

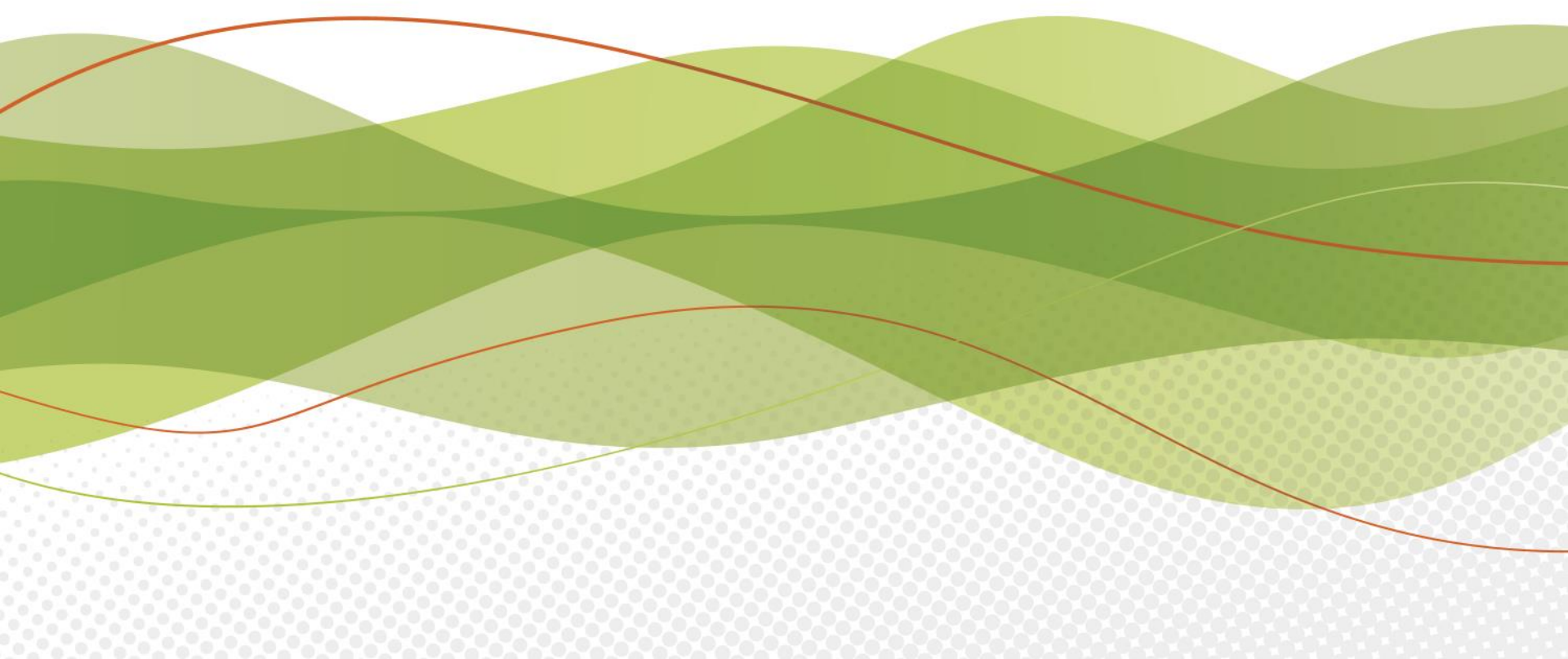


MAUI
FOSTER
ALONG!

Beyond Cleanup: MTCA

“The Promise of Remedial Action Grants”

Jim Darling and Michael Stringer



Thea Foss Waterway



Port of Anacortes, Fidalgo Bay



Bellingham Waterfront



Washougal Waterfront



Former Carnation Plant, Sunnyside



Skagit County Jail



Wenatchee Public Works Yard



Seaport Landing, Aberdeen



Topics

- Challenge
 - Promise Made, Promise not Kept
- Why Should We Care
 - Community Development
 - Economic Benefits



The Promise?

In 1988, Washington voters passed Initiative 97, the Model Toxics Control Act (MTCA).

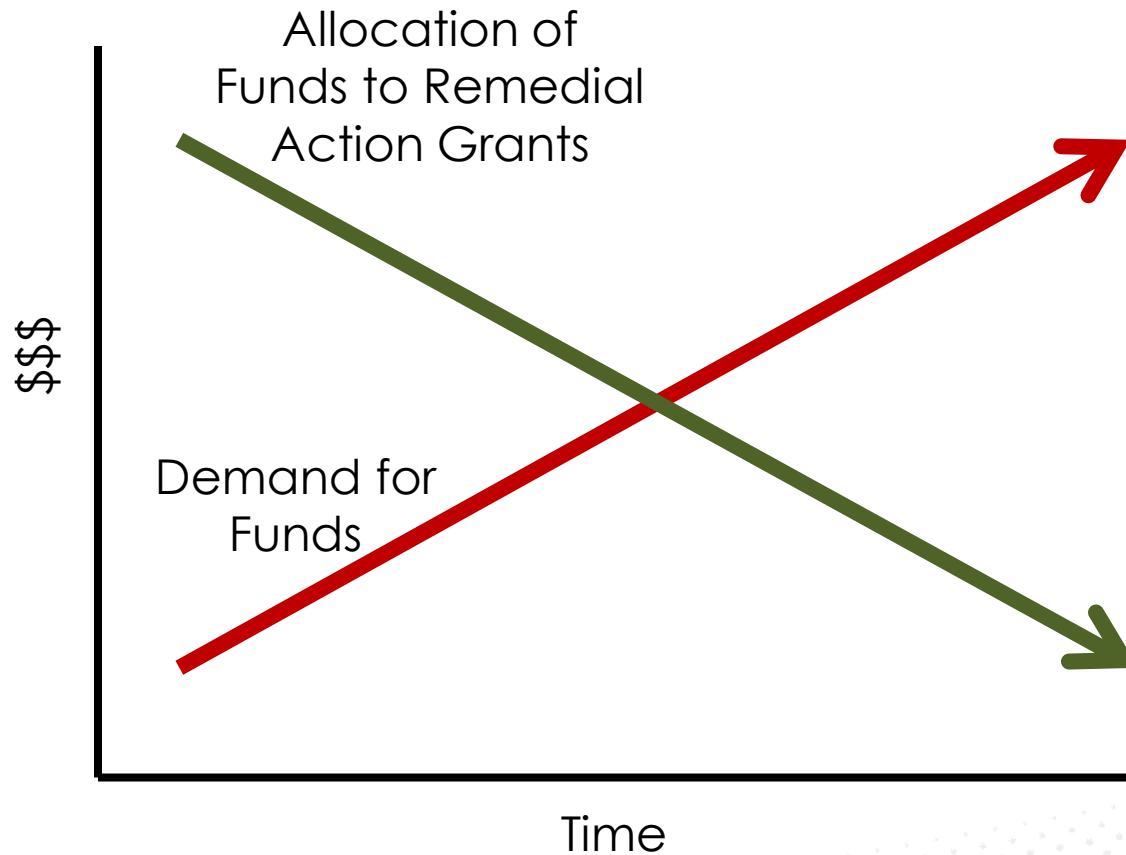
Main purpose: raising “sufficient funds to clean up all hazardous waste sites and to prevent the creation of future hazards due to improper disposal of toxic wastes into the state’s lands and waters.”

Voters authorized a tax on hazardous materials (\$7/\$1,000)

- Petroleum products = 96% of tax revenue
- Pesticides and other = 4% of tax revenue



The Challenge...

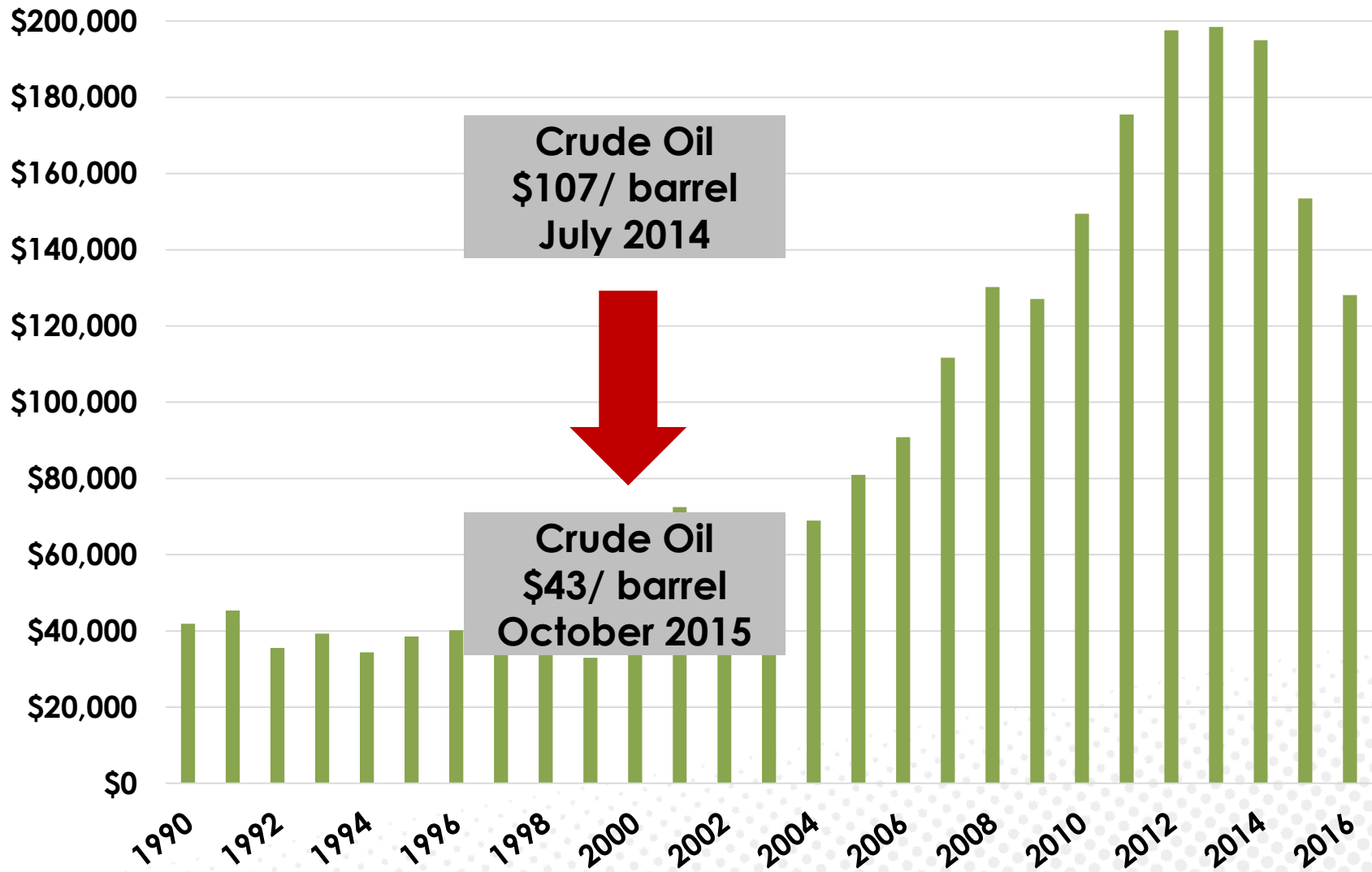


The Challenge

- **10 Year RAG Forecast**
 - State Funding Need: \$816 M
 - Plus \$38 M in Integrated Planning Grants
 - Project range \$24K - \$293M
- **2015 – 2017 Biennium**
 - Funding Need: \$206 M
 - Ecology RAG Budget Request: \$75 M
 - Funding Currently Available: \$10.9 M
- **Other Uses of MTCA Funds**
 - Nearly \$250 M since 2007



Challenge: Tax Revenue...



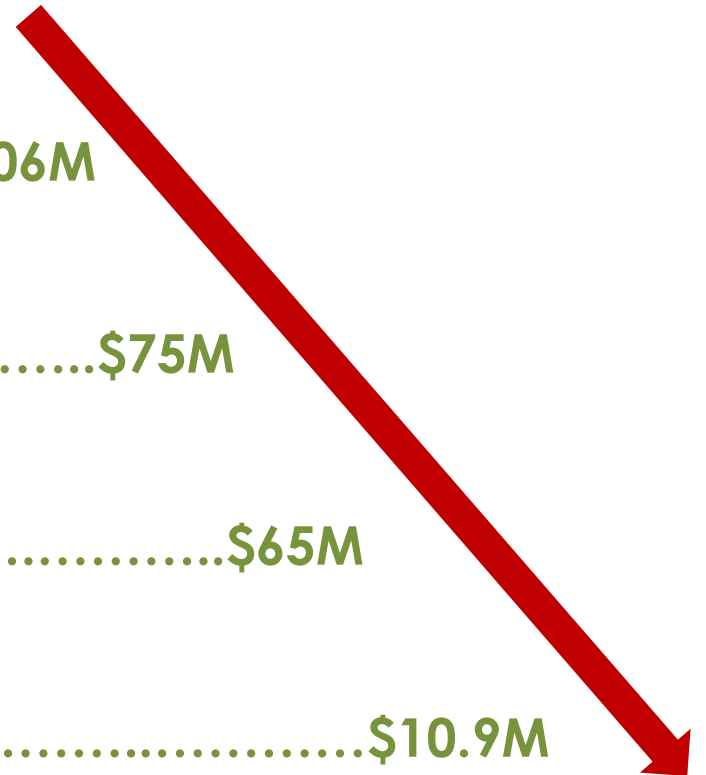
2015-2017 RAG Budget

Local Government Identified Need....\$206M

Ecology Budget Request.....\$75M

Appropriated by Legislature.....\$65M

Cash Available\$10.9M



Is There a MTCA Funding Crisis?

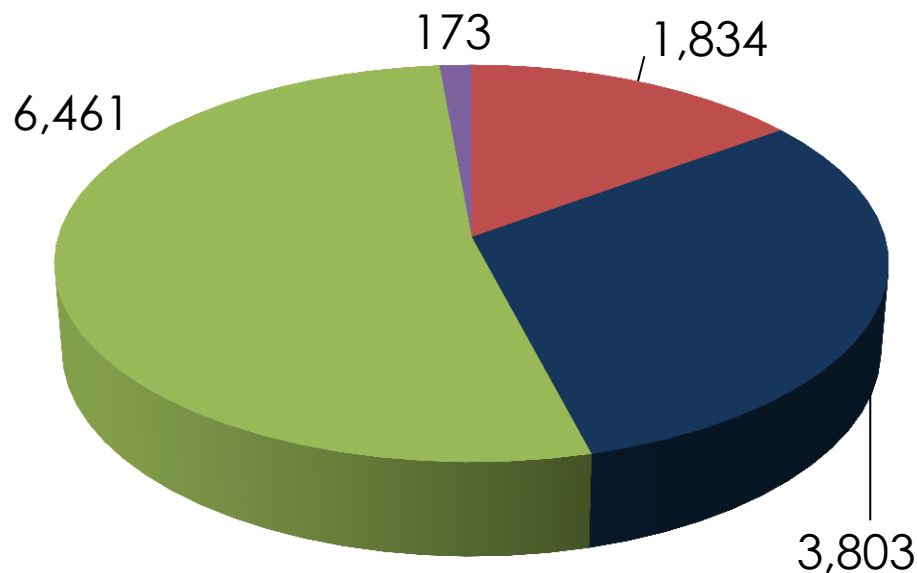
Yes, And Why Should We Care?

- Contaminated properties are a threat to the environment and public health
- MTCA's Remedial Action Grant (RAG) program is an extremely unique tool
- Contaminated properties are barriers to meeting growth management goals
- Funding brownfield cleanup is an economic accelerator



Magnitude of the Problem

12,287 Contaminated Sites



200 - 300 New Sites
Reported Each Year

- Awaiting Cleanup
- Cleanup Started
- No Further Action
- Monitoring

Estimated 7,000
Additional Sites Not Yet
Reported

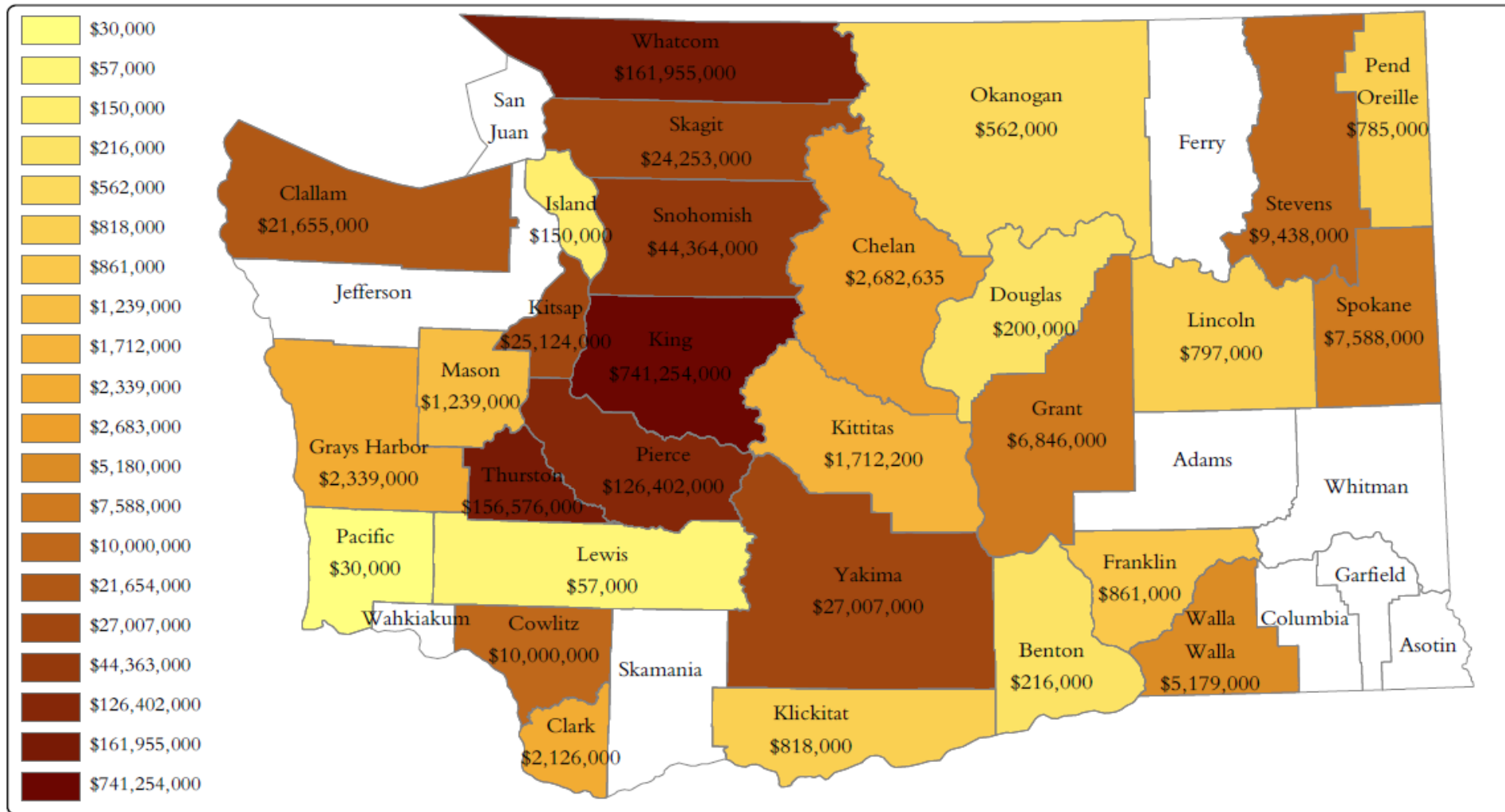


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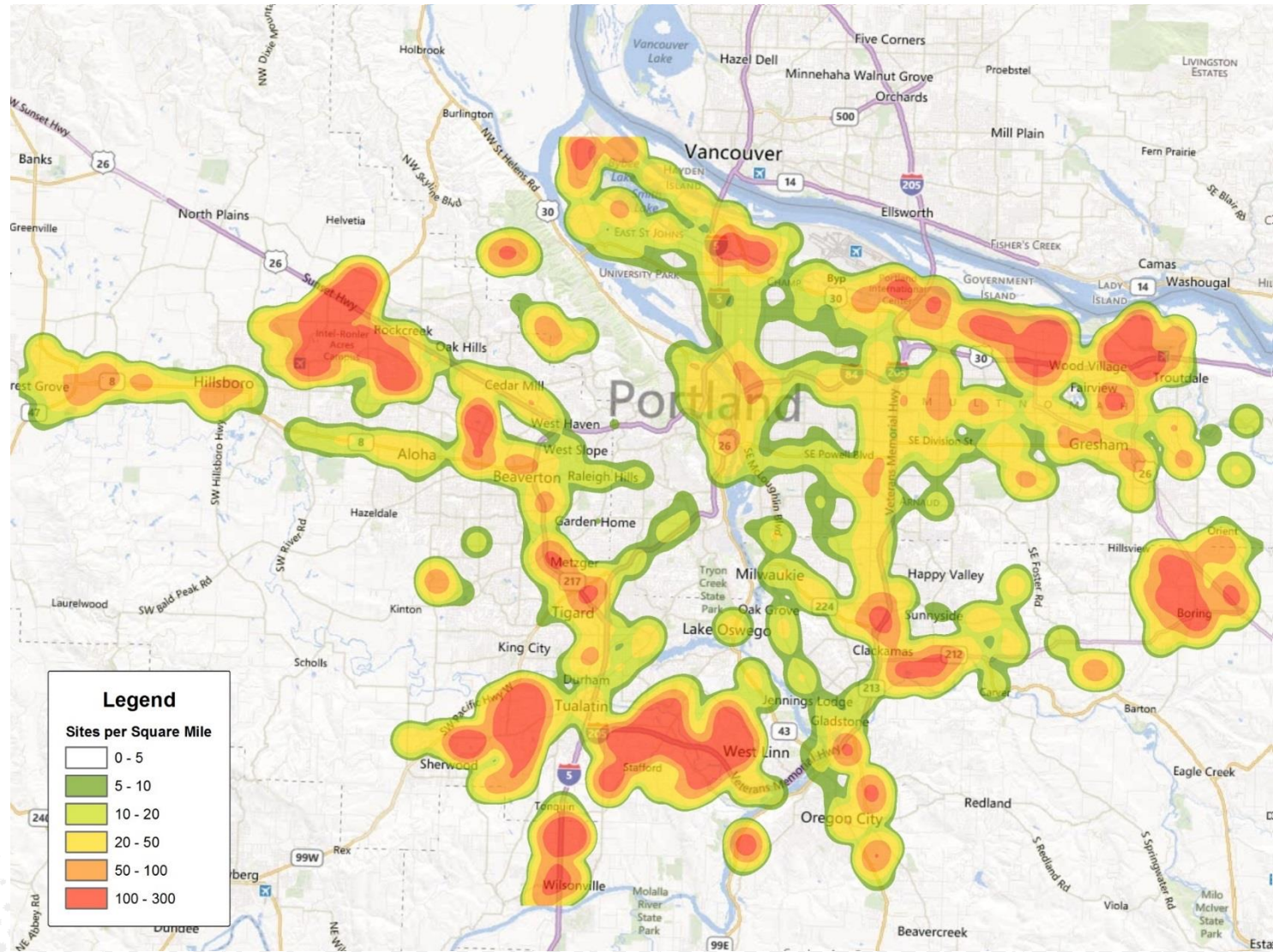


Magnitude of the Problem

10 Year Forecast: Total Project Costs

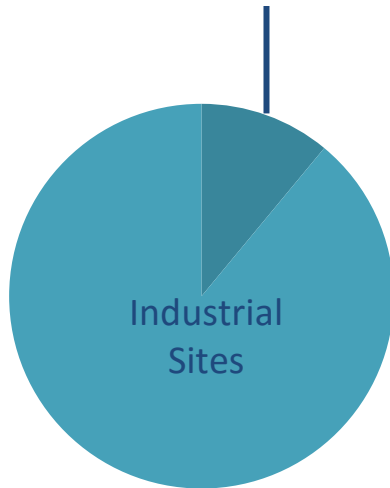


Brownfield Barriers to Growth Management Portland Study

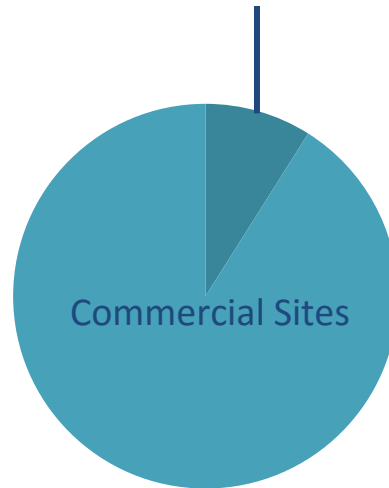


Brownfield Barriers to Growth Management Portland Study

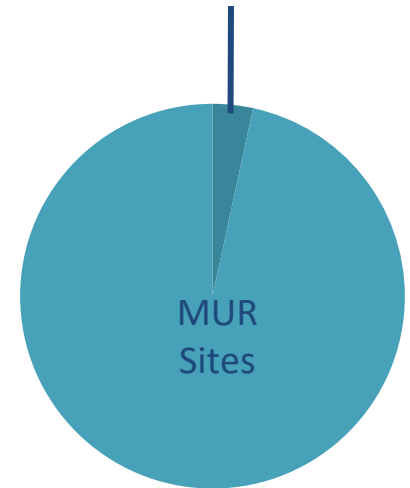
12.4% Potential
Brownfields



9.8% Potential
Brownfields



3.5% Potential
Brownfields






Economic Development Accelerator

- Act as '**kick-starter**' funding
- Economic impact is significant because of the '**leverage effect**'



RAGs Close the Financial Gap

Category	Description	Implication
	Market Value Exceeds Cleanup Costs	Private Market Completes Cleanup & Redevelopment
	Value Close to Covering Development & Cleanup Costs	Targeted Public Investment Can Make Project Feasible
	Environmental Liability Far Exceeds Property Value	Requires Significant Public Investment or Market Change



Kick-Start Funding

- Investors need property back at neutral value
- IPGs provide Initial investment to position property for redevelopment
- Creates momentum and vision
- Builds local capacity



Washington Remedial Action Grants

GRANT	MAX \$	STATE SHARE	NOTES
INTEGRATED PLANNING GRANT	\$200K (\$300K Multi-Site)	100%	Planning & environmental
OVERSIGHT REMEDIAL ACTION GRANT	N/A	50% - 90%	Formal Cleanup
INDEPENDENT REMEDIAL ACTION GRANT	\$600K	50% - 90%	Voluntary Cleanup
AREA-WIDE GROUNDWATER GRANTS	\$500K	100%	Remedial Investigation Only



The Leverage Effect Nationally...

Oregon

- \$19 M Grants
- \$2.3 B Private investment
- 116:1 Multiplier
- Nearly 9,000 jobs created
- \$190 M Tax Revenue Generated

Massachusetts

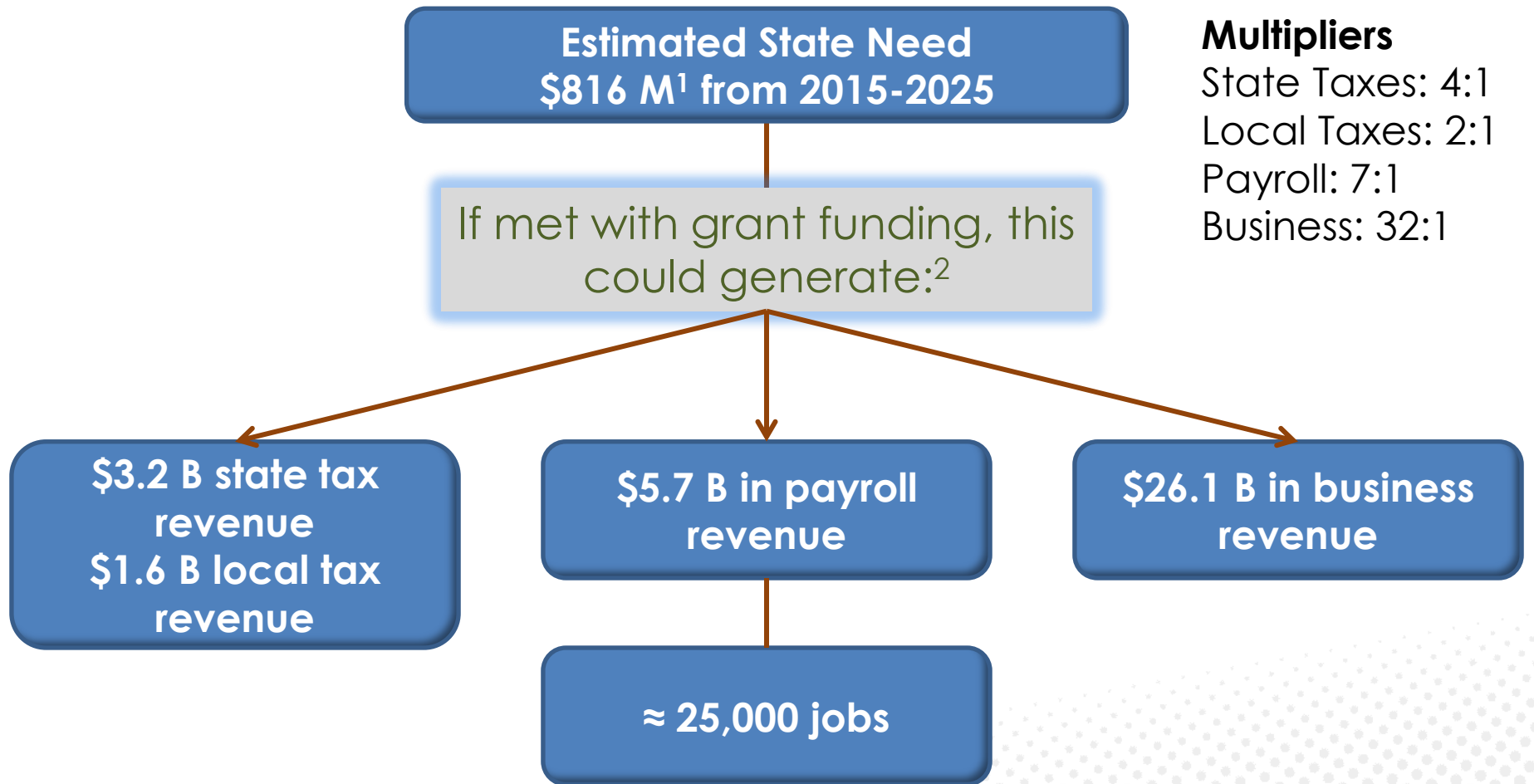
- \$54 M Grants
- \$2.5 B Private Investment
- 46:1 Multiplier
- Over 15,000 jobs created
- \$88 M Tax Revenue Generated

Ohio

- \$400 M Grants
- \$4 B Private Investment
- 10:1 Multiplier
- Nearly 9,200 Jobs Created
- Nearly 7,000 Jobs Retained



The Leverage Effect In Washington...



What's Next

Discussion

