



CITY OF PORTLAND ENVIRONMENTAL SERVICES



1120 SW Fifth Avenue, Room 1000, Portland, Oregon 97204 ■ Charlie Hales, Mayor ■ Dean Marriott, Director

Tuesday, April 5, 2013

Rep. Jules Bailey, Chair
House Energy and Environment Committee
900 Court St. NE
Salem, OR 97301

RE: Support for HB 3030

Chair Bailey and Members of the Committee,

The City of Portland urges your support for HB3030 with the proposed amendments, which provide important tools for assessing and cleaning up contaminated sites in communities across the state.

Brownfields are a concern across Oregon. From large sites that were once thriving industries to small sites along main streets and commercial corridors where businesses like gas stations and dry cleaners used to operate, brownfields present an opportunity to restore languishing properties to active use. Brownfield remediation restores properties to the tax base, frees up land within our urban growth boundaries, provides opportunities for job creation, improves environmental and water quality, supports environmental justice, and protects human health.

Recognizing the opportunity of brownfield sites, the City of Portland established the Portland Brownfield Program in 1998. The Brownfield Program provides technical and financial resources to property owners, developers, and community members for revitalizing contaminated properties. To date the Program has provided financial assistance to 65 sites, including 20 small business owners and 17 nonprofit institutions.

In December 2012 the City of Portland completed a study on the scale and impact of brownfields in Portland (final report summary attached). In Portland alone, the study identifies 910 acres of brownfields. The total cost of cleaning up these sites is estimated at \$214 million. For many industrial sites in particular, the cost of cleanup exceeds the property's value when clean – a feasibility gap that greatly restricts redevelopment unless policy tools are in place. The study concludes that full redevelopment of Portland's brownfields would generate \$240 million per year in state and local tax revenue and result in 31,000 new jobs.

HB3030 provides critical tools for promoting clean up and preparation of contaminated sites for redevelopment by investing funds in targeted site assessment and remediation activities, and aligning property tax policy with state clean up investments.

HB3030 supports brownfield redevelopment through the Oregon Business Development Department, which has been a key brownfield resource for 13 years. The OBDD Brownfields Redevelopment Fund is a successful, proven tool that provides critical support to bridge the financial gap often associated with brownfield redevelopment projects. OBDD and the Portland Brownfield Program have worked together on multiple sites to leverage private sector and federal resources.

OBDD's Brownfields Redevelopment Fund has supported projects in 24 of Oregon's 36 counties. In Multnomah County, Oregon Business Development's assistance has been instrumental to moving forward redevelopment of twelve brownfields. These include:

- MJB/ACME Scenic & Display (Northeast Portland): Cleanup funding paved the way for acquisition financing to occur for purchase of the former CHL Administration Pesticide Manufacturing Plant property by a locally owned company, which was then able to expand and create new jobs.
- Lejar Enterprises (Northeast Portland): The current owner purchased the former Oregon Fir Supply property with knowledge of existing contamination; however, a groundwater plume resulting from illegal dumping was more extensive than originally anticipated, with potential impact to City of Portland drinking water wells. Cleanup is now complete and project is in final round of monitoring.
- Pacific Carbide (North Portland): Cleanup of two large lime by-product piles from a 15 acre industrial site allowed for tenant expansion.
- Tabor Commons (Southeast Portland): Ownership of a former service station seized by the U.S. Marshalls Service for use in illegal drug trafficking was transferred to the local neighborhood coalition, which, with support from OBDD brownfield funds, removed large leaking underground storage tanks and contaminated soil. The community rehabbed the building and opened the nonprofit coffee house and meeting place Cafe au Play.

In 2005, OBDD had \$9.5 million in its Brownfield Redevelopment Fund for cleaning up contaminated sites like these around the state. The fund currently has less than \$600,000, with nine projects waiting in line that would more than exhaust available funding.

Funding brownfield assessment, remediation and redevelopment is a strategic investment for Oregon that pays off with economic, environmental, and equity returns. The recent Portland Brownfield Assessment concluded that public investment in new brownfield incentives is estimated to have a positive return on investment as high as \$10 in state and local tax revenue for every \$1 invested. Recent research has demonstrated that redeveloping brownfields also increases the value of neighboring residential, office and commercial property.

The economic, environmental, social, and aesthetic benefits of brownfield redevelopment are undisputed. HB3030 provides valuable tools for communities across Oregon to realize these benefits with meaningful, proven assistance. Thank you for consideration of these comments.

Sincerely,

A handwritten signature in black ink that reads "Dean Marriott". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Dean Marriott