

### What is HarborWorks?

HarborWorks is a Public Development Authority (PDA) created by the City of Port Angeles and jointly funded by the Port of Port Angeles and the City. There are numerous PDA's in Washington State formed under the authority of the Revised Code of Washington Section 35.21.730. Examples of PDA's include The Pike Place Market PDA and the Thea Foss Development Authority in Tacoma. For more information see:

<http://apps.leg.wa.gov/RCW/default.aspx?cite=35.21.730>

[http://en.wikipedia.org/wiki/Public\\_development\\_authority](http://en.wikipedia.org/wiki/Public_development_authority)

### Why was HarborWorks created?

HarborWorks was created to acquire clean up and redevelop the former Rayonier Mill Site in Port Angeles.

### What are objectives in acquiring and cleaning up the Rayonier Mill Site?

The primary need for the Mill site includes the requirement to resolve the Combined Sewer Overflow (CSO) issue, which involves connecting the large storage tank on the Rayonier site to the sewage treatment plant, expanding its holding capacity. This is not, however, the sole purpose. Other objectives include the restoration of the environment and the creation of jobs to replace the many high paying jobs that have been lost by the closing of the mill and other adverse economic impacts to the community.

### What is the Combined Sewer Overflow (CSO) issue?

The CSO issue is the overflow of untreated sewage that is discharged to the harbor when a storm event causes more sewage flow to the treatment plant than the plant can hold or treat. This is a result of the storm sewers and the sanitary sewers being combined, meaning that the storm sewers in some areas of the city flow to the sewage treatment plant. When major storm event occurs, the plant overflows, and the outflow is disinfected but not treated to required standards.

### Why does the community need a development authority like HarborWorks?

HarborWorks was created to focus on the immediate problem of the stalled cleanup and to accelerate the process of acquisition of the property. While the City and the Port both have the capability to do such things, a single entity with the single purpose stated has the ability to acquire technical expertise and business expertise to focus on and accomplish such tasks.

### How was the Board of Directors chosen?

The law requires the creating municipality to appoint a board of directors. The first four members of the board of directors were appointed by the city council with two nominees from the Port. These four members then selected a 5th board member to serve as Chairman. The board members were selected based on their business and professional qualifications as well as their dedication to the community.

### How is the cleanup and redevelopment of the Rayonier Mill Site being funded?

Rayonier will pay for the cleanup of the properties formerly home to the mill. Their Chief Executive has said that it is Rayonier's intent to clean up the property and sell it. He also said that to date, Rayonier has spent \$25-million on the cleanup. To date, HarborWorks has spent no public funds on the cleanup, but is preparing to spend significant funds to evaluate the property, to come to a complete understanding of the contamination and the liabilities associated with the property, and to acquire the property to bring it under local government control. This process, called due diligence, is the process followed by a responsible property purchaser before they buy property.

### What cleanup has already been done on the Mill Site by Rayonier?

Rayonier, under an agreement with the Washington State Department of Ecology, has been conducting a cleanup action under the Model Toxics Control Act, which is the state version of the federal "Superfund" law. This cleanup action has been on-going since about 2000. During this period, Rayonier has conducted extensive testing and evaluation of the site and prepared two documents called Remedial Investigations, which were submitted to Ecology in 2006. Rayonier has also accomplished several "Interim Actions" which were cleanups of areas on their property that were identified during the study process.

### What has the Department of Ecology done?

Between 2002 and 2004 the Department of Ecology entered into two agreements with Rayonier, called agreed orders, that required Rayonier to investigate the site for contamination. Between 2000 and 2006 a number of interim actions were completed that cleaned up several areas in the uplands of the mill site. In about 2006, Ecology transferred responsibility for the Rayonier cleanup between two different sections, from Solid Waste to Toxic Cleanups. Between 2006 and 2009, Ecology funded two major investigations to determine the extent of contamination that may have emanated from the site, one in-water and one for possible deposits of contamination from airborne contamination. Data from the airborne study has been released but not the analysis. No data has yet been released for the harbor in-water study.

### Why is HarborWorks not participating in the discussions taking place between Rayonier and the Department of Ecology?

Rayonier and the Department of Ecology are actively engaged in discussions of the next steps in the cleanup process. HarborWorks is not engaged in these discussions because HarborWorks does not have a legal interest (i.e., we do not own the property and are not responsible for the contamination) in the property. DOE would state this as "HarborWorks is not currently a Potentially Liable Person".

## What is the purpose of the Due Diligence study now underway?

HarborWorks has contracted with a consulting team to conduct a range of investigations on the property. Results of this study will help the HarborWorks Board make an informed decision about acquiring the Rayonier property for combined sewer overflow (CSO) management and future cleanup and redevelopment of the site. This work will continue for the next several months.

## What kinds of work will the Due Diligence Study perform?

The consulting team will look at the site from several perspectives to determine how the property might be used for future public benefit. Investigations will include economic market analysis of future development opportunities and job creation potential; development opportunities and constraints surrounding environmental conditions, natural resources, land use planning and cultural resources at the site; and ultimately provide an overall assessment of redevelopment options to guide community decision making.

## How is HarborWorks being funded?

HarborWorks has been funded by the Port and the City, in the form of loans, starting with \$150,000 each in late-2008 and increased by \$500,000 in the fall of 2009. The funds for funding HarborWorks come from Economic Development funds, and do not come from local tax dollars. These funds cannot be used for general governmental purposes, such as funding the operation of the pool or fixing the streets, only for economic development.

## Why does the public have to fund HarborWorks?

HarborWorks is pursuing all sources of funding, including at the state and federal levels. Currently the Port, City and if approved, the State Department of Ecology, are funding HarborWorks. HarborWorks has asked for funding from Rayonier, however this may not be appropriate, given that HarborWorks will be pursuing the purchase of the site and negotiating major agreements with Rayonier in the public interest.

## What is the potential of the Rayonier Mill Site?

The property has extraordinary value to the City, Port and the community in its potential to resolve the CSO issue, be redeveloped and generate tax revenues essential to sustain City services, and to create jobs and economic opportunity.

## What other funding is available for assistance in acquiring or cleaning up the Rayonier parcels of land?

HarborWorks has applied for a grant called an "Integrated Planning Grant" from the Washington State Department of Ecology for the purpose of determining how the properties can be cleaned up and restored to productive use. Grants from the DOE are also available to public agencies for the purposes of cleaning up contaminated parcels of land that are owned by governmental entities. Other grants may be available from the federal government for the same purposes.

## What is the role of the Lower Elwha Klallam Tribe in the cleanup and redevelopment of the Rayonier parcels of land?

The Lower Elwha Klallam Tribe has signed agreements with Rayonier, the Department of Ecology and the City of Port Angeles regarding the cleanup and archeological issues. The Tribe is

working with DOE to insure that the cleanup meets the goals of the Tribe to protect the natural and cultural resources of the Tribe, particularly the potential cultural artifacts that may be discovered, as well as the natural resources on the site, including restoring Ennis Creek for salmon runs as well as the tidal areas for production of other fishery resources such as clams and crab. The City is jointly exploring issues related to cultural resources such as those discovered at the site intended for the graving yard. The Tribe has indicated that they are primarily concerned with the natural and cultural resources that may be present in the vicinity of the Rayonier parcels.

## What will happen if artifacts are discovered on the site?

The Port Angeles public agencies, including the City, Port and HarborWorks, are working together to insure that the concerns of the Tribe are continuously addressed. The City has developed protocols for preparing for and working in areas that may contain artifacts. It is anticipated that HarborWorks will likewise follow these protocols or others that may be developed in conjunction with the Tribe or professional archeologists. Any artifacts will be handled in accordance with applicable laws and agreements among the agencies and organizations affected.

## While Rayonier is responsible for the cleanup, who will bear the non-cleanup costs associated with planning for and the redevelopment of the Rayonier site?

Currently, loans from economic development funds of the Port and the City are funding the planning for the acquisition of the properties, costs that would be required whether or not the site was contaminated. The City and Port have reserves for economic development as a result of the graving dock termination that are currently the source of funds to support HarborWorks. In the future, redevelopment costs, i.e., costs not related to cleanup, can be allocated from these funds or from commercial loans (bond proceeds) or from private equity partners who acquire an interest in the site.

## Was HarborWorks properly (legally) formed by the City?

A number of allegations have been made that HarborWorks was not properly formed, that the organization was not functioning according to the Ordinance or the state laws that allow Public Development Authorities to operate. These allegations were made in a "Citizen Hotline" report that was referred to the State Auditor for investigation. In June 2009 the State Auditor released the report of his investigation into the allegations which can be found on the "Documents" page of the HarborWorks web site. Essentially, the auditor found only one irregularity in that the chairman of the board had not been appointed according to the charter, which was rectified in a meeting of the board after the appointment. The auditor found no other issues related to the formation of HarborWorks which is now organized and operating normally.

Port Angeles

**HarborWorks**

Development Authority

1115 E. Front St.

Port Angeles, WA 98262

(360) 457-1055

Jeffrey A. Lincoln

Executive Director

Phone: 360.457.1055

[www.paharborworks.org](http://www.paharborworks.org)