



December 23, 2013

Adrienne Dorrah
Rule Coordinator
Washington State Department of Ecology
PO Box 47600
Olympia, WA 98504

Re: Remedial Action Grant Rule Making

Dear Ms. Dorrah:

Thank you for the opportunity to comment on the Department of Ecology's rule making regarding an update to Remedial Action Grants. As you heard from the Port of Tacoma and many other members at your December 5, 2013 Working Group, remedial actions grants are vitally important for local governments and all opportunities to streamline, make more accessible and increase the ease of use of these grants should be considered.

As an overarching goal, we strongly encourage Ecology to continue to emphasize the importance of these grants to policy makers in Olympia and stress the importance of keeping the funding in place for its original intended purpose (cleaning up contaminated properties). Without sufficient funding, updating the rule making process becomes less relevant.

Redevelopment Opportunity Zone (ROZ):

More clarity regarding the benefits, risks and costs associated with entering into a ROZ is needed to better evaluate this option. As an example, it is unclear what advantage a port authority would gain if it placed its area of control in a ROZ, or is it better to evaluate each contaminated property on a site-by-site bases? Clarifying, expedited reviews, process improvements (i.e. expedited orders), other tools available or increased funding opportunities would need to be included and discussed in order to incentivize use of this program.

Integrated Planning Grants (IPG):

IPG's appear to be more useful for smaller government entities that do not have a clear business driver for the future land use of a cleanup site once the cleanup effort is completed. As our Port typically works to combine environmental and business drivers (i.e. we know what we want to do with the property once it is available), these grants have not been typically utilized. One strategy that may incentivize more local governments to take advantage of IPG's is to increase the \$200k max funding so that it would include use alternatives and once selected, basis of design analysis, which would better inform full project costs.

Area-wide Groundwater Remedial Action Grants (AGRAG):

We note that based on our understanding of the intent of this grant, it is very unlikely that the Port of Tacoma would utilize this type of grant funding to complete area-wide investigations. It may be more likely that a city/county would utilize this type of grant to identify sources and facilitate an area wide

cleanup effort around a sub-area or more regional redevelopment process. Ecology should clarify the intent of this grant and consider specific examples of where this type of grant would be utilized and then determine if any adjustments or alterations are needed to better incentivize its use.

Oversight Remedial Actions Grants (ORAG):

This type of grant has become extremely important to the Port of Tacoma and we plan to rely on them as we continue to invest in cleaning up Commencement Bay and its surrounding upland properties. As background, the Port of Tacoma has invested over \$175 million in this effort and primarily through this type of grant agreement; the Department of Ecology has been an active partner in our efforts to-date. Without continued use of these grants, many of our Port's initiated cleanup efforts will not come to fruition as the financing to complete the projects would not balance without state support.

Again, it will be extremely important for Ecology and all other external stakeholders to remind policy makers in Olympia how important this funding source for this type of grant is and that the voter approved funding source not be diverted to other programs. The Port of Tacoma recommends that the overwhelming majority of MTCA funding be directed to this type of grant agreement. Further, until Ecology can reduce the backlog of projects eligible for grant funding, we do not recommend modifying the 50% match at this time. However, with implementation of the Lean process and other Ecology initiatives working to expedite the cleanup review process, once that current backlog of projects is reduced a revised grant funding match should be considered.

Eligible projects that have an immediate redevelopment driver should be given priority. Moreover, if a local government has a site that once remediated will be immediately put back into productive, tax generating or critical habitat use it should be given funding priority. In addition, once a project is through the RI/FS and DCAP or is planning to complete an interim action and is shovel ready, it should be given grant funding priority.

Ecology should also consider allowing some redevelopment costs to be included as grant eligible for reimbursement. Examples include, grading, base course placement (sub-grade enhancements) and below grade infrastructure improvements like storm water, water, power utilities. This is necessary as remediation excavations may afford access to areas that will be covered once the cleanup effort is completed. This also helps ensure any source material approved to be left in place remains undisturbed when a new development is initiated and limits potential exposure risks to hazardous conditions when implementing site improvements.

Additional funding for long term monitoring should be considered but limited to no more than five years to ensure funding for other projects is maintained. Lastly, Ecology should review the grant application agreement and required paperwork and backup detail to look for opportunities to streamline the process where applicable.

Extended Grant Agreements (EGA):

The Port of Tacoma anticipates high demand for extended grant agreements, where known cleanup costs will be high and the cleanup effort may extend beyond one biennium. In fact, we have at least one future project that will likely meet these criteria. Therefore, we recommend that Ecology clearly outline the requirements for this type of agreement and consider how best to ensure the funding will be available in future years.

It will also be important for Ecology to properly prioritize these grants with other grants to ensure adequate funding for all grants. Please also consider limiting local governments to one active EGA so that no one local government monopolizes available funding. Ecology should also build in safe guards to ensure projects demonstrate continued progress, otherwise they should be removed and that funding should be made available to other on-track or shovel-ready projects.

As described above, Ecology should also consider allowing some redevelopment costs to be included as grant eligible for reimbursement. Examples include, grading, base course placement (sub-grade enhancements) and below grade infrastructure improvements like storm water, water, power utilities. This is necessary as remediation excavations may afford access to areas that will be covered once the cleanup effort is completed. This also helps ensure any source material approved to be left in place remains undisturbed when a new development is initiated.

Independent Remedial Action Grants (IRAG):

The Port of Tacoma has historically utilized these grants for less complicated cleanups or when a tenant is required to go through a minor cleanup process. As part of this effort, the Port strongly encourages Ecology to seek opportunities to streamline the Voluntary Cleanup Program (VCP), in an effort to expedite the investigation and cleanup work needed and receive No Further Action (NFA) as quickly as possible. By streamlining this process it will incentivize others to utilize this tool more frequently for fast-track cleanups and may reduce the work load in other longer-term grant programs.

Ecology should also consider increasing the funding limit to \$500,000 in grants (total project cost \$1 million) and look for opportunities to reduce the local match when model remedies can be employed to remediate the sight. We believe these changes will further incentivize the use of this tool.

The Port of Tacoma is uniquely qualified to cleanup contaminated properties in and around Commencement Bay and remedial action grants are an important tool to continue this significant work. Thank you again for the opportunity to comment on this very important rule update. Please feel free to contact me at 253 830 5321 or at jjordan@portoftacoma.com should you have any questions.

Sincerely,



Jason E. Jordan
Director of Environmental Programs

CC: Jim Pendowski
Rebecca Lawson
Sean Eagan
Dan Crawford

