

CONCEPTUAL SITE PLAN



Mt. Baker Housing's Maddux Project

Affordable Housing Brownfield Case Study
Washington State Brownfields Conference

May 30, 2019

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MBHA's Vision of The Maddux

CONCEPTUAL SITE PLAN



Mt. Baker Maddux Project

Before

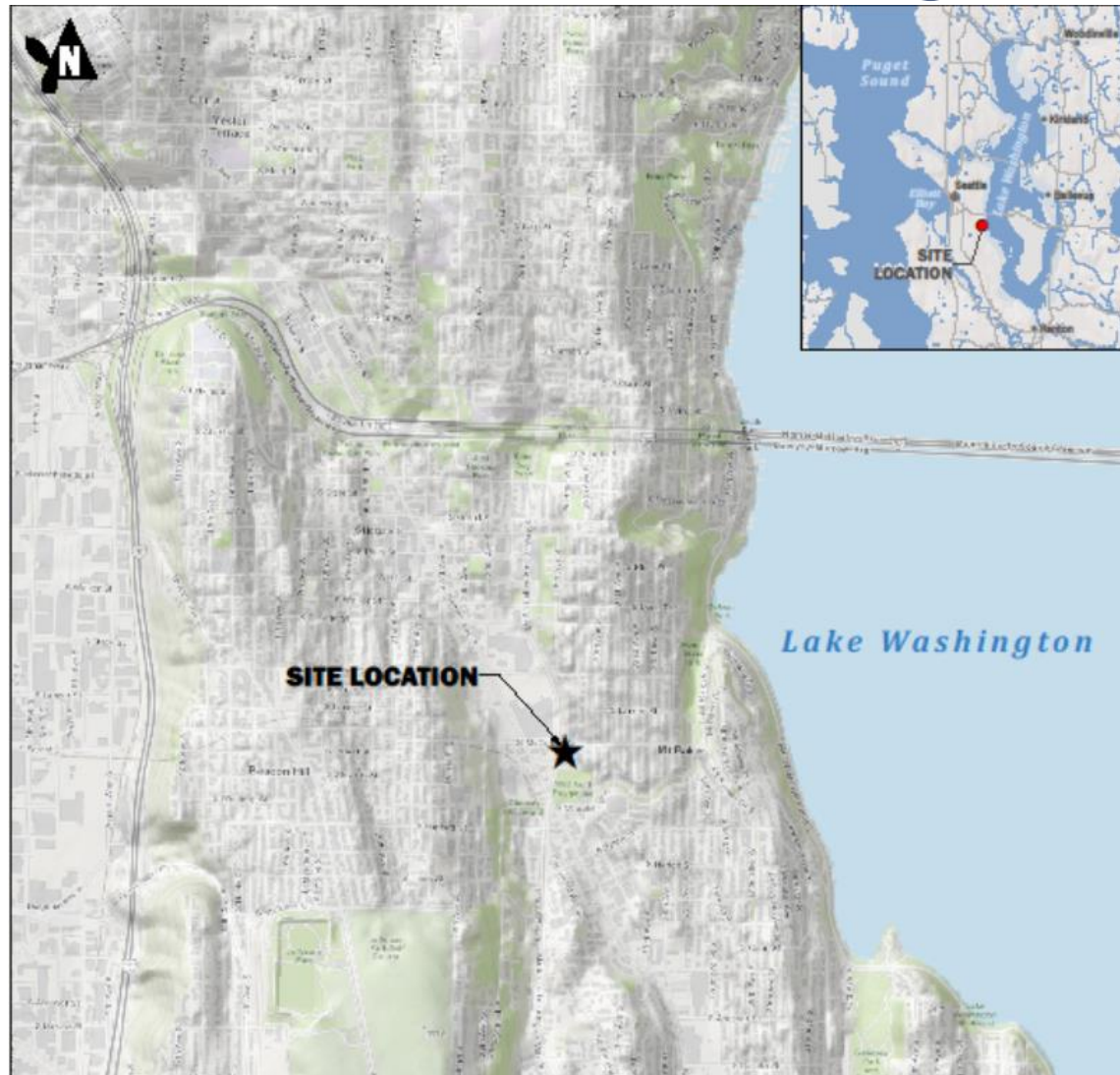


After



- View to East along S McClellan St

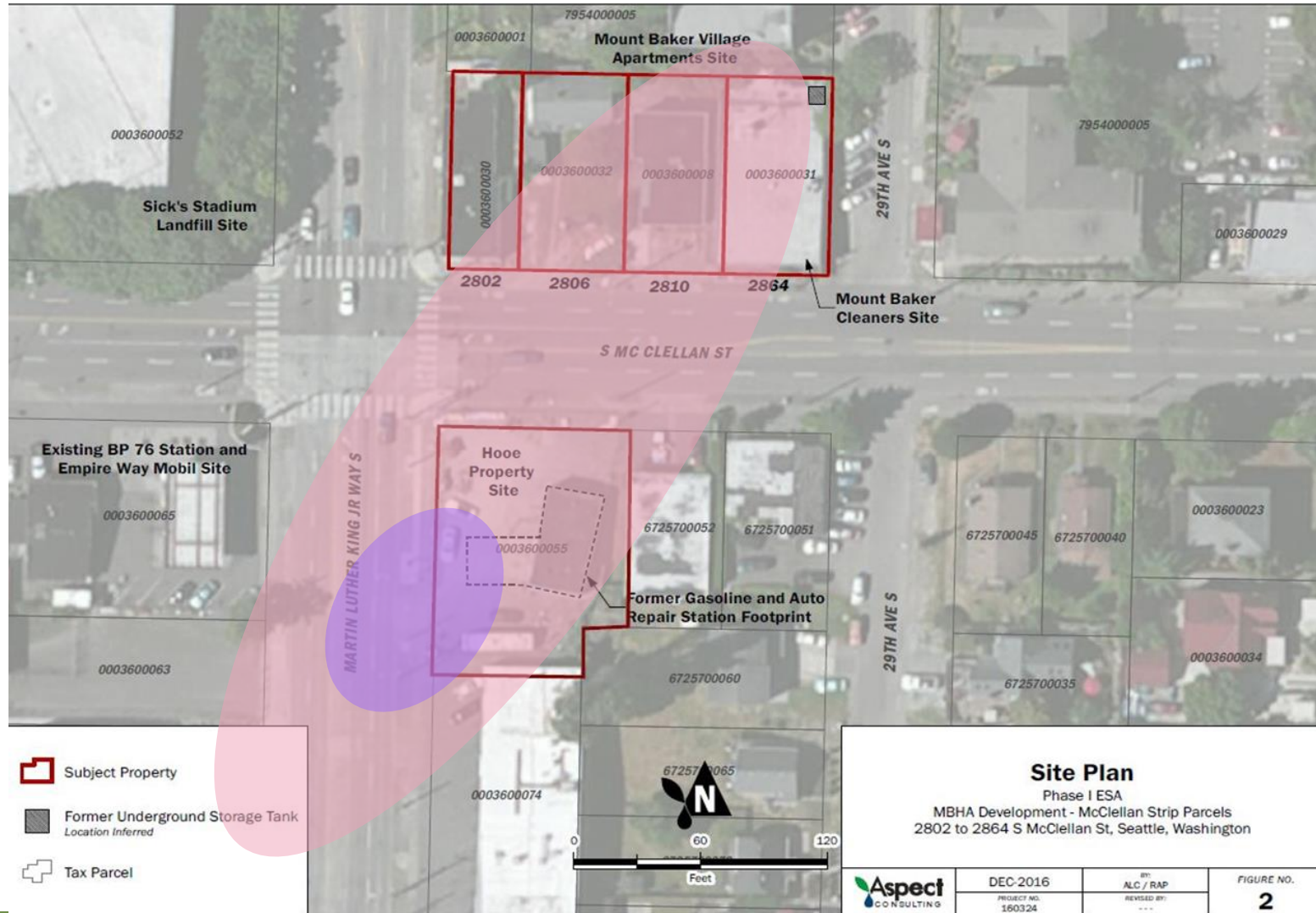
Environmental Challenges



Mt. Baker Maddux Project

Dry Cleaner
Gas Station
Solvents

Petroleum



Mt. Baker Maddux Project

- Significant Environmental Issue, multi-million dollar cleanup that's a barrier to redevelopment
- Key Challenges to Overcome
 - How much will the cleanup cost?
 - How can MBHA resolve this liability?
 - How will MBHA fund the cleanup?
 - How can MBHA get investors comfortable with this contaminated Site?

Mt. Baker Maddux Project

- How Much will it Cost?
 - Due Diligence Timing and Investment
 - Get enough time in the PSA/site control negotiation to do sufficient data gathering
 - Scoping the due diligence
 - Rough Order of Magnitude (ROM) Cost Estimate
 - ROM gets refined as additional data is available

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The Environmental Problem and the Rough Order of Magnitude (ROM) Remedial Cost

\$20,000,000?

OR

\$8,000,000?

OR Less?

Mt. Baker Maddux Project

- Resolution of Liability: The PPCD
 - Under MTCA, liability to the State may only be resolved via a Consent Decree
 - PPCD is a special form of Decree for non-polluters that seek to redevelop
 - State settles liability before acquisition in exchange for cleanup of the Site or (maybe) Property

Mt. Baker Maddux Project

The State-MBHA Prospective Purchaser Consent Decree (PPCD)

6		
7		
8		STATE OF WASHINGTON KING COUNTY SUPERIOR COURT
9	STATE OF WASHINGTON, DEPARTMENT OF ECOLOGY,	NO. <u>16-2-29584-3</u> SEA
10		
11	Plaintiff,	PROSPECTIVE PURCHASER CONSENT DECREE
12	v.	
13	MOUNT BAKER HOUSING ASSOCIATION,	
14		
15	Defendant.	
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Mt. Baker Maddux Project

- How can cleanup costs be funded?
 - Need to do a robust, pre-purchase funding source assessment
 - The old ways: What private funds may be available?
 - Other liable parties (aka the polluters)
 - Historical insurance policies
 - The new source: Ecology's Healthy Housing Funds

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- Ecology's Healthy Housing Funds
 - The Maddux: "Public Funds" through PPCD and City of Seattle Redevelopment Opportunity Zone (ROZ)
 - Funds provided via legislative appropriation and PPCD amendments
 - New Ecology Healthy Housing Grant Authority
 - Stay tuned and ask Scott...

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■ Investor Challenges

- Public and private investors concerned about possible MTCA liability; investors generally very risk-averse
- Education, Education—see MTCA's lender liability protection
- PPCD liability resolution and likely or secured funding

Mt. Baker Maddux Project

- Bonus Audience Participation Question:

Why is the project called “The Maddux?”

Questions?



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