



February 12, 2015

**Representative Caddy McKeown, Chair
House Committee on Transportation and Economic Development**

Testimony of the City of Salem in Support of HB 2289

The City of Salem City Council strongly supports HB 2289 to create a tax credit of up to \$1,000,000 per site, for cleanup and redevelopment of brownfields, when particular requirements are met.

For many years Salem's Urban Renewal Agency has funded the assessment, cleanup, and redevelopment of brownfields and underutilized sites. Redevelopment of these sites has taken many years and significant urban renewal area investments. Salem's urban renewal area funding is a limited resource and cannot be used as the single source to incent and redevelop brownfields. In 2014, the City launched its Site Reuse and Revitalization Program, with funding from the U.S. Environmental Protection Agency, to expand funding for brownfields assessment city-wide. Initial analysis indicates that Salem has approximately 245 brownfield sites, identified by the Oregon Department of Environmental Quality. HB 2289 strengthens the City's Site Reuse and Revitalization Program and strong urban renewal area commitment to brownfields by providing an additional financial incentive for cleanup of the City's most costly and challenging sites, including former dry cleaners, industrial sites, and gas stations.

For many years urban renewal funding has been used to assess, remediate, and prepare for redevelopment of former industrial sites along Salem's waterfront. Since 1975, Salem's Urban Renewal Agency has committed more than \$11,000,000 to redevelop key sites adjacent to our downtown waterfront, including creating Riverfront Park and stimulating private investment in new mixed income housing, a cinema, and other commercial uses in north downtown. From 2005-2011 an additional approximately \$7,000,000 was expended to acquire, cleanup, and redevelop a key corridor in the City's northern gateway, referred to as "Hollywood Station." Urban renewal investments to cleanup and revitalize these underutilized sites have leveraged more than \$35,000,000 in real market value through direct, private investment, and another approximately \$55,000,000 in development of key adjacent sites.

HB 2289 has strong support from Salem and members of the Oregon Brownfields Coalition, including cities, counties, and development professionals. The Coalition's analysis shows that the financial feasibility gap for brownfields is significant and filling that gap requires a variety of incentives, including tax incentives, urban renewal funding, grants, and other sources. The analysis shows that the feasibility gap in slower growth cities like Salem and Medford, compared with the Portland metro, is even greater. Increasing the number of "tools" in Salem's brownfields toolbox will go a long way towards seeing our City revitalized.

Thank you.

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