



PROSPER  
PORTLAND

Building an Equitable Economy



# Portland Brownfield Cleanup Tax Incentive

July 2017

# Council Action

Direct the Bureau of Environmental Services, Bureau of Planning and Sustainability, and Prosper Portland to evaluate development of a Brownfield Cleanup Tax Incentive that benefits the City of Portland

# The Case for Action

Approximately **910 acres** of potential brownfields in Portland

Total cleanup of all Portland brownfields estimated at **\$240 million**

Adaptive reuse of brownfields allows continued economic development **within the Urban Growth Boundary**

Brownfield reuse is a key strategy for meeting **social, environmental, and economic goals** for the City of Portland



# Why Now?

More than 50 organizations, led by Metro as the Oregon Brownfield Coalition, are advocating for new brownfield tools.

- City of Portland
- 1000 Friends of Oregon
- Association of Oregon Industries
- Association of Oregon Counties
- Audubon Society of Portland
- Columbia Corridor Association
- League of Oregon Cities
- Metro
- Special Districts Association of Oregon
- Port of Portland
- Multnomah County
- Northwest Environmental Business Council
- Oregon Economic Development Association
- Oregon State Building & Construction Trades Council
- Portland Business Alliance
- Verde
- Many other statewide organizations and jurisdictions.

The Coalition identified a property tax incentive as a key tool to address Oregon brownfields.



With Oregon Brownfield Coalition support, the 2016 Legislative Session enacted **House Bill 4084** authorizing local governments to provide property tax incentive programs for brownfield cleanup.



**All State of Oregon House of Representatives and Senate members present collectively voted 100% in favor of HB 4084**

# How it Works

Jurisdictions have the ability to tailor the program to local priorities. **Over the next year we will fine-tune a plan for Portland's program.** Here is how it might work:

- Sites using the incentive would receive a **property tax exemption in the amount equal to 50% of cleanup costs.**
- An **additional 25% of cleanup costs can be added to the total exemption for specific types of high-priority projects**, up to (but not exceeding) 100% of the amount spent on cleanup. A potential list based on Coalition recommendations and Portland priorities:

Redevelopment as affordable housing

Cleanup achieves 50% minority- and woman-owned participation

Cleanup is on a site located in a poverty area as defined by the  
U.S. Census Bureau

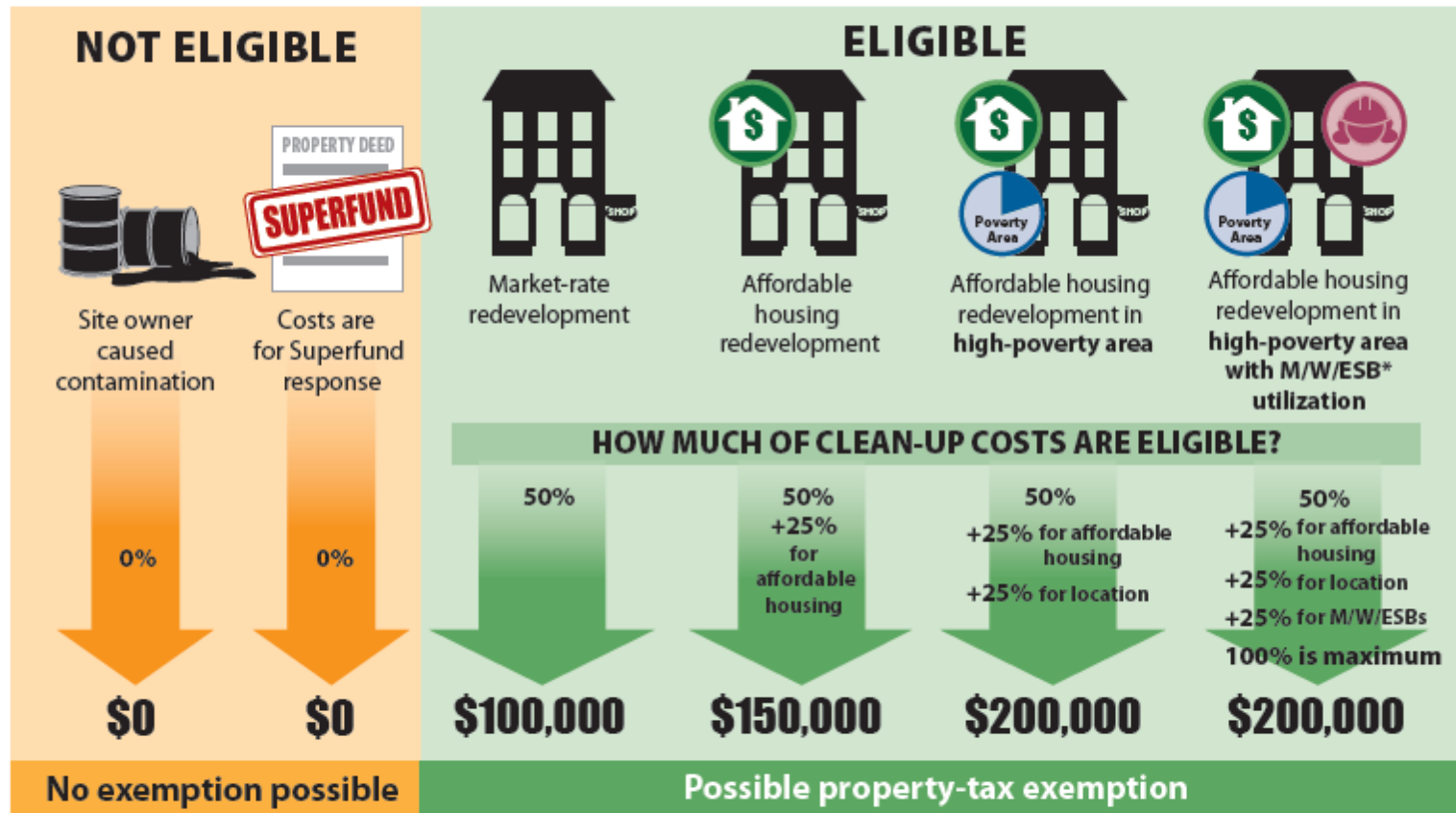
Cleanup on property zoned for industrial use, to incent middle  
wage jobs and help Portland meet its industrial land needs

Construction results in at least 50% of the property area  
permanently protected as public open space

# Sample Incentive Structure

Example of how the new property tax-exemption incentive for cleaning up Portland's brownfields might work

## If \$200,000 is spent on cleanup—



Eligible sites receive a property-tax exemption equal to 50% of clean-up costs, with an additional 25% for meeting each of five priority goals, **up to 100% clean-up costs**.

# Impact

## Economic

- Brownfield properties account for 1/3 of growth capacity in Portland's industrial and commercial employment areas.

## Social

- Brownfields are three times more likely to be located in underserved communities and contribute to health disparities.

## Environmental

- 50% of brownfields are within 1,000 feet of environmentally sensitive areas.

