

**Testimony of Miranda Bateschell, Brownfields Program Manager
In Support of House Bill 3030
House Committee on Energy and Environment
April 9, 2013**



Chair Bailey and Members of the Committee:

Thank you for the opportunity to testify today and to explain why Metro supports HB 3030.

Metro is the regional government of the Portland metropolitan area, serving a population of 1.5 million people. The voters of the region, in approving the Metro Charter, declared Metro's most important service to be "planning and policy making to preserve and enhance the quality of life and the environment for ourselves and future generations." The threat to public health, the environment and the regional economy from vacant, underutilized brownfields is such an issue.

For the past six years, Metro's Brownfields Recycling Program has worked with property owners and communities to assess, clean up and redevelop properties with historic environmental contamination issues. In addition, Metro recently completed the Regional Brownfields Scoping Project (see executive summary, attached), which estimated that there are up to 2,300 brownfield properties in the Portland metropolitan region covering 5,500 acres of land. These brownfield sites generally cannot return to productive use due to multiple challenges, including cleanup costs, financing issues, risk and uncertainty, and the length of the regulatory cleanup process. As a result, these historic releases continue to burden today's developers, businesses, and residents.

As brownfields lie vacant, they detract from the quality of neighborhoods and pose threats to human health, the environment and the economy:

- Half of the known brownfields are in, or within 1,000 feet of, sensitive environmental areas.
- Brownfields are highly likely to be located in underserved communities.
- Existing tax structures, lack of incentives, and a shortage of designated funds for brownfield redevelopment keep most of these sites from redeveloping.

The Regional Brownfields Scoping Project showed that over 1,800 of the brownfield sites in the Portland region are located in city and town centers and along key transportation corridors, and that these sites have the potential to provide up to 38,000 net new jobs and 138,000 new dwelling units at full buildout. Over 4,000 acres of industrial land face redevelopment barriers related to environmental contamination. At full buildout these properties could produce 27,500 jobs and \$108,000,000 of net new annual personal income tax.

At most, 29% of brownfields may be financially feasible to develop right now, but these are largely small commercial sites located in areas with the highest land values and redevelopment densities. Return on investment analysis showed that another 47% of all brownfield sites are within close range of the tipping point from infeasible to feasible, meaning a little public investment and improved policies can have a big impact by spurring redevelopment. Redeveloping these sites enables local governments to generate greater tax revenues due to the increased value of the redeveloped and neighboring properties while providing citizens with places to live, work, and play.

Metro supports the development of a range of policy tools to address multiple challenges and different types of brownfields. Metro's analysis shows that no single incentive moves all brownfields to feasibility, meaning that a coordinated set of policy tools needs to be adopted to address multiple challenges and different types of brownfields. Accordingly, HB 3030 takes a two-pronged approach.

The funding program proposed in HB 3030 is similar to the dedicated fund analyzed in Metro's Regional Scoping Project, which effectively moved sites from financially infeasible to feasible, resulting in significant redeveloped acres, new jobs and dwelling units, and property and personal income tax revenue. With a \$10 million investment, such a fund could produce 500-1,000 jobs and 1,000-2,000 dwelling units, resulting in up to \$3 million in annual personal income tax revenue and \$6 million in annual property tax revenue. Within just a few years of making the initial investment in properties through the fund, revenue should break even with cost, after which the redeveloped sites will continue to produce annual property and income tax above the initial public investment in the fund.

A dedicated cleanup fund is critical to moving a number of brownfield sites forward. Housing this program within Business Oregon, which is focused on economic development and has already developed important relationships, is key to the success of the program. Business Oregon's current Revolving Loan Program, funded at this same level, has assisted the cleanup and redevelopment of 30 brownfield properties in just the past two years.

Creating an incentive structure, through property assessment or otherwise, that can discourage mothballing and motivate property owners to restore and redevelop brownfields is also critical. HB 3030 provides an appropriate, but limited, break to owners of brownfield properties while creating an incentive for them to clean up and redevelop their sites.

HB 3030 enacts two important policy tools that have been prioritized in the Portland metropolitan region and that are integral to achieving restoration of these sites. HB 3030 will leverage economic redevelopment in Oregon communities and address concerns about environmental and human health, social equity, and environmental justice. Metro urges passage of HB 3030 and we look forward to working with you in the future to create additional tools that support the revitalization of brownfields.