

Questions Regarding Ward Cove Site

- 1, Question: Is all Borough property liable for the asbestos abatement program?

Answer: No, only property in 1056, lot 3 and the wood room area of the tidelands parcel.

- 2, Question: Why was KPC not required to remove the asbestos when the rest of the work was done?

Answer: EPA regulations don't require removal of asbestos unless it is considered a potential health hazard, and asbestos which was sealed in the power plant is not considered a health hazard.

- 3, Question: Are there any major environmental problems with the property that the Ketchikan Gateway Borough is receiving?

Answer: No, staff has reviewed all the EPA documents and found our property to be in good shape. Four parcels which were identified in the EPA process as areas of concern are: 1754, 1706 and the dock and the fill on the east side of the cove, but they were not cited for any remediation by EPA.

- 4, Question: Who gets the dam and pipeline?

Answer: KPC keeps ownership

- 5, Question: What about future water needs?

Answer: There are several options with potential water sources in the area or a deal could be negotiated with KPU.

- 6, Question: What are the chances of someone coming in and operating the present veneer plant?

Answer: Unknown at this time, but AIDEA is working on some opportunities.

- 7, Question: Why isn't KPC responsible for cleaning everything up?

Answer: Since they don't own the property they are not responsible.

EPA only requires cleanup for hazardous substances or threatened release of hazardous substances. EPA has not identified a release or threatened release of hazardous substances.

8. Question: What if you know of hazardous substances which have not been reported or cleaned up by KPC?

Answer: Please contact Steve Corporon the Assistant Borough Manager with details.

9. Question: Is this a good deal for the Borough?

Answer: The replat will facilitate the resale of the veneer plant, allow the sale of 3 properties which will put them back on the tax rolls, remove the cloud from the title of several parcels, provide a place for the sludge facility, and make re-development of the cove more easily accomplished.

10. Question: What is the Borough getting back for all the money spent on the property?

Answer: The assessed value of the property to be received from the 7 million initial loan and the 2.5 DIP Loan is about 11 million.

11. Question: Was there any wrong doing on anyone's part?

Answer: Not actionable on the Borough's part.

12. Question: What's going to happen to Gateway?

Answer: It is not clear. We believe they will look for opportunities to use the 1056, lot 3 site until they either succeed or choose to cease as an entity.

13. Question: What happens if Gateway walks away?

Answer: The Borough will have to determine whether or not it wants to foreclose on the property. If the Borough decides not to foreclose, and Foothill or other creditors do not want it, it will remain Gateway property.

14. Question: What happens if the EPA determines the sand cap is not working? Who pays?

Answer: KPC

15. Question: How long would it take to resolve the property issues if the Borough litigates with KPC on F, F1?

Answer: 6-12 months is a conservative estimate.