



Bureau of Planning and Sustainability
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Portland Brownfield Assessment Summary of Findings

Central Study Question

What would it take to achieve cleanup and redevelopment on all or nearly all of Portland's brownfields in the next 25 years?

The primary barrier to brownfield redevelopment is financial feasibility. The estimated financial feasibility gap identified for the brownfield inventory is approximately \$214 million, based on conventional real estate development analysis of financial feasibility. Moreover, most of the brownfield inventory is on industrial sites, where lower redevelopment densities contribute to a wider financial gap. Fortunately, financial incentives for brownfield redevelopment can pay for themselves over time. The estimated payback period in state and local tax revenues ranges from 1 to 4 years on the different types of brownfields. A variety of best practice incentives and tools were evaluated and no single type of brownfield incentive or tool is capable of leveraging redevelopment on more than a fraction of the brownfield inventory by 2035. An effective 25-year strategy to redevelop most of our brownfields would require a broad program of multiple incentives and tools.

Findings

The Portland Brownfield Assessment has found that brownfields exist in nearly all employment areas and neighborhood business districts throughout the city and that the feasibility of redevelopment on these sites is negatively impacted by remediation costs. The Portland Brownfield Assessment has concluded that while the financial feasibility gap that is attributed to remediation costs is quite large, the feasibility gap can be addressed through a variety of incentives and tools. Public investment in implementing these incentives and tools would pay for itself through increased tax revenue generated to the City of Portland, Multnomah County and the State of Oregon. To advance community development and economic development goals the City of Portland must work with local, regional and statewide partners to implement a broad program of incentives and tools.

- Portland's Economic Opportunity Analysis projects shortfalls of industrial and other types of employment land over the next 25 years and brownfield properties account for nearly one-third of the growth capacity in employment areas throughout the city.

Table 1. Brownfield Inventory by Typology

Typology/Site Type	Total
Central City	94.4
Neighborhood Commercial	252.6
Industrial	562.8
Total	909.8

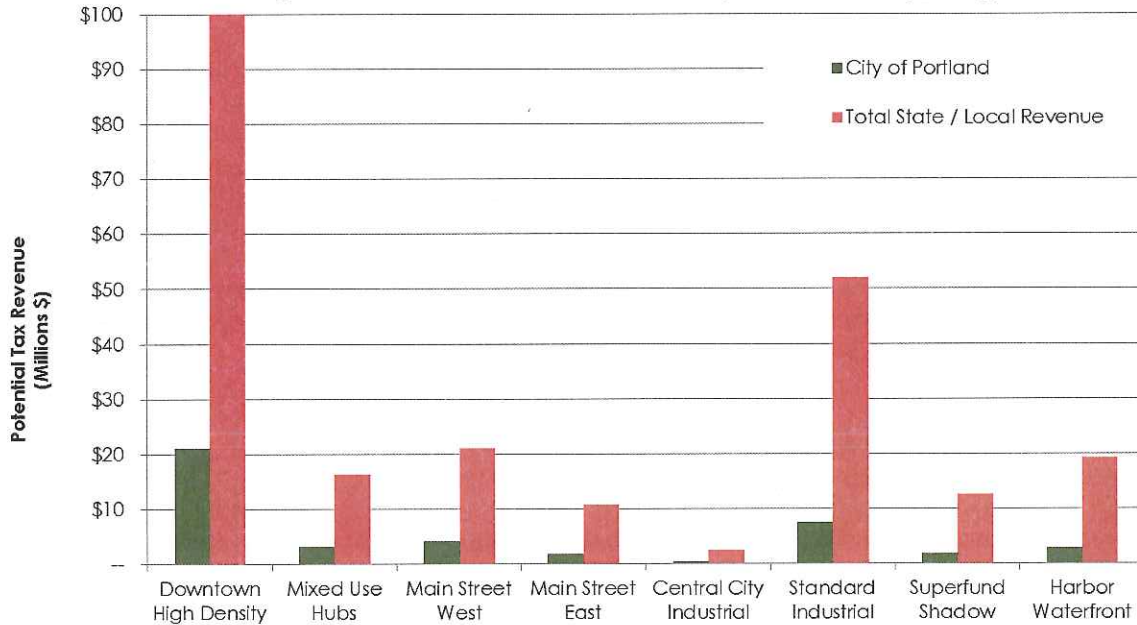
- It is estimated that there are approximately 910 acres of potential brownfield properties in commercial and industrial areas of Portland (see Table 1).
- The total feasibility gap (or amount by which properties are financially underwater) is estimated at \$214 million across all employment brownfield typologies, or \$307 million when Superfund costs are included for affected properties. With potential federal Superfund liability costs added, the total cost of remediating affected properties within the Portland Harbor Waterfront is estimated to



increase to as much as \$24 per square foot of site area—more than three times the market value of unconstrained industrial land.

- Redevelopment of the full inventory of brownfield properties has the potential to provide over 31,000 gross jobs. This would generate an estimated \$1.4 billion in annual payroll potential for the affected sites.
- Full redevelopment of the entire brownfield inventory also has the potential to generate approximately \$240 million per year in potential state and local income and property and business tax revenues (estimated in 2012 dollars).

Figure 1. Total Annual Tax Revenue by Brownfield Typology



This analysis indicates that while Portland may be able to realize substantial returns on investments in higher-value commercial brownfield properties, a regional or statewide investment is more appropriate for supporting remediation of industrial properties around the harbor. No single policy incentive will be sufficient to catalyze redevelopment of all the brownfields or even achieve a 50 percent target. The majority of potential tax revenues generated by brownfield redevelopment in employment areas is allocated to Multnomah County and the State of Oregon which supports a rationale for shared investment in Portland employment lands as a regional economic asset. A collaborative approach between the State of Oregon and the City of Portland is critical to achieving policy goals identified in the Comprehensive Plan Update and a strategic approach to investment could generate a complete payback between 1 and 4 years for different brownfield types.

For further information the Executive Summary of the Portland Brownfield Assessment can be found at <http://www.portlandoregon.gov/bps/article/415628> or contact Tyler Bump, Economic Planner, Portland Bureau of Planning and Sustainability at (503)823-7713 or tyler.bump@portlandoregon.gov

