

Evaluating Policy Tools to Incentivize Brownfield Redevelopment: Learning from Oregon's Brownfield Coalition

Washington State Brownfield Conference
May 30, 2019

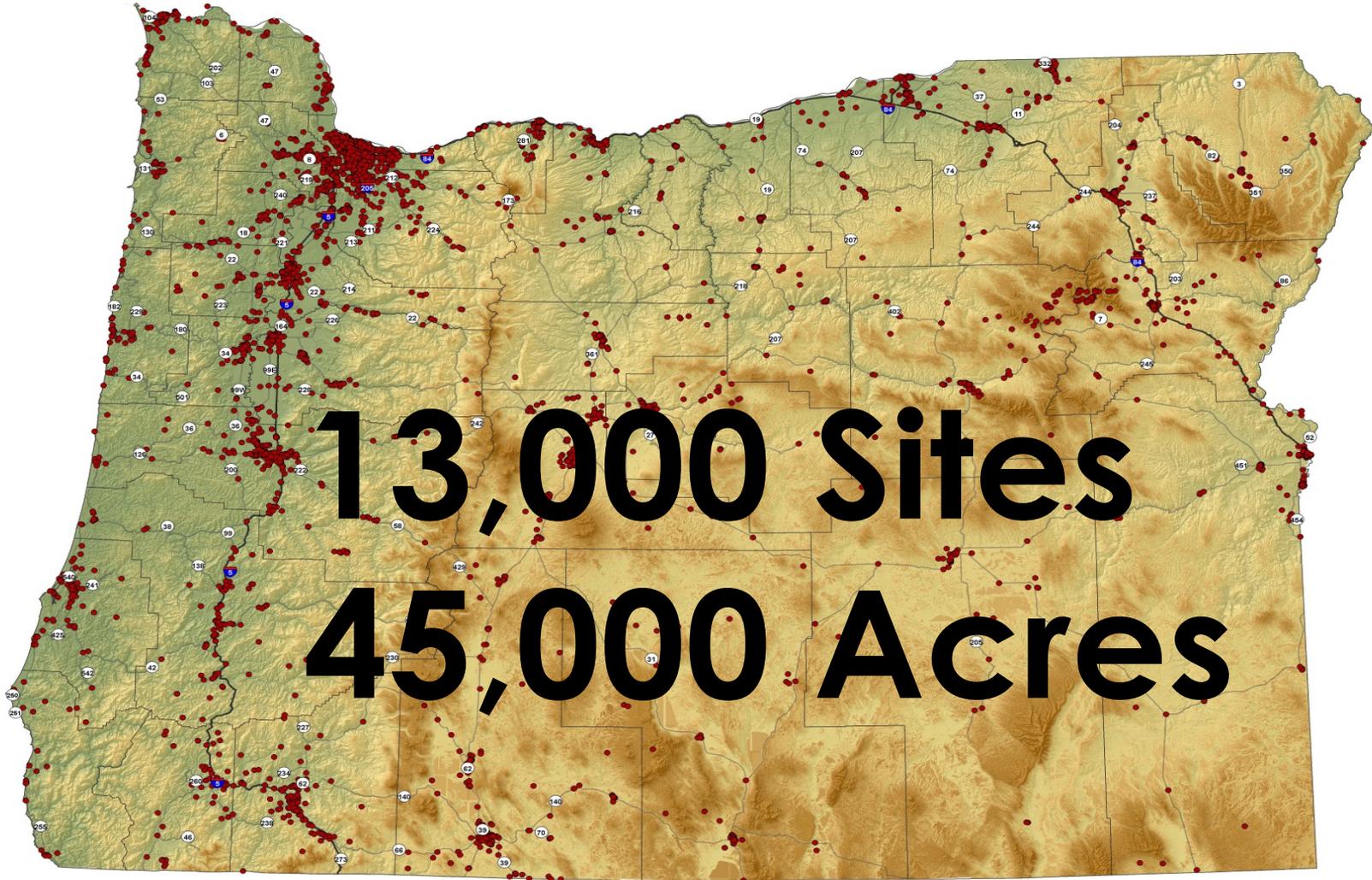
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Overview

- I. Brownfields in Oregon
- II. City of Portland Case Study
- III. Applications

Oregon Cleanup Sites



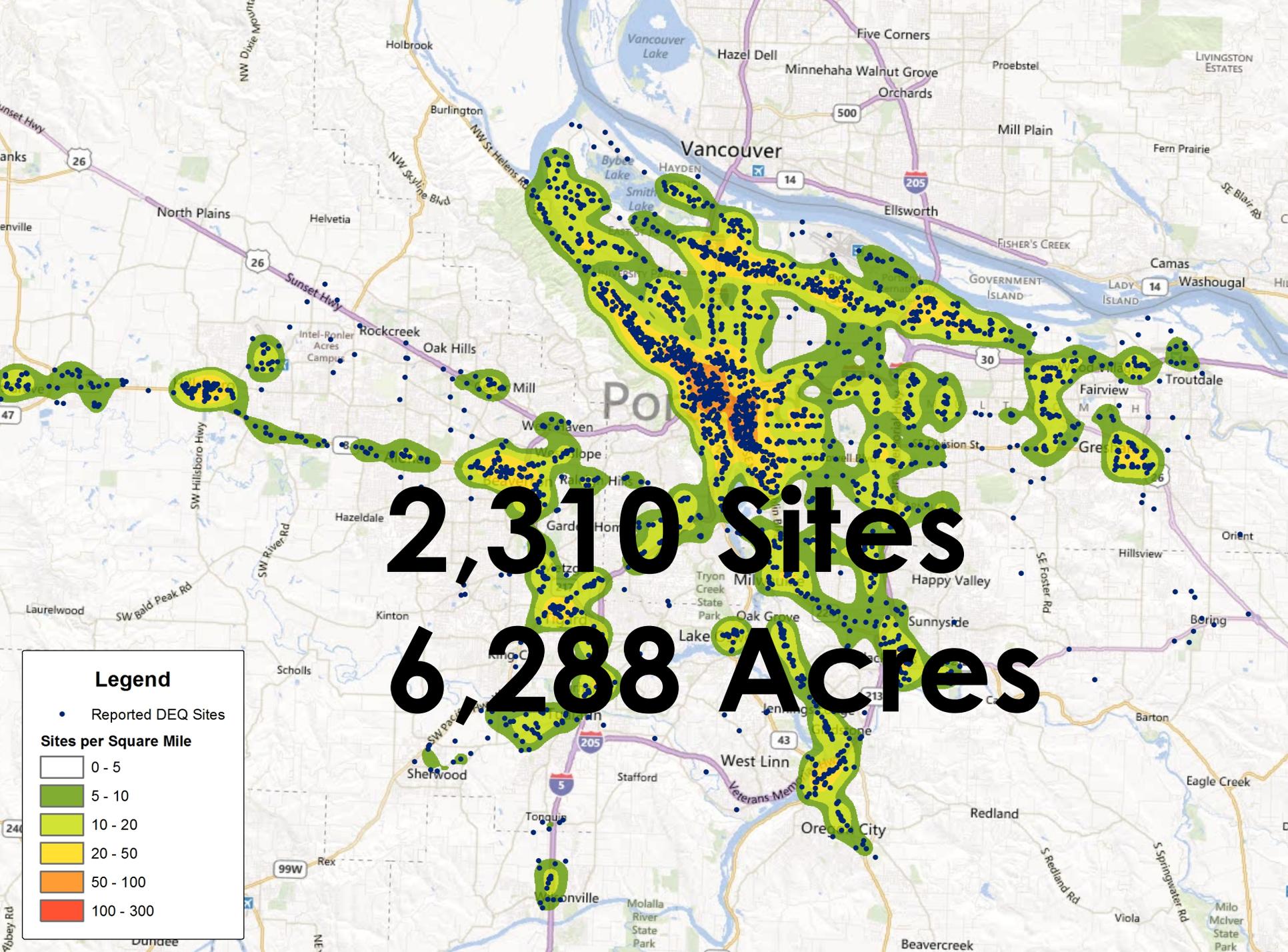
Legend

-  Cleanup Sites
-  Interstates
-  State Highways
-  Counties



The sites symbolized on this map represent data obtained from the Oregon Department of Environmental Quality, Environmental Cleanup Site Information database. The database was obtained on December 1st, 2011.

All other spatial data was obtained from the United States Department of Agriculture, Natural Resources Conservation Service, Geospatial Data Gateway or from the Oregon Geospatial Data Clearinghouse.



2,310 Sites
6,288 Acres

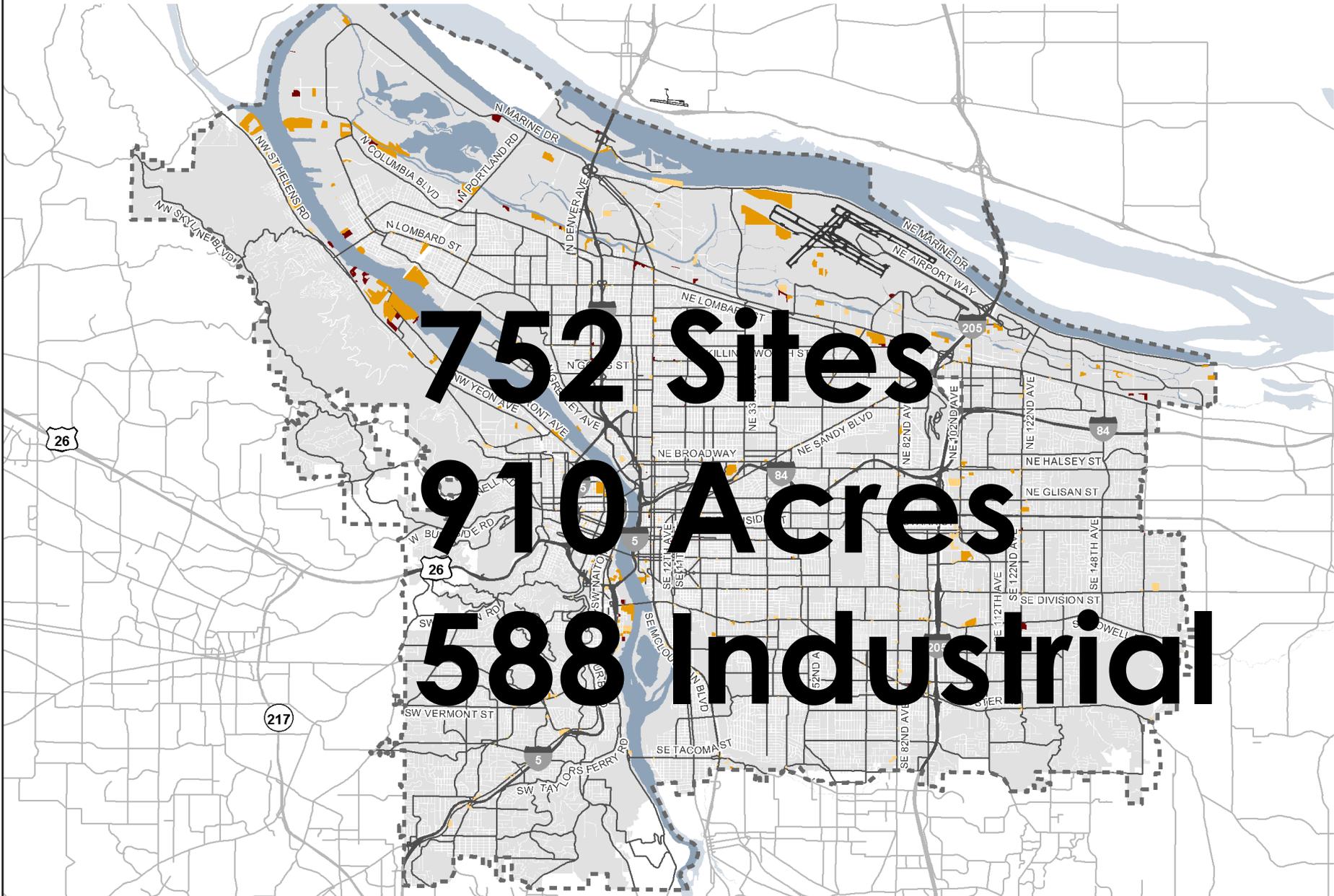
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- Reported DEQ Sites

Sites per Square Mile

0 - 5
5 - 10
10 - 20
20 - 50
50 - 100
100 - 300

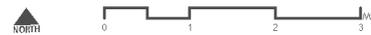
■ "underutilized" parcel with LUST record
 ■ "underutilized" parcel with ECSI record
 ■ "underutilized" parcel with ECSI and LUST record



Buildable Lands Inventory | Parcels with Identified Potential Contamination

August 15, 2012

The information on this map was derived from City of Portland GIS databases. Care was taken in the creation of this map but it is provided "as is". The City of Portland cannot accept any responsibility for error, omissions or positional accuracy.




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 Sam Adams, Mayor • Susan Anderson, Director

Impact of Brownfield Development

- With 100% redevelopment:
 - 58 million sq ft of new development
 - \$6 - \$8 billion AV (\$2012)
 - Space for ~20,000 new jobs
- Could accommodate:
 - 142 new KOIN Towers
 - 18% to 59% of total 20 year employment demand identified in Metro's UGR

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

					Annual Tax Revenue/\$m	
	Acres/\$m	Total SF/\$m	New Jobs/\$m	Dwelling Units/\$m	Property Tax	Personal Income Tax
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

City of Portland Case Study – Tax Incentive

- Overview of Analysis
- Scenarios & Assumptions
- Methodology
- Results

City of Portland Case Study - Overview

- Assessed costs and benefits
- Proposed tax incentive to temporarily reduce or exempt the tax payments
- Model to evaluate a range of input data and assumptions
- Properties based on the inventory and typology of brownfield sites prepared by MFA
- Three scenarios based on participation rates and costs (high/high, medium/medium, and low/high) for a 10-year program.

City of Portland Case Study – Scenarios & Assumption

Scenarios	Level of Participation	Remediation Cost (per acre)
High/High	20%	\$809,222
Medium/Medium	10%	\$303,458
Low/High	5%	\$809,222

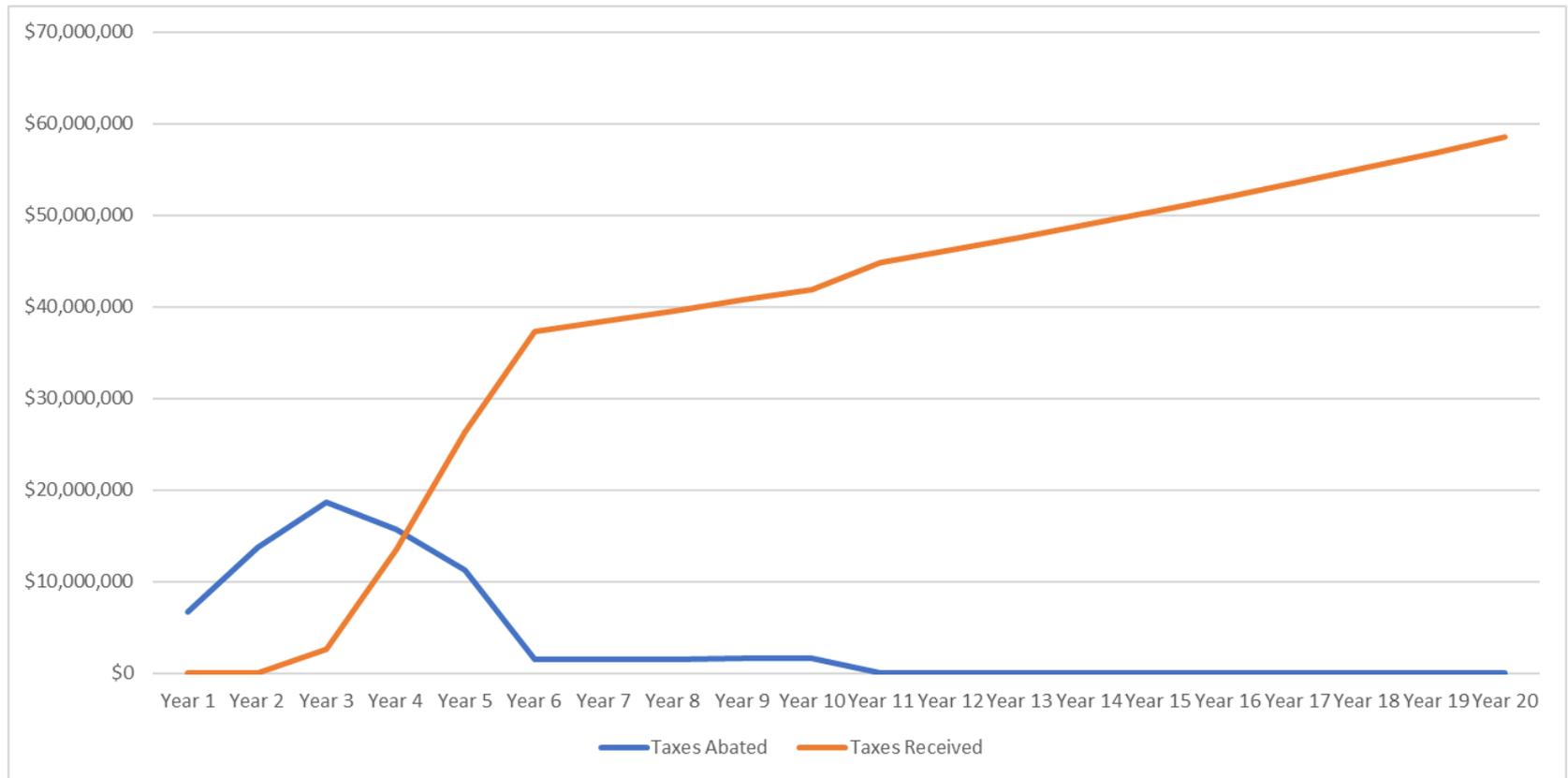
City of Portland Case Study – Methodology

- Payback Analysis
 - Time it takes for additional tax revenue generated by the program to offset the foregone tax revenue used as the incentive.
 - Depends on remediation cost assumption
- Financial Position
 - Net Benefit of Program over 20-year period
 - Includes 10-year program period and 10-year post-program period
 - Sum of “lost revenues” is deducted from the total sum of taxes collected

City of Portland Case Study – Results High/High Scenario

Project	Total Acres	Share Participation	Participating Acres
Central City HD	94	20%	18.8
Central City IND	4	20%	0.8
Mixed Use Centers	58	20%	11.6
Mixed Main Streets	194	20%	38.8
Industrial	326	20%	65.2
Superfund Shadow	79	20%	15.8

City of Portland Case Study – Results High/High Scenario



City of Portland Case Study – Results High/High Scenario

