

Ohio Voluntary Action Program Annual Report

Sept. 1994 - June 1997

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Introduction

One of the unfortunate by-products of Ohio's industrial heritage is the number of contaminated sites scattered throughout the state. Valuable land has sat idle because fears of immense liability and cleanup costs scared off potential developers, businesses and banks.

Governor George V. Voinovich and the Ohio General Assembly recognized the need to remove the environmental and legal barriers that have stalled redevelopment and reuse of contaminated properties.

In June 1994, Governor Voinovich signed S.B. 221 into law, creating a program for voluntary real estate reuse and cleanup. This program is now called the Voluntary Action Program or VAP. Rules allowing property owners, lenders, and developers to investigate and clean up contaminated properties became effective in December 1996.

Prior to the Voluntary Action Program, no one could undertake a cleanup project and be assured it would meet environmental standards without direct oversight from Ohio EPA. Because Ohio EPA had to focus on the worst sites first, others had to wait.

This new program minimizes government red-tape and maximizes resources and expertise in the private sector. If someone wants to clean up a piece of property, it may be done voluntarily.

How VAP Works

A person undertaking a voluntary action contracts with consultants certified by Ohio EPA to perform investigation and cleanup activities in this program. Once the cleanup is done, the Agency-certified consultant, called a certified professional, and a laboratory also certified by Ohio EPA, prepare documentation called a no further action letter (NFA) to demonstrate that proper investigation and cleanup activities were performed and that no further action is needed.

If the data shows that the work was properly conducted, Ohio EPA can issue a covenant not to sue, which promises the volunteer that the State of Ohio will not require further investigation or cleanup of the property. To monitor this program, Ohio EPA will audit at least one out of every four sites that are cleaned up under the program.

Financial Assistance

Ohio is concerned about continued urban sprawl at the expense of urban revitalization. To level the playing field between development of our greenfields and brownfields, the cleanup of contaminated urban land needs to be cost effective. The Voluntary Action Program offers financial relief to people undertaking voluntary cleanups in the form of loans, grants and tax relief.

Ohio's Voluntary Action Program is working

Sites are being cleaned up and jobs are being created and saved. Given the nature of the program, precise estimates are impossible. Based on what we do know, more than 80 projects are active or planned and 10 covenants not to sue have been issued.

Success Story

HBE Corporation Columbus, Ohio

Ohio EPA issued a covenant not to sue to HBE Corporation and all future owners of the former downtown Sheraton Hotel, 50 North Third Street, Columbus. HBE refurbished the property and reopened it as an Adam's Mark Hotel this spring. The newly renovated hotel includes guest rooms, a parking garage, ballrooms, a restaurant, and kitchen and laundry areas.

From 1911 to 1957, the property was occupied by the Virginia Hotel and the Columbus Citizen, which published the Citizen Journal. The Central Christian Church, residential dwellings, and a carriage house also were located at the site. The current 22-story hotel and parking garage were constructed in 1964. The Sheraton Columbus Plaza Hotel opened in 1967 and operated until 1987. Except for the parking garage, the property has been vacant since 1987.

HBE Corporation removed and properly disposed of asbestos along with hazardous and non-hazardous chemicals from the property. The chemicals removed included paints, concentrated laundry detergents and swimming pool chemicals.

Based on a review of the site history, a ground water investigation, and soil samples taken from the site, the certified environmental professional employed by Lawhon & Associates determined there are no significant environmental problems associated with the site.

The cleanup and redevelopment of this Columbus brownfield site can be attributed in large part to the tax abatement provisions in Senate Bill 221, the enabling legislation for the Voluntary Action Program. When a property which has conducted cleanup activities under the VAP receives a covenant not to sue, the property owner is eligible for a ten-year tax abatement on the increased value of the remediated property. The difference in value of the abandoned hotel prior to cleanup and after the voluntary action was complete was estimated to be significant enough for HBE Corporation to seriously consider the tax abatement advantages and choose to develop the former Sheraton Hotel as opposed to other properties in the area. As a result, downtown Columbus now boasts a newly renovated luxury hotel with needed conference space on property where an urban eyesore once stood.



Public Involvement During the VAP Rule-Making Process

As required by Senate Bill 221, a multidisciplinary committee representing a wide variety of stakeholders was formed to advise Ohio EPA on the development of the Voluntary Action Program rules. Members of this group represented scientists, businesses, lawyers, cities and townships, environmental groups, health professionals, and environmental consultants. Some of the members are highly regarded as national experts in their field. A steering committee, which was formed to direct the rule development, met 26 times from December 1, 1994, through July 7, 1996. All of these meetings were open to the public.

Under the direction of the steering committee, seven subcommittees with more than 60 representatives of the various stakeholder groups worked on specific technical issues. These subcommittees conducted research and developed state-of-the-art cleanup standards that are uniquely designed to match Ohio's environmental conditions. In addition to the steering committee and subcommittee meetings, which also were open to the public, Ohio EPA held additional outreach meetings for the general public for both the first and second set of rules.

In August 1995, Ohio EPA sponsored five information sessions around the state to explain the first set of draft rules and answer questions. These meetings were held in Columbus, Athens, Middletown, Toledo and Akron. The first set of rules, which cover the more administrative aspects of the program, were filed with the Ohio Legislative Service Commission on September 28, 1995, and became effective on December 29, 1995. This first set included rules for certified professionals, certified laboratories, program fees, variances, audits, and cleanup documentation requirements.

In June 1996, the Agency sponsored five information sessions around the state regarding the second set of rules, which cover the more technical aspects of the program. These meetings were held in Toledo, Columbus, Dayton, Athens and Twinsburg. After the second set of program rules were filed with the Joint Committee on Agency Rule Review (JCARR) on July 31, 1996, Ohio EPA held three public hearings. The hearings were in Columbus, Dayton, and Lorain during the first week of September. Approximately 65 people attended the hearings; 22 presented oral testimony. The official public comment period originally ended on September 9, 1996; however, due to requests from the business and environmental communities, Ohio EPA extended the comment period to October 15, 1996. More than 70 individuals and organizations submitted approximately 700 pages of written materials covering 870 separate comments. Prior to the end of the comment period, Ohio EPA voluntarily offered two additional informational sessions to explain changes that been made to the proposed rules in response to public comments received. These sessions were held in Columbus on October 7, 1996. Approximately 25 people attended these sessions.

The second set of rules was filed on December 6, 1996, and became effective on December 16, 1996. The second set included rules for applicability and eligibility of property, Phase I property assessments, Phase II property assessments, generic cleanup standards, site specific risk assessments, ground water classification, and remediation of properties. With the finalization of these technical rules that describe what level of investigation and cleanup must be done, the private sector now has the tools it needs to clean up and redevelop contaminated property.

Success Stories

Fairview Fuel Corporation

Ohio EPA issued a covenant not to sue to Fairview Fuel Corporation in January 1996.

The Fairview Fuel property, which operated as the Strongsville Airpark from the 1950s until 1987, used foundry sands during a runway expansion project. In addition, underground storage tanks were used at the airport to store petroleum products for aircraft refueling.

After the airport closed, the underground tanks were removed and the surrounding soils, contaminated from tank leaks or spills, were removed. Sampling in an area near the foundry sand and aircraft parking, including ground water sampling, was conducted during the voluntary action. After compiling the site history review, sampling and risk assessment, the certified professional determined that no significant environmental problems existed.

The issuance of the covenant not to sue for this property re-opened the door for continued residential housing development at the former airport. The first phase of housing construction had been completed on the property; however, perceived environmental liability had hampered further development. The covenant provided the comfort residential housing developers needed in order to conduct the second phase of residential housing and finalize plans for phases three and four of the development. When all four phases are complete, which is scheduled for the year 2000, approximately 240 homes will be located on the former airport grounds. This development has pleased planners and others interested in preserving greenspace in the rapidly growing suburb of Cleveland, where the push to build suburban housing on farmland and woodland has been felt strongly in recent years. Utilizing the VAP to eliminate environmental liability for the former Strongsville Airpark allowed a suburban brownfield to become the solution to preventing suburban sprawl in Strongsville.

Williams Properties, Inc.

Ohio EPA issued a covenant not to sue to Williams Properties in June 1996. The site operated as the Canton City Gas Works from the 1880s until around 1914. The plant burned coal in brick and concrete chambers to collect synthetic gases for use in street lighting.

As a result of this process, petroleum and residual materials were deposited on the site. Other industrial activities did not contribute to the property contamination. Based on a review of the site history, soil sampling, and risk assessment, the certified professional determined there are no significant environmental problems associated with the property if it continues to be used for industrial and nonretail commercial purposes. A deed restriction to that effect was placed on the property prior to the issuance of the covenant.

**SUMMARY OF NFA'S SUBMITTED AND
COVENANTS ISSUED**

NAME OF PROPERTY	ADDRESS	VOLUNTEER'S NAME TO AGENCY	DATE NFA SUBMITTED ISSUED	DATE COVENANT ISSUED
Kessler	302 McClurg Road Boardman, OH Mahoning County	Kessler Products	01/23/95	05/01/95
Fairview Fuel	12430 Prospect Road Strongsville, OH Cuyahoga County	Fairview Fuel Corp.	12/08/95	01/12/96
Southern Ohio Port Authority	202 Vine Street New Boston, OH Scioto County	Southern Ohio Port Authority	02/09/96	03/05/96
Williams Properties	7th Street, S.E. & Walnut Avenue Canton Twp, OH Stark County	Williams Properties, Inc.	03/01/96	06/19/96
City of Toledo-Goose Hill Site	I-280 & S. Ketcham Toledo, OH Lucas County	City of Toledo	04/17/96	Pending
TURUCO	Morse Road Gallipolis, Ohio Gallia County	Merc, Marine, Fond Du Lac Wis.	08/14/96	06/24/97
Northcliff Shopping Ctr.	I-480 & Ridge Road Brooklyn, OH Cuyahoga County	Northcliff Shopping Ctr. Ltd.	08/26/96	12/26/96
Goldberg East	777 Swan Street Grandview Heights, OH Franklin County	Ward Engineering	09/03/96	12/06/96
Adam's Mark	50 N. 3rd Street Columbus, OH Franklin County	HBE Corporation	12/03/96	12/20/96
Kilgore Farms	800 Tussic Road Westerville, OH Delaware County	The Keethler Company	12/10/96	Pending
Former Chemserve	5055 Nike Drive Hilliard, OH Franklin County	Nakki Partners, Mr. S. Blatt	12/12/96	08/14/97
Conrail	Rear of (W) 4100 W. 150th Street Cleveland, OH Cuyahoga County	National City Bank	12/13/96	Pending

NAME OF PROPERTY	ADDRESS	VOLUNTEER'S NAME TO AGENCY	DATE NFA SUBMITTED ISSUED	DATE COVENANT ISSUED
Kilgore Farms II	800 Tussic Road Westerville, OH Delaware County	The Keethler Company	02/13/96	Pending
Former Bostick Property	4805 Lexington Ave. Cleveland, OH Cuyahoga County	Bostick, Inc.	12/13/96	Pending
Northcliff II	I-480 & Ridge Road Brooklyn, OH Cuyahoga County	Northcliff Shopping Ctr., Ltd.	02/01/97	Pending
Mercury Marine	2150 Eastern Ave. Gallipolis, OH Gallia County	Merc, Marine, Fond Du Lac Wis	02/14/97	Pending
Former Swan Dry Cleaners	150 Wilson Bridge Rd. Worthington, OH Franklin County	Allegis Realty Investors	03/03/97	Pending
Highland Ridge Plaza	Highland & Ridge Ave. Northwest Quad. Cincinnati, OH Hamilton County	Bay Street Number Limited	03/03/97	Pending
Simcox Grinding & Steel Co.	304 Tacoma Avenue Tallmadge, OH Summit County	National City Bank Northeast	05/15/97	Pending
Former Federal- Mogul Corp.	Route 7 Gallipolis, OH Gallia County	Federal Mogul Corporation	05/29/97	Pending
Former Central High School	75 Washington Blvd. Columbus, OH Franklin County	City of Columbus, Dept. Of Parks & Recreation	06/11/97	Pending
Tower Place Garage	28 W. Fourth Street Cincinnati, OH Hamilton County	Shell Pension Trust	07/16/97	Pending
Kilgore Farms III	800 Tussic St. Rd. Westerville, OH Delaware County	Keethler Companies	07/18/97	Pending
Certified Alloys Company	5463 Dunham Road Maple Heights, OH Cuyahoga County	Aluminum Smelting & Refining Co., Inc.	07/21/97	Pending
Former Aerovent Property	8515 Industrial Pk. Piqua, OH Miami County	AV Acquisition, Inc.	08/12/97	Pending

Urban Setting Designations

Ohio EPA's ground water protection requirements for voluntary cleanups are designed to address risks contaminated ground water pose to residents and the environment. Some sites in highly urbanized areas rely on community water systems to supply residents with safe drinking water, so ground water that contains chemicals from prior industrial activities poses no appreciable risk to the community. This is because the ground water is not being used and will not be used in the foreseeable future for drinking water purposes. In these locations, a ground water classification known as Urban Setting Designation or USD recognizes that cleanup to drinking water standards is not necessary, since no one will be drinking the ground water. Other possible exposures to contaminated ground water still must be addressed even with an USD. For example, if contaminated ground water makes its way to a stream, the resulting discharge cannot adversely impact aquatic life in the stream, nor can it harm people who might swim in the water.

A request for an Urban Setting Designation must be approved by the director of Ohio EPA. Public participation is an important part of this process, because people who live in the area may have information not known to the Ohio EPA.

Two examples of encouraging brownfield redevelopment using the USD tool are summarized on these pages. Cleveland's first USD, which was granted in 1997, will allow the Catholic Charities Facilities Corporation to build a new community center in a disadvantaged area of the city. The USD for Akron, which currently is under review, was submitted to encourage continued cleanup and commercial redevelopment in the Opportunity Park area of the city.

Summary of Program's Financial Status:

The goal of the VAP is to function entirely from program fees. However, to start the program, seed money was borrowed from the Hazardous Waste Facility Management Account. The Ohio Environmental Protection Agency received two such loans totaling \$2,803,274 that have allowed the program to continue operations until revenues become sufficient to independently fund the program. During the first two years of program implementation, program efforts were focused on rule development. Therefore, revenue from program customers (certified professionals, certified laboratories and volunteers) was low. With the finalization of the program rules in the middle of FY97, revenues have been steadily increasing as more customers use the program.

FIGURE 1 - Revenue & Expenditure Chart

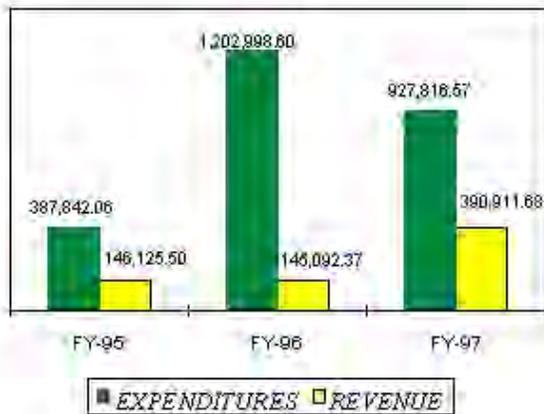


FIGURE 2 - % of Revenue from Different Sources

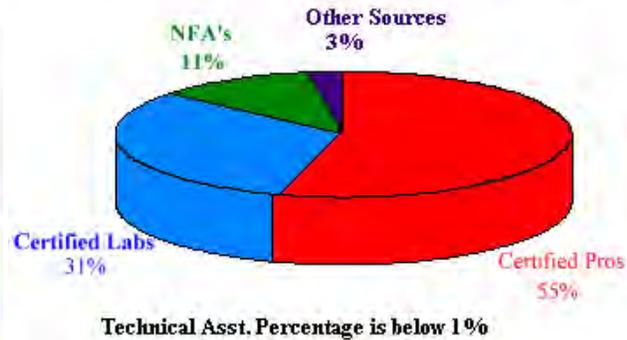


Figure 1 - bar chart showing the breakdown of expenses & revenue for FY95, FY96 and FY97.

Figure 2 - pie chart with breakdown of percentages on revenue sources.

Figure 3 - table with description of expenses for activities performed under the program.

	REVENUE TABLE			
	FY95	FY96	FY97	TOTAL
Certified Pros	94,000.00	118,500	162,300.00	374,800.00
Certified Labs	42,000.00	17,000	152,570.57	211,570.57
NFA's	4,000.00	8,950	62,200.00	78,150.00
¹Technical Asst.	-0-	-0-	429.39	429.39
²USD's	-0-	-0-	-0-	-0-
Other Sources	<u>6,125.50</u>	<u>642.37</u>	<u>10,411.72</u>	<u>17,179.59</u>
TOTAL	146,125.50	145,092.37	390,911.68	682,129.55

²USD's are in the review process and have not been billed yet.

Figure 3 - VAP EXPENSES BY ACTIVITY DESCRIPTION

100 COST/PERSONNEL & PERSONAL SERVICES

ACTIVITY	FY95 EXPENSES	FY96 EXPENSES	FY97 EXPENSES
Program Development	6,738.11	5,918.30	19,014.99
Develop Internal Operating Procedures	1,709.62	1,186.04	17,839.50
Technical Assistance	3,244.91	6,266.44	17,176.88
Professional Certification	14,033.93	12,001.22	19,973.96
Lab Certifications	1,729.34	7,651.25	9,021.80
Review NFA	2,274.48	10,610.22	24,518.75
Report to Legislators	758.95	493.90	385.23
Rule Writing	100,446.52	246,875.35	84,921.78
Request for Information	22,255.15	52,016.12	69,550.13
Other Personnel & Personal Services Cost	134,410.57	712,932.31	513,146.68
Total 100 Cost	296,605.58	1,055,951.15	778,725.57

200 COST/SUPPLIES, TRAVEL AND MAINTENANCE

ACTIVITY	FY95 EXPENSES	FY96 EXPENSES	FY97 EXPENSES
Edible Products & Food Handling	76.05	76.05	0
Office Supplies	8,293.30	2,793.61	1,498.72
Vehicle Maintenance	0	375.65	798.77
Travel & Registration Fees	3,413.89	6,311.05	6,641.69
Communications & Shipping	1,302.68	7,419.48	6,647.41
Maintenance & Repairs	0	733.38	891.00
Rental-Leases	5,101.36	46,603.39	48,665.87
Printing, Binding & Advertising	3,191.14	11,013.89	65,342.19
General & Other Expenses	3,486.27	9,550.77	12,183.28
Total 200 Cost	25,015.71	84,877.27	142,668.93

300 COST/EQUIPMENT

ACTIVITY	FY95 EXPENSES	FY96 EXPENSES	FY97 EXPENSES
Office Equipment	3,205.00	0	0
Purchase Vehicle	21,343.00	0	0
Communication Equipment	3,829.08	0	0

ACTIVITY	FY95 EXPENSES	FY96 EXPENSES	FY97 EXPENSES
Lab Equipment	9,694.65	0	0
Data Processing Equipment/Software	23,299.21	51,858.18	6,422.07
Other General Equipment	849.83	312.00	0
Total 300 Cost	62,220.77	52,170.18	6,422.07

ACTIVITY	FY95 EXPENSES	FY96 EXPENSES	FY97 EXPENSES
Certification Refunds	4,000.00	10,000.00	0

ACTIVITY	FY95 EXPENSES	FY96 EXPENSES	FY97 EXPENSES
Total Voluntary Action Program Cost	387,842.06	1,202,998.60	927,816.57

Certified Professionals and Laboratories

Due to the privatized nature of the Voluntary Action Program (VAP), the volunteers and Ohio EPA rely heavily on environmental consultants and laboratories certified to perform work in support of a voluntary action. There are currently more than 70 environmental professionals and more than a dozen laboratories certified to conduct work under the VAP. The program maintains up-to-date lists of both professionals and laboratories. These lists are available to interested parties by contacting the VAP or accessing the VAP World Wide Web home page at <http://www.epa.ohio/derr/volunt.htm>.

The requirements for being certified as a professional are quite stringent and require, among other things, at least eight years of professional experience related to the cleanup of contaminated properties and a bachelor's degree in a related science or engineering field. Laboratories must provide extensive documentation regarding their sample analysis procedures and quality assurance plans. Labs are subject to a rigorous laboratory audit conducted by Ohio EPA personnel, prior to being considered for certification. These requirements and procedures help ensure that voluntary cleanups are being conducted in adherence to the technically stringent requirements of the program.

The availability of certified professionals and laboratories to perform work on voluntary properties saves time and money, which is extremely important to developers and property owners who are often faced with tight time lines that can make or break a deal. "The difference in the time it takes to clean up a property voluntarily versus the traditional CERCLA (Superfund) route can be significant," states Bob Wilkenfeld, of Chevron USA. "I have compared the difference in time between conducting the Phase I and Phase II investigations for the voluntary cleanup at the Toledo Chevron property and negotiating the analogous investigatory phases of the CERCLA cleanup at the Cincinnati Chevron property. Where it took Chevron Toledo a year and a half to complete the Phase I and Phase II voluntary investigations, it took 3 years just to finalize the negotiations for the investigation at the Chevron Cincinnati facility." Wilkenfeld believes that a privatized, performance-based program allows for quicker implementation of investigatory and remedial projects and can reduce property cleanup costs by at least 20 percent and up to 100 percent in some cases.

Success Story

Northcliff Limited Liability Benefits from Issuance of Covenant

Ohio EPA issued a covenant-not-to-sue to Northcliff Shopping Center Limited Liability Company, releasing it from state civil liability associated with the environmental cleanup of the property at I-480 and Ridge Road, Brooklyn. Northcliff plans to purchase the four contiguous properties that comprise the site to develop a commercial retail shopping center.

Since 1914, the approximately 19-acre site has been used for a variety of industries, including machine shops, metal fabrication companies, a putty and compound factory, a plastic novelty factory, a corrosion-proofing company, a metal refurbishing company, a service and sales company for material handling equipment, and warehouses. The site is zoned as commercial property but is located in an area comprising mixed commercial and residential zoning.

Currently, most of the site is vacant; however, there are five one-story masonry buildings, one metal building, parking lots, and abandoned foundations on the site. The topography of the site has been modified during the past 50 or more years with backfilling of foundry sand, construction debris and soils.

Based on a review of the site history, soil samples taken from the site and a site-specific risk assessment, the certified environmental professional at Gemini Geotechnical Associates, Inc., identified exposure pathways and determined exposure scenarios. The following limitation and conditions have been placed on uses for the property: the site cannot be used for residential purposes; although some contaminated soil will be removed, the entire site must be capped with either pavement or soil cover to protect tenants, building occupants, and the general public from exposure to remaining contaminated soil; and, during initial site development and any reconstruction activities within the capped areas, special measures must be implemented to protect construction workers and the general population from significant lead exposure from the remaining contaminated soil.

VAP Financial Incentives

There are several financial programs available to assist volunteers who are interested in cleaning up their properties but may need some assistance to get the project off the ground or to keep the project going. One of these programs was created when the Governor Voinovich/Lt. Governor Hollister Jobs Bill III package became effective in October 1996. Jobs Bill III is comprised of House Bills 440, 441 and 442. Two of these bills, House Bills 441 and 442, provide grants and tax credits to individuals performing voluntary actions. The impetus behind Jobs Bill III was Lt. Governor Nancy P. Hollister who, during extensive travels throughout the state, met with local government and business officials and discussed their economic development needs. These officials identified a need for economic incentives to revitalize and attract businesses to their communities.

The grant program (H.B. 442), which is administered by the Ohio Department of Development (DOD), provides grants to eligible participants in economically disadvantaged areas. H.B. 442 grants are available to non-profit and governmental entities such as port authorities; community improvement corporations; community-based organizations that provide social services and have experience in economic development; other non-profit economic development entities; and county, township, or municipal corporations. Four VAP-related grants were issued during Fiscal Year 1997 (see table below).

The House Bill 441 tax incentives, which provide corporate franchise and personal income tax credits to individuals or corporations conducting voluntary actions, also are administered by the DOD. All voluntary actions conducted in the state are potentially eligible for the tax credit; however, a larger credit is available to volunteers who clean up properties in economically disadvantaged areas. No tax credits were issued during Fiscal Year 1997.

In addition to the tax credits and grants offered by House Bill 441, low-interest loans are available to volunteers through the Ohio Water Development Authority (OWDA) and Ohio EPA's Water Pollution Control Loan Fund (WPCLF). Low-interest loans have been granted under these programs for both voluntary investigation activities and voluntary remediation. During Fiscal Year 1997, six VAP-related low-interest loans were granted (see table below).

A good example of how these financial incentives can work to revitalize an abandoned brownfield property is the Lockland Development site in the Village of Lockland, near Cincinnati. This property previously had been home to the Jefferson Smurfit Paper Mill and had been unused since the mill shut down in 19XX because of fears of environmental liability. The Village of Lockland saw the H.B. 442 grant program as an excellent opportunity to obtain funds to acquire the site and lease it to Lockland Development Corporation, who was interested in developing the site for light manufacturing use. Lockland Development, in turn, needed capital to voluntarily remediate the site and looked to the OWDA for low-interest loan monies. The result was a \$1 million grant to the Village of Lockland for property acquisition and a \$1.5 million low-interest loan to Lockland Development for demolition of existing structures and remediation. This win-win situation will result in a protective environmental cleanup and allow the Village of Lockland to redevelop an unsightly brownfield property.

VAP- Related Grants and Loans Approved During State Fiscal Year 1997

APPLICANT	COUNTY	PROJECT NAME	PROJECT DESCRIPTION	FINANCIAL INCENTIVE TYPE	AMOUNT OF GRANT OR LOAN
3-D Warehousing and Distributing	Hamilton	Former Mosler Safe Company	Phase II investigation activities	WPCLF Loan	\$79,930
City of Cleveland	Cuyahoga	Collinwood Yards	VAP remediation activities	H.B. 442 Grant	\$1,000,000
Grant Realty	Cuyahoga	Sunar-Hauserman Co.	VAP remediation activities	WPCLF Loan	\$1,637,000
Grant Realty	Cuyahoga	Sunar-Hauserman Co.	VAP remediation activities	OWDA Loan	\$1,025,534
Liniform Services	Summit	Barberton	Phase II investigation	WPCLF	\$63,940

APPLICANT	COUNTY	PROJECT NAME	PROJECT DESCRIPTION	FINANCIAL INCENTIVE TYPE	AMOUNT OF GRANT OR LOAN
		Laundry & Cleaning, Inc.	activities	Loan	
Lockland Development Company	Hamilton	Former Jefferson Smurfit Paper Mill	Demolition and VAP remediation activities	OWDA Loan	\$1,500,000
Scranton Development Company	Cuyahoga	Scranton Peninsula	Phase II investigation activities	WPCLF Loan	\$650,000
Southern Ohio Port Authority	Scioto	Ohio River Industrial Park	VAP remediation activities	H.B. 442 Grant	\$500,000
Village of Lockland	Hamilton	Lockland Commerce	Land acquisition for an industrial park undergoing a voluntary action.	H.B. 442 Grant	\$1,000,000
WIRE-Net	Cuyahoga	Walworth Run Industrial Park	VAP Remediation Activities	H.B. 442 Grant	\$250,000

Auditing Program

Ohio EPA audits 25 percent of all NFAs submitted to the VAP. These audits are conducted by the VAP Field Auditing Unit (FAU). The selected NFAs are chosen from three audit pools; the Mandatory Audit Pool, Priority Audit Pool, and Random Audit Pool. The audits may be limited only to a review and analysis of the documents pertaining to a NFA letter in order to determine compliance with VAP rules, or the audit may also include sampling and analysis of soils, surface water, air, sediments, or ground water. Audits are conducted to determine whether, after completion of voluntary actions, the properties meet applicable standards. Audits are also conducted to review the qualifications of and work performed by certified professionals and certified laboratories in order to determine if they possess the qualifications to perform work under the VAP which results in the issuance of NFAs that are consistent with applicable standards.

The Voluntary Action Program audited the Kessler Products property located at 302 McClurg Road in Youngstown. This audit included a review of all documents used by the certified professional to prepare the no further action letter and an inspection of the property. Some documents the certified professional had used as a basis for issuing the NFA letter had not been submitted with the Kessler NFA letter and were requested and received by the VAP.

The file review raised some questions about whether the Phase I Property Assessment was performed to the standards of the ASTM Standard Practice E 1527, as required by ORC 3746.07. It also raised a question about whether the residual concentrations of the primary contaminant of concern at the property could result in ground water contamination. The site inspection didn't reveal additional concerns, although the ground water monitoring wells were found to be no longer available for collecting additional samples. Efforts to resolve the audit findings are still underway.

Success Story

Southern Ohio Port Authority

New Boston, Ohio

Ohio EPA issued a covenant not to sue to the Southern Ohio Port Authority (SOPA) for a portion of the former Empire Detroit Steel Company on Vine Street in New Boston. The covenant was vital to the sale of the property to OSCO Industries, which will construct a new plant on the remediated site to produce castings for the appliance and automotive industry.

SOPA's participation in the state brownfields program is a major step forward for New Boston and Southern Ohio, Lieutenant Governor Nancy P. Hollister said. The restoration of this site will help renew the area's economic base and provide more than 100 new jobs. This is exactly what the brownfields program is designed to accomplish.

The 16.8-acre parcel that SOPA cleaned up previously was owned by Cyclops Corporation and operated as a steel mill for about 100 years. It later became the Empire Detroit Steel Mill, and operated until 1980. As part of the cleanup, SOPA removed approximately 26,000 cubic yards of soil and waste materials contaminated with PCBs, asbestos and petroleum. Sampling of soil and ground water confirmed that cleanup standards were met at the site, and SOPA's certified environmental professional determined there are no significant environmental problems associated with the site.

No Further Action Letters Issued Under The Voluntary Action Program

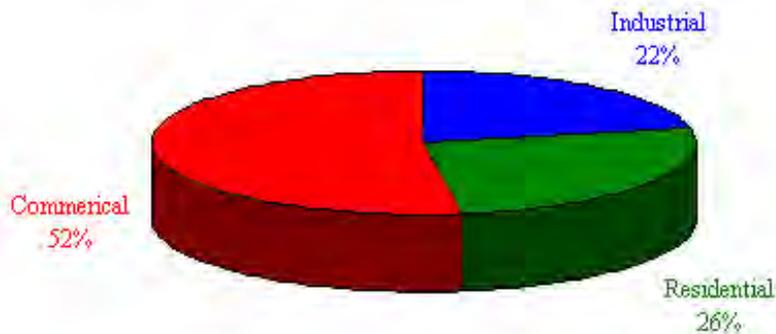
The no further action letter (NFA) issued by a certified professional at the completion of a voluntary action is the culmination of thorough investigatory and remedial efforts conducted to ensure the property is protective of public health, safety and the environment.

To date, 25 NFAs have been issued under the VAP. Fourteen of these NFAs were issued under the interim program, meeting the interim standards for investigation and cleanup. Eleven NFAs have been issued under the final program rules, thus complying with cleanup requirements based on residential,

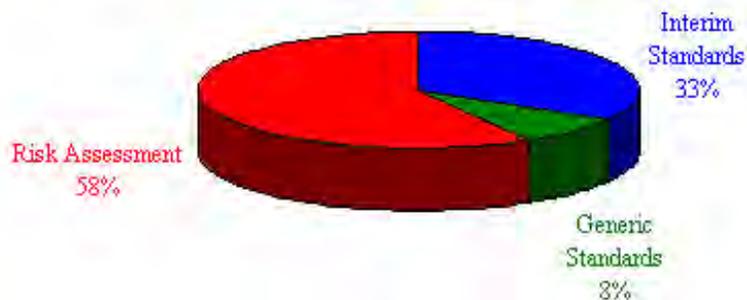
commercial or industrial generic standards or standards derived through a property-specific risk assessment.

Ohio EPA has issued 10 covenants, releasing the volunteer and all current and subsequent property owners from state civil liability associated with cleanup.

Land Use Categories of the No Further Action Letters Submitted to Ohio EPA



Numerical Standards of the No Further Action Letters Submitted to the Ohio EPA



GLOSSARY OF TERMS

Audit - A thorough examination conducted by Ohio EPA to ensure the NFA letter for a property was issued in accordance with Ohio's Voluntary Action Program rules and that the property complies with applicable standards for the property. An audit may involve only an examination of all available documentation reviewed by the Certified Professional in issuing the NFA letter or it may involve collection and analysis of samples from the property.

Certified Laboratory (CL) - A laboratory facility certified by the director of Ohio EPA pursuant to Rule 3745-300-04 of the Administrative Code, or deemed to be certified under division (E) of section 3746.07 of the Revised Code, to perform analyses in connection with voluntary actions.

Certified Professional (CP) - An individual certified by the director of Ohio EPA pursuant to Rule 3745-300-05 of the Administrative Code, or deemed to be certified under division (D) of section 3746.07 of the Revised Code, to issue no further action letters under section 3746.11 of the Revised Code.

Covenant Not To Sue (CNS) - Issued by the director of Ohio EPA upon satisfactory completion of environmental cleanup activities at a property in the Voluntary Action Program. The covenant promises the volunteer that the State of Ohio will not require further investigation or cleanup of a property.

No Further Action Letter (NFA Letter)- Issued by a Certified Professional for a property after it has been found to meet protective standards. Properties that have concentrations of chemicals of concern exceeding protective standards must have remedial actions performed to meet those standards before an NFA Letter can be issued.

Remedial Actions - Actions taken at a property to treat, remove, transport for treatment or disposal, dispose of, contain, control, or control hazardous substances or petroleum, which are protective of public health and safety and the environment and are consistent with a permanent remedy, including without limitation, excavation, treatment, off-site disposal, the use of engineering or institutional controls or measures, the issuance and implementation of a consolidated standards permit under section 3746.15 of the Revised Code, and the entering into and implementation of an operation and maintenance agreement pursuant to section 3746.12 of the Revised Code.

Urban Setting Designation (USD) - Ground water classified as a critical resource or Class A ground water requires a lower level of cleanup when the property above the ground water is designated as an urban setting. Property can be classified as an urban setting when ALL of the following criteria are met: 1)The property is within the corporate boundaries of a city, or within an urban township having at least 20,000 residents in the unincorporated area of the township; 2)Not less than 90 percent of the parcels within the city or township is connected to a community public water system, OR less than 90 percent but at least 75 percent of the parcels within the city or township is connected to a community water system and the area not connected is unaffected by conditions at the property; 3)The property is not within a wellhead protection area endorsed or submitted for endorsement by Ohio EPA, except when the wellhead protection plan has received endorsement and the owner of the public water system consents in writing to the urban setting designation; 4)Ground water is not being used for potable within 0.5 miles of the property unless specific conditions apply. When the property is over a critical resource ground water, the certified professional must demonstrate that the water under the property and within 0.5 miles is not reasonable expected to be used as potable water.

Voluntary Action - A series of measures taken to identify and address contamination of properties by hazardous substances or petroleum and the potential sources of the contamination to establish that the property complies with applicable standards. To demonstrate that applicable standards have been met, the person undertaking the voluntary action must establish EITHER that there is no information indicating there has been release of hazardous substances or petroleum at or upon the property OR that there has been a release of hazardous substances or petroleum at or upon the property and that applicable standards were not exceeded or have been or will be achieved.

Voluntary Action Program (VAP) - Ohio's Voluntary Action Program was created by Senate Bill 221 and signed into law by Governor George V. Voinovich in June of 1994. The program encourages people to redevelop and reuse land that is contaminated by hazardous substances or petroleum. The amount of cleanup required for a particular piece of property depends on how that property will be used in the future. Land that

will be reused for industrial purposes, such as a factory, is not required to be cleaned up as much as land that will be reused for residences.

Volunteer - Person conducting a voluntary action and unless indicated otherwise, includes the owner of the property, if different from the person conducting the voluntary action, and any authorized representative of the person conducting the voluntary action.