan region and beyond, serving as assets to economic and community development. The Waukegan Harbor has an over 100-year history of use as major industrial grounds. These operations required substantial water, electric, natural gas, and sanitary system supply. The presence of existing infrastructure will provide key financial leverage for cleanup and external re-use funding. Metra operates a commuter rail station within a short walk to Waukegan Harbor. This provides an excellent transportation-oriented development (TOD) opportunity.

2. COMMUNITY NEED AND COMMUNITY ENGAGEMENT (45 Points)

2.a. Community Need (25 Points)

2.a.i. The Community’s Need for Funding (5 Points)

The Waukegan Port District has been unable to draw on other initial sources of funding to carry out the assessment, remediation, planning, and redevelopment activities described herein. With the departure of manufacturing from Waukegan’s former industrial harbor, the local economy has taken a toll in recent decades and Waukegan continues to need funding to help investigate, define, and cleanup negative environmental conditions on its lakefront. From the height of the Industrial Era through to the mid-20th century, production accounted for one of the largest employment sectors in Waukegan. Industry in Waukegan relied heavily on Harbor transport. This industrial legacy has left behind many contaminated properties along Waukegan’s lakefront. The contaminated areas are adjacent to Waukegan’s downtown and residential neighborhoods and leave negative connotations in the City and diminish its ability to attract developers. Waukegan has become victim of disinvestments that have led to a disproportionate number of vacant, undeveloped, and contaminated sites. Waukegan is not able to substantially draw on TIF funding due to industrial and commercial companies leaving the area and its low income residents who have a lower than average median household income of \$48,551 (<http://factfinder.census.gov/>). By the end of the 20th century, three of the four major industries along Waukegan’s lakefront closed. Fansteel, Johns Manville, and formerly the

Outboard Marine Corporation began massive plant closures and layoffs from 1990 to 2000. Since industry's departure from Waukegan for cheaper labor markets, the local economy and tax base has suffered. These problems were exacerbated by a resurgence in Waukegan's population due to the attractiveness of suburban living¹. The City of Waukegan needs this grant to further incentivize people and businesses to move towards the lakefront and re-establish this area. Majority of Waukegan's residents are a part of a racial or ethnic minority group. Majority of the Waukegan community is comprised of racial and ethnic minorities, 80.2% of the total population, and bears a disproportionate number of environmentally impaired sites from the former industrial uses making Waukegan a designated Environmental Justice community by USEPA.

| Race | 2010 Census Data | | 2015 Census Data | | 2017 Census Data | |
|--|------------------|---------|------------------|---------|------------------|---------|
| | Number | % | Number | % | Number | % |
| Total Population | 89,078 | 100.00% | 88,570 | 100.00% | 87,999 | 100.00% |
| Hispanic or Latino | 47,612 | 53.40% | 48,790 | 55.10% | 48,746 | 55.40% |
| White | 22,182 | 24.90% | 19,107 | 21.60% | 17,436 | 19.80% |
| Black or African American | 15,286 | 17.10% | 144,321 | 16.30% | 14,964 | 17.00% |
| American Indian and Alaskan Native alone | 869 | 1.00% | 80 | 0.10% | 142 | 0.20% |
| Asian alone | 103 | 0.10% | 4,246 | 4.80% | 4,390 | 5.00% |
| Native Hawaiian and Other Pacific Islander alone | 26 | 0.00% | 18 | 0.00% | 19 | 0.00% |
| Some other race alone | 577 | 0.60% | 415 | 0.50% | 475 | 0.50% |
| Two or more races | 1,358 | 1.50% | 1,458 | 1.60% | 1,827 | 2.10% |

Census Bureau (<http://factfinder.census.gov/>)

With Brownfield Multipurpose Grant funding secured, these projects will be affordable for the Port District and the greater Waukegan community it serves.

2.a.ii. Threats to Sensitive Populations (20 Points)

2.a.ii.(1). Health or Welfare of Sensitive Populations (5 Points)

This BF Grant will assist in Waukegan's efforts to improve the living conditions of sensitive populations (African Americans, Hispanics, individuals with incomes below the poverty rate, children under 5 years, seniors over 65 years, single mother families and obese persons) living in Waukegan and that frequent our lakefront for recreation. Minority population account for 80.2% of the total population of Waukegan while 17.8% of the total population live below the poverty line, which is 5.2% higher than the state average (<http://factfinder.census.gov/>). Also, 21.1%¹ of people in the City of Waukegan under 65 years old do not have health insurance. which is 10.9% higher than the national average. Low income and minority populations have difficulty avoiding adverse environmental exposures and an absence of health insurance can exacerbate problems by reducing access to preventative health care due to inflated medical bills. The following table details potential contaminants of concern (COC) at the Waukegan Harbor site and their potential health effects:

| COC | Potential Health Effect |
|--------------|---|
| Heavy Metals | Decreased intellectual development of infants and children; effects to gastrointestinal, renal and reproductive systems of children and adults. |

| | |
|---|--|
| BTEX | Lassitude, dermatitis, giddiness, headache, liver and kidney damage, narcosis and coma |
| PAHs | Cataracts, kidney and liver damage, jaundice and cancer |
| http://www.cdc.gov/niosh/npg/ | |

Defining the nature and extent of contamination present at the Waukegan Harbor will help the Port District achieve its goal of redeveloping the Waukegan Harborfront. Land that has long been underutilized will be opened-up for safe, enjoyable lakefront experiences. Private development will return to replace the lost manufacturing legacy on the Harbor. Lenders and investors will understand the environmental conditions defined by the Assessment Grant work. The uncertainty of environmental conditions on these parcels serves as a significant road block for investment or private acquisition. Residents and visitors in the nearby area will benefit from a decrease in exposure to potentially harmful contaminants and the use and enjoyment of a transformed industrial property on Lake Michigan. Residents will no longer observe “Keep Out” fenced off property, but instead will benefit from improved beach and natural areas due to increased interest from developers to investment and conservation on the Lakefront. The assessment funds will define environmental conditions and become an important step to eliminating the existing threat to human health, ecosystems, and the environment while also qualifying the Site as "development- and investment-ready.”

2.a.ii.(2). Greater Than Normal Incidence of Disease and Adverse Health Conditions (5 Points)

Waukegan residents have a high probability of living in blighted neighborhoods with elevated cancer and asthma risks due to the area’s industrial legacy. Given the large amount of uninsured people, affected residents are less likely to have health insurance and would be less likely to be able to afford medical attention should they get sick from exposure. Using Multipurpose Brownfield Grant funding will help mitigate threats to human and environmental health and provide data to attract developers to support redevelopment and preservation of greenspace through creation of trails, paths, and parks could potentially combat obesity by promoting active lifestyles.

2.a.ii (3) Environmental Justice (10 points)

(a) Identification of Environmental Justice Issues (5 points)

The Port District target development area is located immediately adjacent to two prominent CJEST mapped census tracts having EJ issues. Since there are not yet any residents or populous on Port District and lakefront properties, the subject land areas are just outside and adjoining the CJEST shaded tracts. The Port District and Waukegan Lakefront are clearly impacted, underserved, and disadvantaged by brownfield conditions. See further description in 2.a above. The redevelopment of the Waukegan Harbor promotes economic stimulation in the City of Waukegan by increasing home and property values that typically occur after redevelopment of brownfields sites. From the 2015 American Community Survey 1-Year Estimates, the current median value of owner-occupied housing units in Waukegan is \$120,300 which is significantly lower than the Illinois median of \$179,700 (<http://factfinder.census.gov/>). Redevelopment efforts will increase the median value and will also support the City of Waukegan’s efforts to increase quality employment by supplying jobs and expanding the city's tax base as stated in the 2003 Waukegan Master Plan for the Lakefront.

An improved, redeveloped lakefront will create significant new jobs, both seasonal and permanent for all ages with appeal to all of Waukegan’s diverse populous cultures. Students will work at the marina, on beaches, and on summer maintenance crews. Festivals will bring

performers, concession vendors, and entrepreneurs to the improved, highly populated and accessible lakefront. Seniors will have a destination and an opportunity to work part-time. Businesses throughout Waukegan will expand and hire to support the larger population of recreational visitors to the Harbor front/Lakefront. The economic benefit will flow to construction contractors, transportation vendors, refuse haulers, restaurant suppliers, marina suppliers, fuel deliveries, etc.

(b) Advancing Environmental Justice (5 points)

This grant funding for the Waukegan Port District will clearly provide an important jump start to revitalization plan(s) will promote private investment, and thereby advance environmental justice and minimize the displacement of residents and/or businesses among the underserved community(ies) in the Harborfront target area and adjoining CJEST area.

2.b. Community Engagement (20 Points)

2.b.i. Prior/Ongoing Community Involvement (5 Points)

The Waukegan Port District has developed partnerships to make decisions with respect to site cleanup and future redevelopment strategies that represent the diversity of community interests. These partnerships include the following:

List of Project Partners (2.b.i.i.- 2.b.i.i.i)

| <i>Partner Name</i> | <i>Point of Contact</i> | <i>Specific role in the Project</i> |
|--|---|--|
| Waukegan Park District | Jay Lerner; 847.360.4721; | Waukegan Park District will work with the Port District to ensure the portions of the Site can be transformed into viable recreational space for residents. |
| The City of Waukegan | Noelle Kischer-Lepper; 847.599.2514; Noelle.Kischer-Lepper@waukeganIL.gov | The City of Waukegan is the local governmental body responsible for serving the community by protecting life and property, preventing crime, enforcing laws, and maintaining order. |
| Waukegan Harbor Citizen's Advisory Group | Waukegan Harbor CAG waukeganharborcag@email.com | The Waukegan Harbor Citizen's Advisory Group is comprised of local citizen's and business members that meet routinely to provide updates to Waukegan cleanup and restoration sites. This group provides important community feedback and represents stakeholder interests. |

| | | |
|---|---------------------------------------|--|
| College of Lake County Workforce and Professional Development Program | 847.543.2615; wpdi@clcillinois.edu | This group provides services to individuals and small business in areas leadership, finance, operations, logistics, professional development, and marketing to ensure success of all business ventures that could occur at the Site after remedial work has been completed. WPD will invite student involvement from CLC's environmental curriculum program as Brownfield Assessment work commences. |
|---|---------------------------------------|--|

2.b.i.v. Incorporating Community Input (5 Points)

The Port District has developed a plan to involve and engage the community throughout the duration of assessment and cleanup work, the future cleanup and the redevelopment strategy. The Port District and Waukegan Harbor CAG will continue engaging the public by hosting quarterly public information meetings. The first public meeting will divulge the EPA Brownfields process to ensure the community is aware of the work required to be completed and how it will affect them. This will be a way to engage with residents and initiate interactive communication while providing pertinent information and feedback. The quarterly public meetings will also serve as a public forum to request comments or questions regarding public input and health concerns. Once assessment work has commenced an additional public meeting will be held to discuss any input and health concerns. Technical staff will be available to discuss the meaning of technical information to the public. Materials will be translated and provided to accommodate Spanish speaking populations as needed. Any other special needs will be accommodated during the meetings should they arise. The Port District will also use a multimedia approach to advertise quarterly meetings, encourage community involvement, and to facilitate response to questions, comments, or concerns as they arise. The Port District's website and Facebook page will be used to communicate instant news about any cleanup work and the dates/times of public meetings.

3. TASK DESCRIPTIONS, COST ESTIMATES, AND MEASURING PROGRESS (45 Points)

3.a. Description of Tasks and Activities (25 Points)

3.a.i. Project Implementation (10 Points)

Waukegan Port District has the land parcels prepared for assessment work to begin in 2024 immediately after program award and grant agreements. We will follow procurement and contracting requirements to engage an experienced firm of environmental professionals. The Port District's Board has already been briefed on the scope of the grant and fully supports the Port District's Staff implementation. The sites are fully prepared for environmental work to begin. We have archived older drawings of the facilities so that we can tailor our environmental work plans to known recognized conditions and "hot spots." An updated Phase I Environmental Site Assessment will be performed following *All Appropriate Inquiry* requirements of USEPA. We will then perform a site wide investigation to ensure that data is collected to obtain a future comprehensive NFR letter for the Site. This will provide a high level of land value and assurance to subsequent lenders and development investors.

The sites will be enrolled in Illinois EPA’s Site Remediation Program (SRP) so that we receive IEPA review and evaluation services that will lead to approved Site Investigation Reports and Remedial Action Cleanup Plans. Various USEPA deliverables will be prepared including a Project QAPP/Field Sampling Plan. The Port District will work with experienced contractors to develop a comprehensive Phase I & II investigation plan. Specialized environmental drillers and analytical testing labs will be engaged to work as subcontractors to the environmental professionals. We envision a site grid pattern with survey controls established across the site. Soil borings and groundwater monitoring wells will be installed on the grid nodes. As contaminants are delineated, grids will become tighter spacing until sufficient delineation is completed. This delineation will provide the basis for remedial action planning and cleanup cost determination. At the 24 E. Water St. parcel, the site will be enlisted in the IEPA Site Remediation Program. Additional updated Site Investigation and pre-remedial sampling and analysis will be conducted to refine a remedial action strategy. Building demolition will be conducted. Highly contaminated soil and groundwater will be removed, treated and disposed at off-site licensed Treatment, Storage, and Disposal Facilities (TSDFs) to prevent further migration to the Harbor or Lake Michigan. Vertical and horizontal engineered barriers will be constructed as pathway exposure exclusions. Institutional controls will be utilized. Vapor intrusion controls will be specified for any future building construction. This parcel is a key gateway to the Port District’s main entry.

3.a.ii. Anticipated Project Schedule (5 Points)

The Port District has the resources and team members ready to move forward and readily implement the tasks eligible for the Multipurpose Grant funding. We are not awaiting land acquisition nor site access delays. We can easily achieve the 5-year period of performance and have private sector interest in site development/re-use.

3.a.iii. Task/Activity Lead (4 Points)

The Port District will lead the procurements following grant award.

3.a.iv Outputs (5 Points)

Outputs from this important funding will include the preparation of updated parcel Phase I ESAs that meet the ASTM 1527-21 and AAI standards that will guide the Phase II ESA work on 12 targeted Port District-owned parcels. Outputs will include the enlistment of target development parcels into IEPA’s Site Remediation Program to seek comprehensive “No Further Remediation” status. Outputs will include the hazardous substance and petroleum cleanup of an estimated __ acres of targeted Harborfront parcels in preparation for mixed use redevelopment and highly improved open space amenities.

3.b. Cost Estimates and Outputs (15 Points)

3.b.i Cost Estimates (10 Points)

| Budget Categories | | Project Tasks (\$) | | | | Total |
|-------------------|-----------------|---------------------|----------------------|--|---------------------------------|----------|
| | | Task 1-Phase I ESAs | Task 2-Phase II ESAs | Task 3-Cleanup Plans/Community Relations | Task 4-Target Property Cleanups | |
| Direct Costs | Personnel | | | \$20,000 | | \$20,000 |
| | Fringe Benefits | | | \$2,000 | | \$2,000 |
| | Travel | | | | | |
| | Equipment | | | | | |

| | | | | | | |
|------------------------------|-------------|----------|-----------|----------|-----------|--------------------|
| | Supplies | | | | | |
| | Contractual | \$30,000 | \$150,000 | \$45,000 | \$753,000 | \$978,000 |
| | Other | | | | | |
| Total Direct Costs | | | | | | |
| Indirect Costs | | | | | | |
| Total Federal Funding | | \$30,000 | \$150,000 | \$67,000 | \$753,000 | \$1,000,000 |

3.c. Plan to Measure and Evaluate Environmental Progress and Results (5 points)

Tracking Progress - The Waukegan Port District's goal for the Waukegan Harbor is to obtain an IEPA NFR letter for multiple properties within the Waukegan Harbor Area, allowing residential, mixed uses, and open space recreational land use on the Harborfront properties. The success of this Multi-use Grant will be tracked and evaluated throughout the grant's performance period. which will then lead into the cleanup of the Site. The Port District will track the progress of the Grant by measuring the following:

| |
|--|
| OUTCOMES: |
| 1) Soil and groundwater environmental conditions will be defined and delineated throughout the property. |
| 2) Petroleum and hazardous substance concentrations will be evaluated vs. risk-based human health and environmental standards defined by IEPA. |
| 3) The need for remediation or corrective action/containment will be known. |
| 4) Community Education and Input |
| 5) Petroleum-contaminated land at 24 E. Water will be restored as measured by tons of soil removed, gallons of groundwater restored, exposure pathways eliminated. |
| OUTPUTS: |
| 1) IEPA approved Site Investigation Reports |
| 2) Known areas and cost of cleanup at the properties |
| 3) Number of meetings conducted to educate and inform the public. |
| 5) Amount of funding leveraged for the site. |
| 6) Developer interest when environmental conditions defined. |
| 7) Private sector investment in the property. |

Progress towards achieving these outcomes and outputs will be reported to USEPA as part of the required quarterly and annual progress reports. As appropriate, outputs and outcomes will be reported using ACRES.

4. PROGRAMMATIC CAPABILITY (20 Points)

4.a. Programmatic Capability (20 Points)

The Port District has and continues to develop an organization and management plan that will provide the necessary internal and external resources and specialized experience to implement its environmental investigations and assessments, thereby integrating the management of environmental conditions into the overall harborfront redevelopment strategy. The Port District will manage this project as it has numerous successful projects using the Harbor Master as the Grant Project Manager in combination with procurement of specialized environmental consultants/contractors to implement the Assessment work. The Grant Project Manager will also work closely with the Staff Accountant on details of grant administration.

Mr. Max Pekcan, Harbor General Manager, has held this position at Waukegan for the past 2 years. He manages a \$2 million annual budget. Mr. Pekcan typically manages one to two grant projects annually administered from agencies including IDNR, US Fish and Wildlife, and NOAA funded projects. On a day to day basis, Mr. Pekcan manages 700 slips, launch docks, boat fuel dock and boat trailer park. He manages retail and industrial tenant (land/real property) leases and directs the maintenance of Port District properties. He plans, reports, and manages all capital projects and makes recommendations for the upgrading of facilities to ensure full compliance with health and safety requirements. He is responsible for preparing budgets, reports to owners, and the Board of Directors. **Ms. Khalilah Brown** will assist with grant reporting and financial tracking in coordination with the Port District's accounting staff. Ms. Brown will use her B.S. in Speech Communication to facilitate and organize the Community Relations tasks of the grant. She will interface with technical consultants, the General Manager, and the Board. Waukegan Port District has a system in place to ensure the timely and effective expenditure of these USEPA funds and timely quarterly reporting demonstrating achievement of the project goals and objectives. Waukegan Port District has a demonstrated record of effectively utilizing local, state and federal grants and leveraging to implement Lake Michigan lakefront and Harbor improvement projects.

4.a.iv Acquiring Additional Resources (4 Points)

In-kind services from the Port District will be utilized to insure the community residents and other stakeholders are well informed and that their concerns are fully addressed throughout the project. The property's lakefront and harbor setting provide the attraction to leverage by its location and development amenities once the uncertainty of brownfield conditions is defined and overcome. Unlike rural greenfield sites, Waukegan's urban lakefront has all infrastructure in place to attract private developer investment. This will be key financial leverage for cleanup and re-use funding. These surface infrastructure plans are already within Waukegan's Harbor Master Plan which will be very influential during the grant selection process. We will continue our successful use of Illinois DNR funding obtained from NOAA and USFWS and USEPA GLRI funds for urban watersheds and sustainable shorelines. The Waukegan Port District is also a member of the Illinois Ports Association which works collaboratively with 19 other Illinois Ports to share resources, make group-based procurements

4.b Past Performance and Accomplishments (15 Points)

4.b.iii. Never Received Any Type of Federal or Non-Federal Assistance Agreements (8 Points)

The Waukegan Port District has received limited Non-Federal Assistance at Waukegan Harbor. In 2023, IDOT issued Port Infrastructure non-federal funding for commercial dock improvements. In partnership with the State of Illinois Department of Natural Resources, the Port District commissioned the preparation of a Waukegan Harbor Master Plan focused on enhancing land use, environmental stewardship, and economic development of the properties within Waukegan Harbor. The plan was completed in 2017 to guide future development activities and prioritize future projects based on a thorough site inventory and community involvement. It identifies actionable and implementable steps to achieve the transformation of Waukegan Harbor into a more accessible resource, while encouraging responsible commercial use and enhancing the creation of jobs and sustainable economic activity. The plan considers existing environmental conditions and identifies areas where remediation may be necessary, while enhancing access to the waterfront through increased private investment.

MULTIPURPOSE GRANT

III.B. THRESHOLD CRITERIA FOR MULTIPURPOSE GRANTS

1. Applicant Eligibility

The Waukegan Port District (the Port District) is a political subdivision, body politic and a municipal corporation created in 1955 by Legislative Act 70 ILCS 1865. The Port District is an eligible entity for the U.S. Environmental Protection Agency’s Brownfields Cleanup Grants as a “General Purpose Unit of Local Government” as presented in Section III A. of the Guidelines for Brownfields Multipurpose Grants. See **Attachment A** for documentation. The Waukegan Port District is NOT the same governmental body as the City of Waukegan.

2. Community Involvement

The Waukegan Port District works extensively to create and deploy comprehensive plans for engaging the community, collaborating with stakeholders, forming partnerships, and maintaining community involvement. Accordingly, the Port District collaborates with community groups, organizations, local businesses, and large corporations regularly to ensure that all stakeholder needs are satisfied. These groups include but are not limited to: Waukegan Park District, City of Waukegan, Waukegan Harbor Citizen’s Advisory Group, College of Lake County, Lake County Forest Preserve District, Lake County Stormwater Management Commission, and the Greater Waukegan Development Coalition,

The strategy for involving the community in the planning process includes:

- Reaching out to new stakeholders, as well as those identified in the 2017 Waukegan Harbor Master Plan, including: City leaders and staff, business leaders, private sector enterprises, and active community organizations such as the Citizens Action Group and the Greater Waukegan Development Corporation.
- Hosting community meetings at the offices of the Greater Waukegan Development Corporation to educate stakeholders and partners on contaminants of concern at local brownfields sites, remediation plans, management activities, and end-use plans.
- Interviewing stakeholders at public events to define their interest, priorities, and goals.
- Nurturing partnerships with new developers such as Bay Marine to create opportunities to improve public perception and increase recreational access to the harbor.

The plan for communicating the progress to the citizens includes:

- E-mail invitations to stakeholders, attendees from prior public meetings, and contacts made from e-mailed suggestions for the Waukegan Harbor Master Plan 2017
- Radio announcements in English on Belvidere Broadcasting and NextMedia Radio and in Spanish on WKRS
- News releases and engagement with local media outlets for news coverage on Port District projects.
- Distributing printed publications in English and Spanish at Community Churches, the Waukegan Public Library, Community Centers, and the Catholic Charities Senior Center.

3. Target Area

The Port District's Harbor properties that make up the target area are bounded to the east by Waukegan Harbor. Multiple Port District-owned warehouses along with LaFarge North America bound the property to the north. The property is bounded to the east by Pershing Road and the Elgin, Joliet, and Eastern (now CN RR) railroad tracks and right-of-way. The Site is bounded to the south by Lake Michigan shoreline.

Table 1--Target Area Properties—Port District Owned

| Common Address | Acreage | Phase I & II Needed: | Cleanup Ready? |
|----------------------|---------|----------------------|----------------|
| 2 E. Madison St. | 1.8 | Updates needed | Yes |
| 20-24 E. Water St. | 1.1 | No | Yes |
| 315 E. Sea Horse Dr. | 0.71 | Yes | No |
| 0 E. Clayton St. | 0.67 | Yes | No |
| 34 E. Clayton St. | 0.91 | Yes | No |
| 0 Pershing Rd. | 0.83 | Yes | No |
| 0 N. Harbor Place | 0.28 | Yes | No |
| 315 Sea Horse Dr. | 2.1 | Yes | No |
| 110 N. Harbor Place | 0.5 | Updates needed | Yes |
| 199 N. Harbor Place | 0.54 | No | Yes |

The Brownfield grant request will NOT be utilized to address any of the contamination originating from the NSG SOUTH MGP Superfund Site as it is subject to a consent order through potentially responsible party (PRP) actions under federal and state oversight. Therefore, we have excluded Port District properties in this grant application that overlay the MGP Site contamination plume.

4. Affirmation of Brownfield Ownership

The Waukegan Harbor is owned, controlled, and managed by the Waukegan Port District. Expansion, redevelopment, and reuse of properties in the target area is complicated by the presence of contamination related to 100 years of industrial use. The Harbor was transferred to the Waukegan Port District from the City of Waukegan when the Port District was created in 1955. Throughout the first half of the 20th century, the City of Waukegan Harbor attracted substantial industry along the lakefront, including foundries and plating shops, lumber yards, tanneries, coal and fuel storage, wire mills, paint plants, roofing material processes, wall board, fire proofing, creosoting and galvanizing plants, and chemical formulating/pharmaceutical creation. These raw materials were processed prior to the development of environmental regulations and standards. While this industry provided important jobs, they also left behind an environmental legacy of soil and groundwater contamination across much of the Harborfront, including lands now owned by the Port District.

In 1980, oil and surface water from an offsite and upgradient pit system in fueling and turntable area discharged through a 6-inch line to Dugan Street Sewer. Insurance companies subsequently confirmed that the oil was likely carried from a local orphan railyard site. Inability to identify the responsible party rendered complete cleanup impossible, and unfortunately resulted in contaminant migration along the harborfront and southern Waukegan lakefront. Prior to purchase

of the 20-24 East Water Street property in 2017, the Port District conducted environmental site assessments that revealed BTEX and PNA contamination remains on site.

These properties are: a) not listed or proposed for listing on the National Priorities List, (b) not subject to unilateral administrative orders, court orders, administrative orders of consent, or judicial consent decrees issued to or entered into by parties under CERCLA, and (c) not subject to the jurisdiction, custody, or control of the United States Government.

5. Use of Grant Funds

Table 1 above and the Narrative (pages 3-4) provides information on the Port District's plans to:

- Complete at least one Phase II environmental site assessment.
- Remediate at least one site (Cleanup Ready sites in Table 1).
- Develop an overall plan for revitalization of the target area that includes a feasible reuse strategy for at least one priority site.

Overall plans for the revitalization of Waukegan Port District Harbor properties include the 2003 City of Waukegan Downtown Lakefront Master Plan, the 2015 Lakefront Active Implementation Plan, and the 2017 Waukegan Port District Waukegan Harbor Master Plan. The Waukegan Harbor Master Plan identifies the location of brownfield properties owned by the Waukegan Port District, lists each site's recognized environmental concerns, provides redevelopment considerations, and illustrates three detailed alternative plans for property redevelopment. Common program elements retained by all three of the Master Plan alternatives include a waterfront hotel and conference center, improved parking, residential development, improved pedestrian connections from downtown to the marina, a continuous waterfront promenade, and improvements to the Waukegan River corridor, which flows into the Harbor.

Note, information that is referenced can be in the written narrative or the budget table.

6. Expenditure of Existing Grant Funds

The Waukegan Port District hereby affirms it does not have an open EPA Brownfields Multipurpose Grant or Assessment Grant.

7. Contractors and Named Subrecipients

The Port District will manage this project as it has numerous successful projects using the Harbor General Manager as the Grant Project Manager in combination with procurement of specialized environmental consultants/contractors to implement the Assessment and Cleanup work.

The Port District will procure consultants/contractors in compliance with the fair and open competition requirements in 2 CFR Part 200 and 2 CFR Part 1500. Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements Brownfields Grants: Guidance on Competitively Procuring a Contractor.

The Port District does not anticipate the use of named subrecipients.