



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 10

1200 Sixth Avenue
Seattle, Washington 98101

RECEIVED

September 19, 1995

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Reply to
Attn of: HW-113

DEPARTMENT OF ECOLOGY
S.W. REGIONAL OFFICE

Bradford Schultz
U. S. Manufacturing Corp.
P. O. Box 1403
Tacoma, WA 98401

RE: Prospective Purchaser Agreement; Tacoma Boatbuilding
Property

Dear Mr. Schultz:

This letter is in response to the September 7, 1995 proposal by U.S. Manufacturing (USM) and Welco, Inc. to enter into a prospective purchaser agreement with the U. S. Environmental Protection Agency (EPA) for the purchase and lease of the Tacoma Boatbuilding property at 1840 Marine View Drive in Tacoma, Washington. We also wish to confirm the list of information that EPA needs in order to assess your offer, and which we discussed with you in a meeting on September 14, 1995.

USM first indicated an interest in pursuing a prospective purchaser agreement in early 1994. At that time, Lori Houck and I met with you and your attorneys and described the information we would need in order to consider your offer. We did not hear a response from USM for several months. We understand this is because USM's original plan to reorganize Tacoma Boatbuilding did not work out. Based on your September 7 letter and conversations we have had, we understand that USM will not reorganize Tacoma Boatbuilding, but instead, Welco, Inc. will purchase the property and USM will purchase the assets and intangibles from Tacoma Boatbuilding. USM will lease the property from Welco, Inc.

In our September 14 meeting, Ms. Houck and I indicated what information would be needed in order to negotiate a prospective purchaser agreement with USM and Welco, Inc. Most of that information is the same information we discussed with you in 1994. All of the information is needed for EPA to evaluate your offer using the criteria set forth in EPA's May 24, 1995 "Guidance on Agreements with Prospective Purchasers of Contaminated Property."

The information needed includes:

1. Financial information for both USM and Welco, Inc. The specific information needed is listed in Lori Houck's March 17, 1994 letter to your attorneys, Brian Knox and Richard

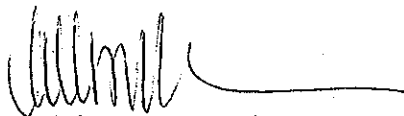
Ford. Any additional information, such as a projected business plan, that you consider relevant in showing both companies' ability to pay for cleanup and/or payment obligations should be submitted also.

2. Groundwater monitoring data. In order to have baseline information on the condition of groundwater under the property, you have agreed to install monitoring wells and sample the groundwater in accordance with a sampling and analysis plan approved by the Washington Department of Ecology (Ecology). It is my understanding that Ecology has received and approved a list of analytical methods, but has not received a plan describing well installation and sampling methods. This information should be provided to Ecology for review and approval as soon as possible. Ecology staff should be present to oversee well drilling and sampling activities.
3. Appraisal of the property. As discussed in our September 14 meeting, some form of appraisal of the fair market value of the property is needed. We discussed that a "letter of valuation" would be acceptable.
4. Purchase price of the property.
5. Number of people USM expects to employ at the Tacoma Boatbuilding facility. We understand that the number of employees will depend on the contracts USM obtains. Therefore a projected range would be acceptable.

We hope an agreement can be reached with the information listed above, and the information provided in your September 7 letter and our several conversations and meetings. EPA Headquarters or the Department of Justice, however, may require additional information before giving final approval of the prospective purchaser agreement. We look forward to receiving your information.

Please feel free to call me at (206) 553-2140 or Lori Houck at (206) 553-1115 if you have any questions or would like to discuss this matter further.

Sincerely,



Allison L. Hiltner
Superfund Site Manager

cc: Lori Houck, EPA
Dom Reale, Ecology