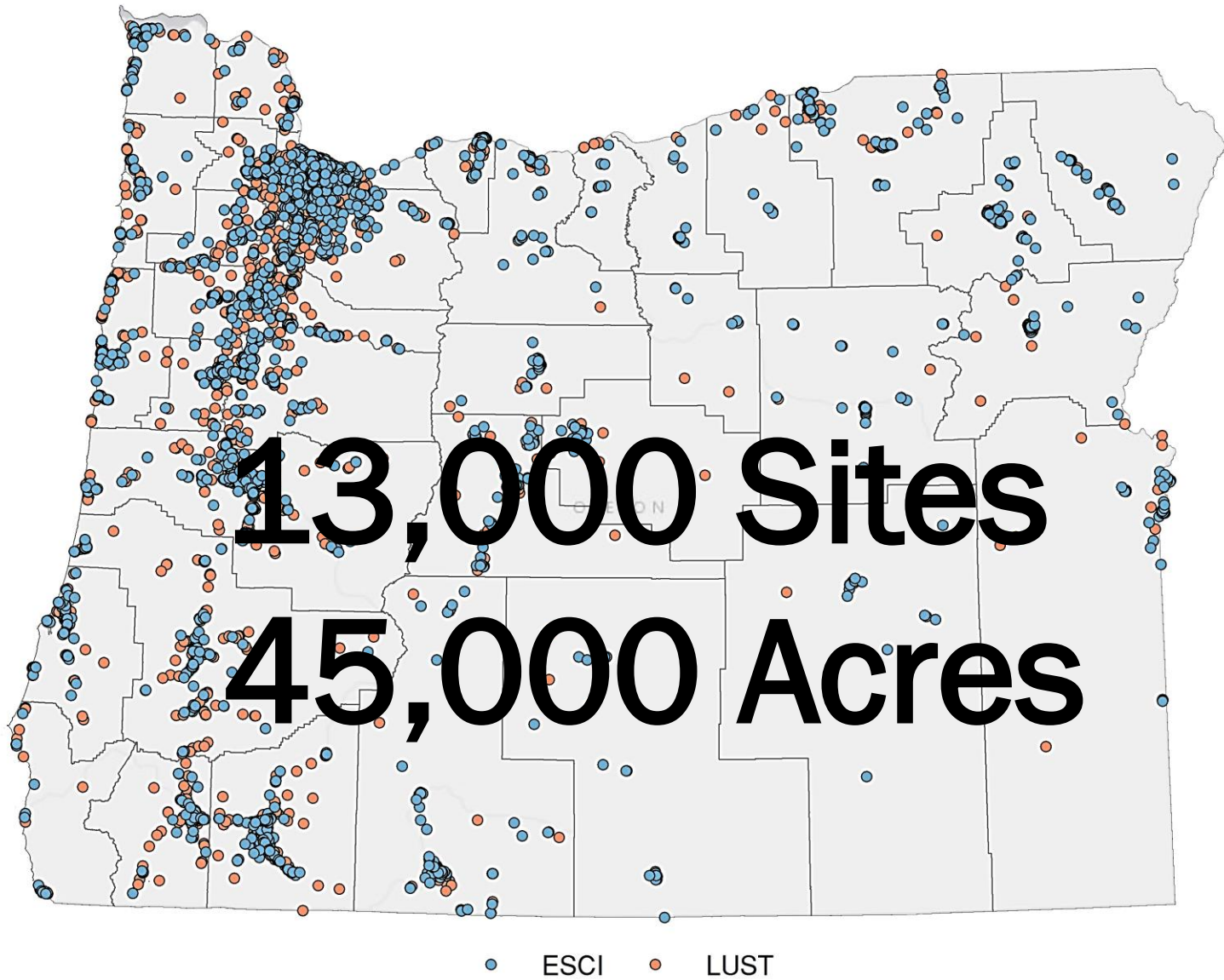


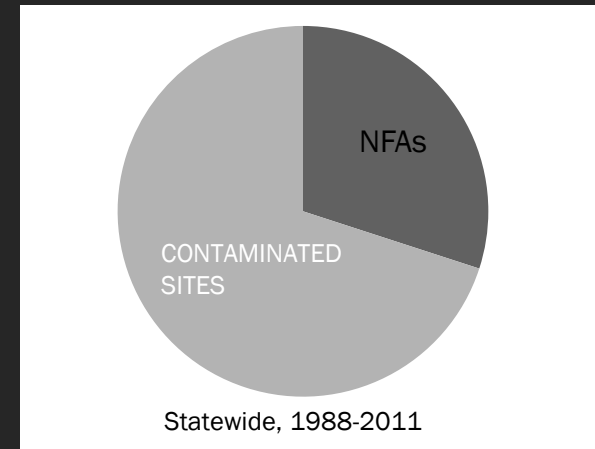
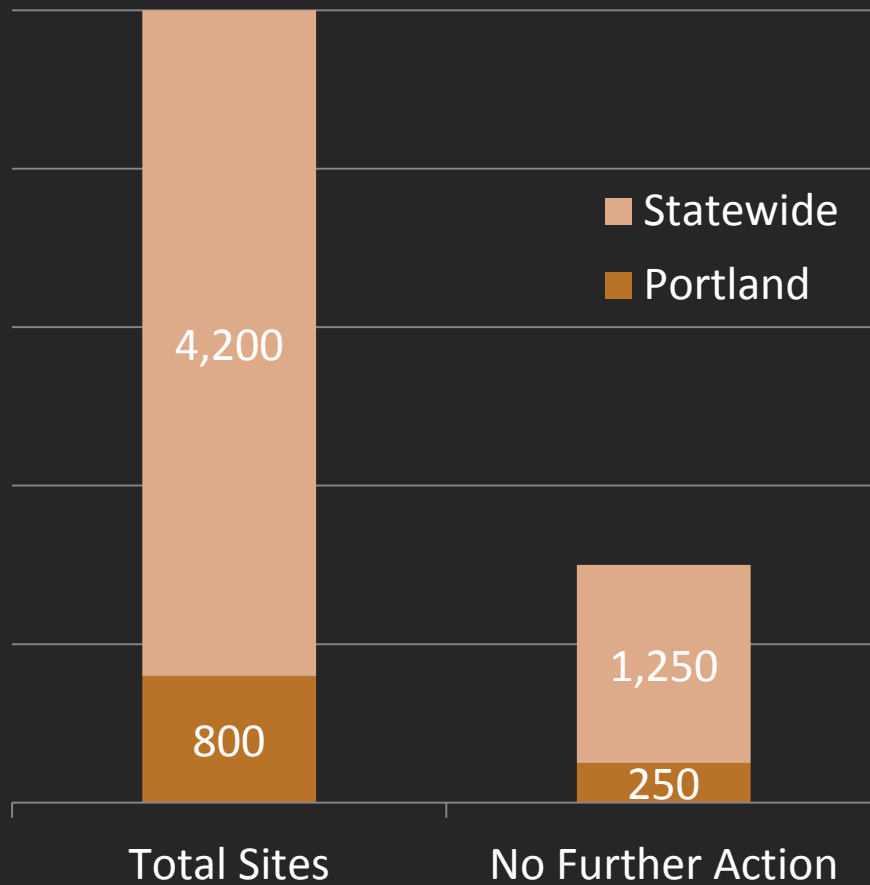
HB 2575 - Brownfield Tax Credit



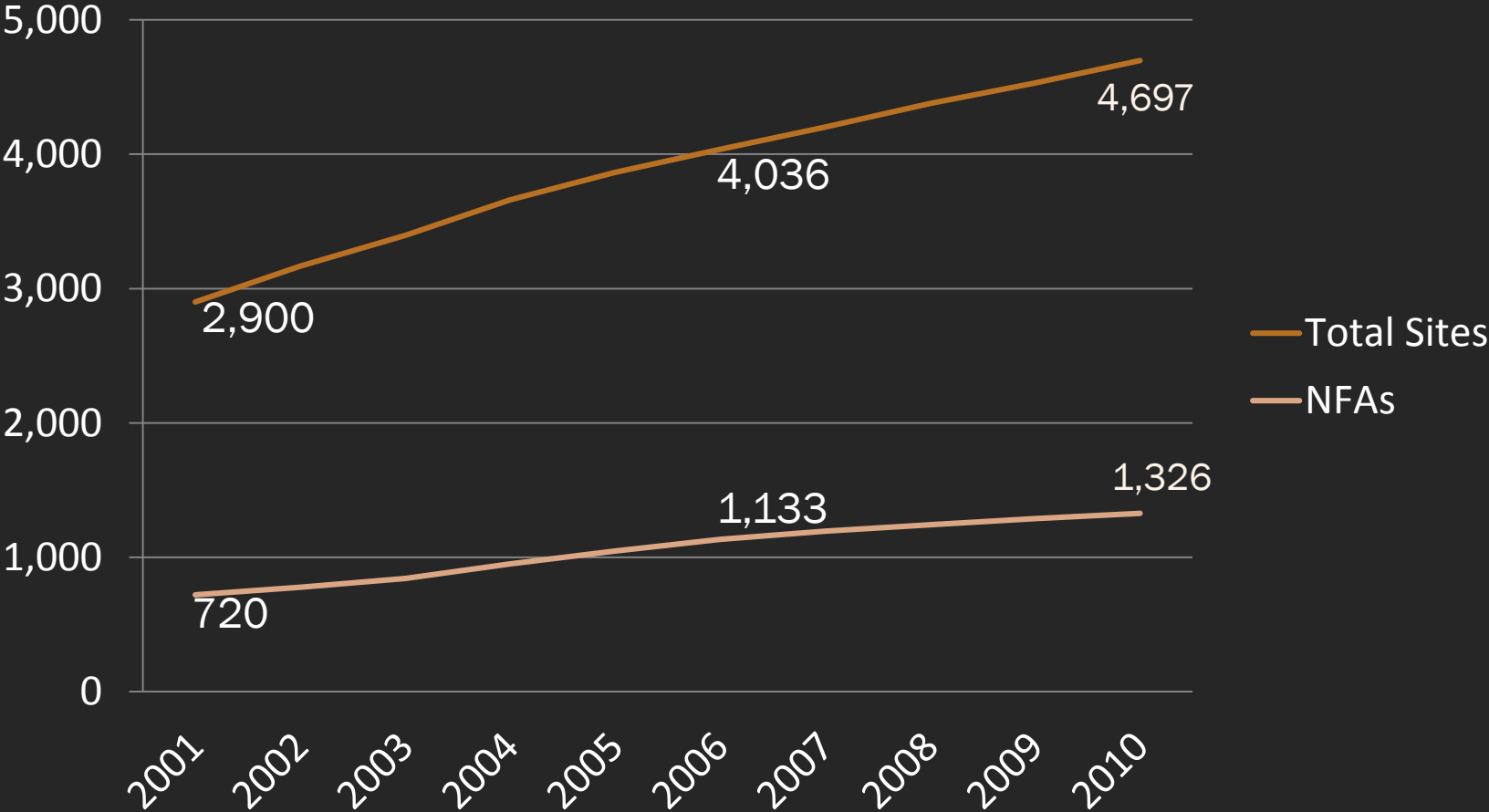
Seth Otto
Maul Foster & Alongi, Inc.
February 07, 2019



Contaminated Sites are Statewide



Contaminated Sites in Oregon



Source: ECSI 2011



Why should we invest in brownfield redevelopment?

Economic Impact of Existing State Programs

Between 1990 and 2013, **\$1** of state investment in brownfield cleanup leveraged **\$116** in other funds generating **8,900** on-site and indirect jobs on **2,600** acres.

Total Fiscal Impact – Business Oregon BRF

8,900 Jobs =

\$19.4 m in income taxes annually

\$10.5 m in property taxes annually

Return on Investment – Outcome From \$1m Invested – Metro, 2012

					Annual Tax Revenue/\$m	
					Property Tax	Personal Income Tax
	Acres/\$m	Total SF/\$m	New Jobs/\$m	Dwelling Units/\$m		
Remediation Tax Credit	7.8	763,500	160	600	\$1,218,500	\$326,600
Property tax Abatement	5.6	544,500	110	430	\$869,000	\$232,900
Cleanup Fund	3.9	153,500	40	90	\$243,600	\$113,300
Land Bank	3.5	74,800	30	30	\$123,800	\$94,500

ROI: Implications

- No single policy incentive will likely be sufficient to catalyze redevelopment of all brownfields
- Policies that leverage private resources typically have higher financial ROI
 - **Property Tax Abatement**
 - **Remediation Tax Credit**
- Direct public investments have the potential to target and support challenged properties
 - **Land Bank**
 - **Dedicated Brownfield Cleanup Fund Capitalization**
- Tax incentives tend to support projects that are close to financial feasibility

Statewide Tax Credit Analysis

- **Redevelopment Feasibility: What is the population of Brownfield properties that would benefit from a Remediation Tax Credit?**
 - **What markets?**
 - **What types of properties?**
- **Economic Impact: What are the costs and benefits associated with a Remediation Tax Credit?**
 - **Jobs**
 - **Housing Units**
 - **Property Tax**
 - **Income Tax**



Thank You