



April 9<sup>th</sup>, 2013

To: Representative Jules Bailey, Chair  
Members of the House Energy and Environment Committee

From: Tim Kirsch, Mayor of Mill City

I am here today to testify for Mill City and on behalf of the League of Oregon Cities in support of HB 3030. I'm going to focus my testimony on the section of the bill recapitalizing the Brownfields Redevelopment Fund.

The Brownfields Redevelopment Fund (BRF) has been an extremely important source of funding for cities throughout Oregon. Program funds can be used to assess potential site contamination, which can be a major barrier to reuse and redevelopment, or as loans to help finance the cleanup of polluted sites.

Demand for financing to address assessment and cleanup of contaminated industrial properties is steadily increasing at a time of tight commercial lending and the program is often the lender of last resort. The program's awards grew from two projects in FY2008-09 to fifteen projects in FY2011-12, and nine new awards have already been granted this fiscal year.

While the legislature appropriated \$8 million for the BRF eight years ago, only about \$50,000 will be unobligated by the end of the biennium and it is likely that in the very near future worthy projects will be denied due to a lack of funds.

We strongly urge you to recapitalize a program that our community has benefited from.

Mill City recently completed construction of a new City Hall facility after having the old building destroyed by arson in September 2010.

Upon breaking ground for the new building the contractor hit a thick black substance almost immediately identified as Bunker C Oil. This setback stopped all work until the City could identify funding to ensure proper removal and abatement of the substance. The initial estimate for abating the contaminated soil, which included identification, removal, DEQ oversight and hauling to the nearest disposal area, was \$71,000. With an already stretched budget trying to cover the construction of a building that had not been anticipated, City officials were unsure how this could be accomplished.

Fortunately, the City was made aware of the opportunity to apply for a BRF grant. Business Oregon BRF representatives were an amazing resource to Mill City. Business Oregon worked with City staff and Mill City's Construction Project Manager to explain the granting requirements as well as what elements may or may not be covered with this program. Upon completion of the grant application Business Oregon expedited the process to the best of their ability in order to assist the City with meeting construction contract deadlines.

With the award of a BRF grant of \$71,000 the City was able to continue the process of removing soil and erecting the structure. We moved into our new facility in early August 2012. Without this funding Mill City's already overwrought budget would have been in dire straits and may not have had enough to cover a complete and proper abatement of the contaminated soils.

Our community is not alone. Dozens of other communities have used the program to assess contamination and finance cleanups. For example:

- In Newport, the BRF helped with the initial assessment and financing portion of the Port of Newport's \$26 million International Terminal Redevelopment Project, which entailed cleaning up two former WWII era concrete hulled cargo ships that had been sunk in the 1940s to form the terminal's docks.
- In Adair Village, funds have been used to assist with the assessment and planning around the redevelopment of the 126-acre Boise Cascade Industrial Site. Funding has also been instrumental in assisting the City towards qualifying the property for decision-ready certification in the Oregon Industrial Lands Certification Program.
- In Astoria, BRF grant funding helped the Columbia Memorial Hospital with due diligence activities associated with the hospital's acquisition of a former gas station. The property, located on Hwy 30, is a gateway property to the City of Astoria and directly adjacent to the hospital. The hospital plans to reuse the site for expanded parking for its Health and Wellness Pavilion which will in turn allow the hospital to move forward with its next phase of expansion plans for the hospital complex.
- And in east Portland, funding helped with the cleanup and acquisition of a former pesticide manufacturing plant into what is now the ACME Scenic & Display facility, enabling the relocation and expansion of a locally-grown business.

BRF projects have spurred the redevelopment of what otherwise would have been vacant and blighted areas in communities throughout Oregon. Many of these projects also increased the property tax base by catalyzing the improvement of property and increased business activity and employment.

Recapitalizing the Brownfields Redevelopment Fund is a very sound investment for this legislature to make, and we strongly urge you to support HB 3030.

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*The League of Oregon Cities is an association of all 242 cities in Oregon. Oregon's cities are home to seventy percent of all Oregonians and eighty percent of the state's jobs and income tax collections.*