

## **LAND BANKS FOR BROWNFIELD CLEANUP AND REDEVELOPMENT (HB 2734)**

### **Community Created, Community Driven**

#### **Why is this tool needed?**

Certain brownfield properties have sat idle for years without the landowners investing in cleanup and redevelopment. These blighted properties are not active in the market and existing tools have not made them economically viable. Not only do they represent potential threats to human and environmental health and lost opportunity for a local community, but they often degrade the value of neighboring properties, depressing property tax revenues. In many cases, states and local governments have invested in public improvements and infrastructure to serve the prior uses on the brownfield site; without redevelopment, the value of those investments is also lost. While local governments would benefit in many ways from brownfield redevelopment, they are often reluctant to take title to these properties because of concerns about legal liability and substantial additional development costs.

#### **How would a land bank help to address this problem?**

By establishing a public land bank, a local government can protect itself from state environmental liability and financial exposure by creating an independent, community-based entity with the tools and long-term perspective to reposition brownfields for future development.

A land bank is a locally-created public authority that can acquire, hold, manage and transfer property to new owners. Land banks aim to return brownfields neglected by the private market to productive use. They do this by:

- acquiring title to contaminated, vacant, or blighted brownfields;
- facilitating cleanup and site improvements to eliminate barriers to redevelopment; and
- transferring properties to owners who will develop them in ways that support community priorities.

A land bank works in cooperation with local governments, other government agencies, non-profits, community organizations, lenders, and property developers to leverage available resources to clean up brownfields and to redevelop them in ways that reflect and reinforce community aspirations.

#### **Why would a land bank be able to leverage cleanup of properties that the market has ignored?**

A land bank would have protection from state environmental liability, authority to clear title, ability to issue bonds, and ability to pursue cleanup cost recovery from liable parties. While it would require initial capitalization and financial support to acquire and manage a portfolio of properties, it should be able to achieve financial self-sufficiency through the redevelopment process after a number of years. The land bank would offer a vehicle to attract a variety of funding sources for addressing brownfields without placing additional legal risk or financial burdens on local governments, and to reposition land so the private market can invest in redevelopment.

#### **How would land banks benefit Oregon communities?**

- Setting up a land bank to acquire brownfields shields a local government's general fund from potentially expensive, open-ended liabilities associated with ownership of contaminated property.
- The land bank's conditional exemption from state environmental liability reduces the transaction costs associated with acquisition of blighted properties.
- Diverse membership on the land bank's board assures broad community representation in cleanup and redevelopment decisions.
- Land banks can allow communities across Oregon to create a streamlined process to acquire, clean up and redevelop brownfields. Faster, easier and cheaper processes enable communities more easily to return brownfields to productive use in a way that reflects their local values.