

March 3, 2021

Sen. Lee Beyer and Rep. David Gomberg, Co-Chairs
Ways and Means Subcommittee on Transportation and Economic Development
Oregon State Capitol
Salem, Oregon 97301

Re: HB 5023 - Recapitalization of Brownfields Redevelopment Fund

Co-Chairs Beyer and Gomberg and Members of the Subcommittee:

Thousands of properties around Oregon are vacant or underutilized because of known or perceived environmental contamination. Known as brownfields, these properties are failing to contribute to Oregon's economic recovery and undermine the livability of communities statewide.

Brownfields can be found in virtually every city and county in the state, with more than half located in economically distressed communities. Unfortunately, the wildfires that recently devastated communities like Phoenix, Talent, Glide, Gates and Detroit have only added to this problem by leaving many properties – residential, commercial and industrial – contaminated with toxic ash and debris.

Studies conducted by local governments across Oregon – including in the Rogue Valley, Ontario, Lincoln City, The Dalles, Tigard and Portland – have identified the local potential for cleanup and redevelopment of these vacant, blighted, and/or underutilized sites. A 2014 ECONorthwest analysis found that each dollar the state invests in brownfield projects leverages an additional \$116 toward redevelopment.

In 2014, a new statewide coalition came together to address this opportunity by supporting both existing and new policy and funding tools that can facilitate brownfield cleanup and redevelopment. Beginning in the 2015 legislative session, the Oregon Brownfield Coalition has been instrumental in passing legislation and obtaining funding to support this goal.

One existing tool that plays a critical role in brownfield cleanup is the Brownfields Redevelopment Fund (BRF), administered by Business Oregon. Since its inception, the BRF has received \$16.5 million in state funding; by revolving these dollars it has issued \$26.3 million in grants and loans to address contaminated sites statewide. These funds have supported projects in 34 Oregon counties; more than three-quarters of BRF grants have been awarded to projects located outside the Portland region.

The BRF was last recapitalized with \$7 million from lottery bonds authorized by the 2015 Legislature with the support of the Oregon Brownfield Coalition. (The 2019 Legislature allocated \$5 million to the BRF, but this funding was rescinded due to the COVID-related cancellation of lottery bond sales.) While demand for brownfields financing assistance continues to increase, the BRF has awarded and disbursed all of its capitalized funds and is operating on revolved funds. Business Oregon has submitted a request for \$10 million to recapitalize the Fund in Policy Option Package 105.

Recapitalization of the Brownfields Redevelopment Fund is the Oregon Brownfield Coalition's top legislative priority for the 2021 session. The undersigned members of the Coalition ask that you include the full \$10 million agency request for the BRF in the 2021-23 Business Oregon budget.

Thank you very much for your consideration of this request.

Sincerely,

