

July 16, 2018

Steven L. Shain
Fiscal and Policy Manager
City of Seattle, City Budget Office
600 4th Ave, 6th Floor, Seattle City Hall
Seattle, WA 98124-7088

Quanlin Hu
Strategic Advisor-Placemaking
City of Seattle, Office of Planning and Community Development
600 4th Avenue, Floor 5, Seattle City Hall
Seattle, WA 98124-7088

Samuel Assefa
Director, Office of Planning and Community Development
City of Seattle, Office of Planning and Community Development
600 4th Avenue, Floor 5, Seattle City Hall
Seattle, WA 98124-7088

Tad Shimazu
Assistant City Attorney
Environmental Protection Section
Seattle City Attorney's Office
701 Fifth Avenue, Suite 2050
Seattle, WA, 98104-7097

RE: Redevelopment Opportunity Zone for Grand Street Commons Project

Dear Steven, Quanlin, Samuel and Tad:

We write on behalf of Grand Street Commons LLC, ("GSC LLC") a joint venture of non-profit affordable housing and market developers and investors, to provide information to support the City of Seattle's ("City") consideration of a Resolution to establish a Redevelopment Opportunity Zone ("ROZ") for the Grand Street Commons Project ("Project"). Establishing the ROZ will allow us to obtain cleanup grant funds from the State of Washington. We greatly appreciate the City's consideration of this information.

Project Location, Zoning and Parcel Information

The Project is located in the Rainier Valley between Rainier Avenue South and 23rd Avenue South, and between South State Street and South Holgate Street. The Project includes 16 parcels and comprises approximately 3.2 acres. The Project area is zoned C1-65 by the City to provide for mixed residential

July 16, 2018

Page 2

and commercial uses. The Project is just two blocks south of the future Judkins East Light Rail Station. The Project consists of the following parcels¹:

- #7548301150
- #7548301100
- #7548301095
- #1822300005
- #7548301115
- #7548301120
- #1822300020
- #7548301125
- #1822300025
- #1822300175
- #1822300180
- #0924049007
- #3881900515
- #3881900540
- #3881900550
- #3881900560

History and Environmental Condition of the Properties

The parcels that comprise the Project (the “Project parcels”) have been used for industrial and commercial purposes for nearly 100 years. Between approximately 1924 and 2004, the majority of the Project parcels were used for an industrial manufacturing operation that included a foundry, paint and machine shop, welding shop, and associated facilities. Manufacturing operations ceased in 2004, and the parcels have been unused except for occasional parking since then. Remaining structures are unused and in poor condition. In 2017, a fire partially destroyed one of the buildings.

¹ See also Exhibit A, the proposed map of the ROZ, that provides parcel and address information.



July 16, 2018
Page 3

These past operations resulted in the release of several contaminants to soil and groundwater, including petroleum products, solvents and metals. In addition, property immediately adjacent to the north of the Project parcels was used as a commercial dry-cleaning operation, and releases of dry cleaning solvent to soil and groundwater have migrated from this adjacent parcel and affects the Project parcels. The Department of Ecology ("Ecology") has determined that contamination has been released and that the Project parcels constitute a contaminated site under the state cleanup law, the Model Toxics Control Act.² Exhibit B provides figures showing soil, groundwater and soil gas contamination on the Project parcels.

GSC LLC and its members have entered into agreements with Ecology to fully investigate and clean up the Project parcels and any other area contaminated by past operations at the Project parcels. The contamination will be cleaned up before or as part of our redevelopment. GSC LLC anticipates that cleanup costs will be several million dollars.

Project Vision

The Project will create a mixed-use, transit-oriented development that mixes market-rate and affordable housing. GSC LLC anticipates that at least 150 new affordable units will be provided, and intends that the market portion of the Project will include up to 25% affordable housing. GSC LLC believes the Project will be transformational for the neighborhood.

We greatly appreciate the City's support. Approval of the ROZ Resolution will allow GSC LLC to access grant funds from Ecology to assist in the cleanup of these contaminated properties and facilitate our redevelopment. We look forward to working with the City in this process.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Hansen".

Conor Hansen,
Director of Real Estate, Mt. Baker Housing Association

A handwritten signature in blue ink, appearing to read "Joe Ferguson".

Joe Ferguson,
Principal, Lake Union Partners

cc: Jonathan Mannheim, HAL Real Estate
Michael Dunning, Perkins Coie

² Ecology's determination and other information about the environmental condition of the Project parcels can be found on Ecology's website at <https://fortress.wa.gov/ecy/gsp/Sitepage.aspx?csid=3018> (last visited July 12, 2018).