3-18-1998

Community Solutions: Moving Toward Brownfield Redevelopment

Matt Anderson
Portland State University

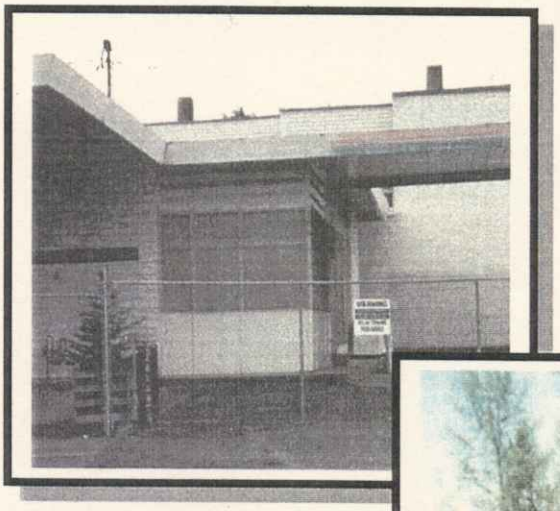
Scott Chapman
Portland State University

Martin Custred
Portland State University

Kirsten Krane
Portland State University

Camron Parker
Portland State University

Community Solutions



Moving Toward Brownfield Redevelopment

Resource Manual

COMMUNITY SOLUTIONS:
Moving Toward Brownfield Redevelopment

Draft to the City of Portland, March 18, 1998

Produced by:

Matt Anderson
Scott Chapman
Martin Custred
Kirsten Krane
Camron Parker

of

The Graduate Planning Workshop
Master of Urban and Regional Planning Program
Portland State University

in partnership with

The Portland Brownfield Initiative
Bureau of Transportation
City of Portland

The Graduate Planning Workshop provides students with professional planning experience. Student teams develop consulting contracts with clients for planning services that address regional issues and the student's personal and professional interests. The Workshop provides experience in planning for constructive social and environmental change, while considering the planner's ethical responsibility to serve the public interest.

The Portland Brownfield Initiative is a pilot project sponsored by the U.S. Environmental Protection Agency's Brownfield Economic Redevelopment Initiative. The goal of the initiative is to assist local communities, businesses and governments to identify key obstacles to brownfield redevelopment.

TABLE OF CONTENTS

INTRODUCTION

Environmental stewardship has long been a part of daily life in Oregon. Every day, as we sort our recycling and set aside our glass and aluminum bottles, we are reminded that our natural resources are in limited supply. This pattern of thinking has extended to our practices in real estate development as well. For almost thirty years now, the State of Oregon has maintained strict standards for land development through statewide planning goals and urban growth boundaries.

Urban growth boundaries are intended to encourage more development within the existing developed areas and save rural lands from urban sprawl. If this is true, why are there so many large areas of vacant land in the very heart of Portland? It is very likely that these vacant parcels of land are associated with the term "brownfields."

Brownfields are properties where expansion or development is complicated by real or perceived environmental contamination on the site. Current owners, prospective purchasers, prospective lenders and neighbors have concerns about redeveloping brownfields. In many cases, these concerns cause properties to become abandoned or put to uses well below their full potential.

Brownfields carry with them many obstacles that suppress economic growth. Yet, due to their locations, these sites also hold great promise for future redevelopment. This resource manual is designed to help citizens overcome obstacles and realize the potential of Portland's brownfields.

Brownfields Affect You

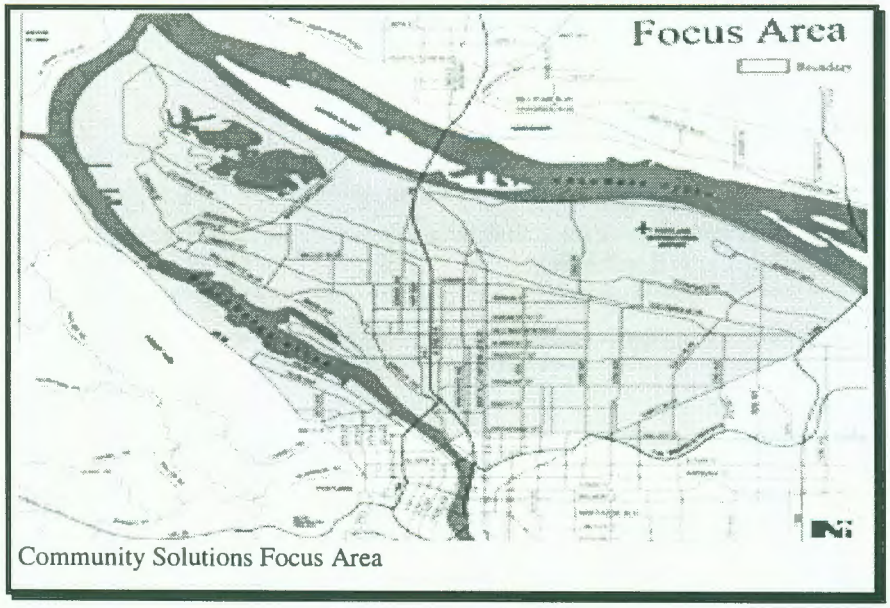
There are several important reasons why you should be concerned about contaminated property in your neighborhood and your city:

- **It's Your Neighborhood**: Brownfields become underused land resources within areas planned for dense economic and population growth. If our urban neighborhoods are to maintain their vitality and livability, contaminated properties must be identified and citizens must work together to encourage cleanup and redevelopment.
- **It's Your Opportunity**: There are public and private sector programs designed to help redevelop brownfields. Through these resources, brownfield stakeholders have an enhanced opportunity to involve themselves in shaping how redevelopment takes place in their community.
- **It's Your Health**: Contaminated properties pose real health risks. Hazardous materials placed into the soil may not stay put. Contaminants can slowly invade soil on neighboring properties. Contaminants can also enter groundwater, where they endanger those working, living, or playing around the site.

How this Document Came to Be

Community Solutions was authored by a team of graduate students from the School of Urban Studies and Planning at Portland State University. The team members brought professional and academic experience from the specialties of land use planning, environmental advocacy and community economic development. Their charge was to investigate exactly how community groups can become involved in land use actions involving contaminated property within Portland's North, Northeast, and Northwest neighborhoods (refer to inset map).

During this investigation, it became clear that a community's best prospect for success will be to use existing public involvement processes to advance community-based goals for brownfield redevelopment. While working through the existing system, communities can advocate for the creation of programs to specifically address brownfield redevelopment. The Portland Brownfield Initiative, the funding partner of this document, will be the avenue through which potential new brownfield redevelopment programs are identified.



Community Solutions Focus Area

The Portland Brownfield Initiative is a pilot program operating under a grant from the U.S. Environmental Protection Agency. A primary goal in the Initiative is to provide easier access to existing information regarding brownfield regulation, funding, and redevelopment in general. Another major focus of the Initiative is to develop strategies that will accelerate brownfield redevelopment within the city. This resource manual was recommended by a citizen committee formed by the Portland Brownfield Initiative to help ensure that members of communities surrounding brownfields are indispensable partners in the cleanup of contaminated properties.

Using this Document

Community Solutions is designed to allow those just entering the redevelopment process a basic understanding of important brownfield topics. Resources and contacts for these topics are found at the bottom of each section, including a variety of organizations, publications, internet websites, and key individuals who can assist you.

WHAT ARE BROWNFIELDS?

Before developing a strategy to actively address brownfields in your community, it is necessary to understand what kind of properties may be brownfields and where these properties may exist. The first half of this section explains how brownfields are created and why brownfields seem to be more common in certain areas of the city. The second half explains issues related to how brownfield records are kept.

Sizing Up Brownfields

Any property can become contaminated in any number of ways. Three common sources of pollutants include:

- **Release of Contaminants**: Industrial and commercial uses of property may have led to the release of hazardous substances. Leaks from piping and storage tank systems can lead to hazardous materials accumulating in the soil or groundwater. A typical example of this problem are underground storage tanks filled with gasoline for gas stations or heating oil for homes.
- **Past Practices involving the Handling of Hazardous Materials:** A number of hazardous materials have been used in our daily lives before they were found to cause health risks. The use of lead based paints, asbestos, and the improper disposal of chemicals may have been acceptable practices in the past, but are now are recognized as potential causes of brownfields.
- **Dumping of Wastes:** Improper disposal of hazardous wastes can lead to the contamination of properties that otherwise may not have been impacted through past use. These sites are often the most difficult to identify.

Their Locations

Contamination can appear on any site, be it industrial, commercial or residential. However, there are a few businesses that have resulted in a substantially large number of brownfields. Service stations, with their handling of petroleum products, as well as dry cleaners, with their use of dangerous solvents, tend to become problem sites. A recent list published in the Fall 1997 edition of *Brownfield News* ranks these two activities as the number one and two causes of brownfields across the country.

Top 10 Functional Brownfields

1. Gas Stations/Service Stations
2. Dry Cleaners
3. Military Bases/Federal facilities
4. Railroads
5. Truck terminals
6. Auto recycling facilities
7. Liquid/Chemical Storage
8. Petrochemical production facilities
9. Landfills
10. Steel manufacturing plants

While gas stations may lead the pack in number of brownfields, industrial sites are usually the most recognized brownfields. This is due to their size, and the variety and concentration of hazardous materials on-site. Industries also locate within the same areas of the city. This can lead to a number of brownfields in one area. In Portland, most heavy industrial activity has located near the Columbia and Willamette rivers. As a result, the North,

Northeast and Northwest neighborhoods host the highest numbers of industrial brownfields.

How Many Brownfields Are There?

The Portland region has a considerable number of contaminated sites. As of June, 1994, data taken from the U.S. Environmental Protection Agency (EPA) and Oregon's Department of Environmental Quality (DEQ) records show the following:

- an estimated 484 confirmed contaminated sites
- over 2500 reported releases from leaking underground storage tanks
- over 600 sites suspected to be contaminated with hazardous substances

OMSI: A large scale brownfield redevelopment

The number of brownfields and suspected brownfields in Portland are estimates. They provide a general idea of where brownfields exist, but they are by no means comprehensive. The records cannot track all leaks and spills as well as any illegal dumping that has occurred. In addition, not all brownfields are reported.

There are many different databases and many different agencies involved in listing contaminated and potentially contaminated sites. Individuals interested in obtaining information on contaminated properties can access a number of public records to define where such hazards exist. Information is available regarding:

- spills and leaks
- registered underground tanks
- hazardous waste sites
- radioactive materials
- toxic substances
- cleaned up sites

RESOURCES

For information on listed contaminated properties in the DEQ OPENS database -- (503) 229-6170
Portland Environmental Justice Advocacy Group (EJAG) -- 283-7841
U.S. Environmental Protection Agency Superfund Hotline -- (800) 424-9346 or, http://www.epa.gov
U.S. Environmental Protection Agency Public Information Center -- (202) 260-7751
Portland Brownfield Initiative -- http://www.brownfield.org/

WHY SHOULD I CARE ABOUT BROWNFIELDS?

There are two reasons why brownfields in your neighborhood must be addressed. First, contaminated properties are a threat to the long-term economic health of your community. Second, contaminated properties may pose physical health risks to those who live, work, or play in the immediate vicinity.

Economic Health Risks

Brownfields take many forms. The Department of Environmental Quality recently conducted a brief survey of Martin Luther King Jr. Boulevard. They identified 13 properties as potential brownfields along with 64 additional properties with potential environmental concerns. A majority of these properties are home to profitable and active businesses. Contamination on these sites has not effected their economic viability. There are however a significant number of other sites where the story is otherwise.

It does not take many vacant or abandoned properties to threaten the vitality of a neighborhood commercial district. Brownfields deny the neighborhood a potential location for local jobs and services. Vacant and underutilized lots are typically weedy and littered. They may also be cut off from the neighborhood by a chain link fence. Beyond the look of the property, abandoned lots pull down the property values of adjacent lots. They may also provide a haven for illegal activities, especially if there is an abandoned building on the site.

A potential neighborhood brownfield?

You need only stand in front of a vacant or abandoned lot on a busy street corner and imagine what the lot would look like with a new business, office, or residence. This image is cause enough for a community group to promote the redevelopment of brownfields that are vacant or underutilized.

Personal Health Risks

Whether a brownfield is vacant or in productive use, the personal health risks associated with a brownfield frequently generates immediate concern. For most,

the term brownfield evokes an image of large tracts of industrial wastelands that pose a serious hazard to anyone in the surrounding area. In typical neighborhood brownfields, however, the contaminants found on-site are at low enough concentrations that an unlikely set of circumstances are required to warrant concern for the physical health of the community.

Problems in Prineville

Eye irritation, nausea and other medical problems plagued employees and patrons of a hair salon in Prineville, Oregon. The cause? Leaking underground storage tanks at a Texaco gas station one block away. Tests by the Department of Environmental Quality show that at least five neighboring businesses received levels of air contaminants more than five times the level considered safe by the state health division. Medical tests revealed that the carcinogen benzene was present in the hair salon owner's blood. When the gas tanks were removed and examined, holes were found that ranged from pencil to nickel size. EPA has rules for corrosion protection and leak protection, however, more than 65 percent of the gas stations and other facilities do not yet meet the standards.

The public's ability to access contamination on or from a brownfield site is one of the primary factors examined when determining health risks. For example, a vacant lot that once was the site of a dry cleaning business is certainly more of a risk to neighbors than a house down the street with a leaking heating oil tank. There are, however, additional considerations when determining health risks. While the leaking underground oil tank is not directly accessible to people, oil may slowly be migrating through the soil into a nearby stream, or a neighboring community garden. The problem is be compounded if there are numerous underground storage tanks in the neighborhood.

Simply put, the health risks associated with contaminated properties in neighborhoods are largely unknown. Therefore, potential brownfields should be viewed with both an immediate and a long-term perspective. Priority for cleanup and redevelopment should be given to those sites, if any, that have proven health risks. While giving immediate focus to confirmed problem sites, community groups must continually promote small scale cleanup of contaminated soil on commercial or residential properties. In the long run, many small steps toward removing contaminants from the soil will go far in maintaining the sustainability and vitality of a neighborhood.

RESOURCES

For information of environmental health risks, call:
Oregon State Health Division -- (800) 422-6012, or the Multnomah County Environmental Health Office -- (503) 248-3400 or (503) 248-3816
For information regarding neighborhood commercial revitalization efforts, call the Portland Development Commission -- (503) 823-3200

BARRIERS TO BROWNFIELD REDEVELOPMENT

Due to potentially high costs and environmental liability, purchasers and developers have avoided brownfields in favor of uncontaminated, undeveloped "greenfields." This trend is a factor in causing urban sprawl. In Oregon, Urban Growth Boundaries are a force against sprawl and can help foster brownfield redevelopment. However, several barriers must be addressed for our land use and growth management strategies to successfully promote recycling of contaminated property. This section briefly addresses some of the common redevelopment obstacles.

Redevelopment Obstacles

Environmental regulations
The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), or federal Superfund law, and similar legislation have been enacted by most states, including Oregon. These laws were designed to make known parties who may be held accountable for the cleanup of heavily contaminated properties. Even those not originally responsible for the most damage could be held financially liable according to these laws. In other words, owners of contaminated properties can be held responsible for cleaning them up, whether or not they have caused the pollution. Superfund laws have resulted in unfortunate side-effects. For example, the sale of property that may have low levels of contamination can trigger extensive and expensive environmental testing and documentation. When property owners realize this, they think twice about selling or developing their property. The mere perception of contamination based on past use is often enough to discourage prospective purchasers.

Extra Development Costs
Testing to determine whether a site has been contaminated by past use or to determine the level of contamination can be time consuming and expensive. Moreover, the accuracy of site assessments depends upon the number and location of samples and the results of those samples. Often, a sample from one location may test clean, while another only feet away may show contamination.

To Lend or Not to Lend
Financial institutions are reluctant to make loans for projects on potentially contaminated properties for several reasons. Lenders fear that unexpected cleanup costs could adversely impact the borrower and thus jeopardize the security of the loan. Contaminated properties make undesirable collateral. In the event of a borrower's failure to pay back the loan, the bank could end up owning the brownfield. Banks also fear that their association with a brownfield redevelopment project may designate them as a responsible party for the cleanup of the site.

Incomplete Information

Because brownfield reuse projects require close coordination among government, business, and communities, inadequate information and channels of communication can be a serious impediment. Numerous private developers have expressed frustration with the difficulty of obtaining comprehensive, site-specific environmental and redevelopment information needed to design and evaluate brownfield projects. Government entities and community groups, have been hampered by information systems and procedures that are poorly suited to brownfield complexities.

RESOURCES

U.S. Environmental Protection Agency -- http://www.epa.gov/
Department of Environmental Quality -- http://www.deq.state.or.us/
Portland Brownfield Initiative -- http://www.brownfield.org/
Davis, Todd S. 1997. *Brownfields: a Comprehensive Guide to Redeveloping Contaminated Property*. American Bar Association: Chicago, IL.

THE FULL SPECTRUM OF BROWNFIELDS

If you were to categorize brownfields individually, you would find that no two brownfields are alike; rather, they fall into a wide spectrum. These properties will experience different levels of barriers to redevelopment, and each will require a different strategy to recycle the land into an economically viable part of its community. For purposes of explanation, three examples of brownfields within Portland are highlighted.

BROWNFIELDS WITH FEW BARRIERS

These are properties where either the real estate market is strong enough to overcome environmental or other liabilities, or the contamination is not a significant factor in redevelopment. Sites also benefit from community groups, property owners and lenders who know how to handle environmental cleanups efficiently and effectively.

Local Example: The Belmont Dairy

The redevelopment of the Belmont Dairy has successfully increased property values and decreased crime rates in the Belmont Business District and surrounding neighborhoods. With 24 underground storage tanks, lead paint and various chemical contaminants, the dairy sat vacant for several years. Through DEQ's Prospective Purchaser Agreement Program, a for-profit developer purchased the site, removed the underground storage tanks and capped the contaminated soil. The result of this effort is mixed-use commercial and residential development that is a centerpiece for the surrounding community.

Belmont Dairy

BROWNFIELDS WITH MODERATE BARRIERS

These are properties in a volatile real estate market, or where the contamination levels and environmental liabilities are unknown. These properties may also be underdeveloped because testing and cleanup costs exceed the willingness to pay of the property owner. Brownfields with moderate barriers often require public intervention.

Local Example: The River District
Portland's River District is an example of a contaminated site undergoing significant land use changes. Its history includes railway switching yards, locomotive maintenance, and heavy industrial uses. As a result, the property was contaminated with lead, petroleum products, and low levels of arsenic. The Portland Development Commission and a private developer are planning to meet the city's future need for housing with a high density mixed-use development on the site. A number of innovative treatment technologies were used to clean the site. Success of the project is dependent on the collaborative efforts of the River District Steering Committee, Portland Streetcar, Incorporated, and the Pearl District Neighborhood Association.

BROWNFIELDS WITH MANY BARRIERS

These are properties with serious contamination where development will not occur without major public investment (such as Superfund sites). These brownfields carry remediation costs that far exceed the value of the property.

Local Example: McCormick & Baxter
From 1942 until it went bankrupt in 1991, the McCormick and Baxter Creosoting Company treated wood products for various uses. State and federal governments are spending millions of dollars to cleanup years of spilled toxic chemicals. Thus far, the DEQ has focused on removing scrap from the site, treating the groundwater, and stopping creosote from seeping into the river. The next step is to dig up dioxin contaminated soil and collect other contaminants on the site. Finally, the entire 58 acre site will be capped with several feet of fresh soil. This site is one of three federally designated Superfund sites in the Portland region.

PROGRAMS CURRENTLY IN PLACE

There are a number of programs that could be useful in helping citizens overcome the barriers that hinder the redevelopment of contaminated properties. This section provides an overview of select local, state, and federal efforts underway that specifically address contaminated sites. These programs benefit brownfield stakeholders by encouraging the return of contaminated property to productive uses.

Federal-Local Partnerships

Environmental Protection Agency's Brownfields Redevelopment Initiatives
The Clinton Administration acted on the rising criticism that state and federal Superfund laws do not adequately consider the future of contaminated properties and their impact on local communities. In 1995, the Brownfield Action Agenda was launched, including a set of EPA initiatives and grant programs to assist communities in eliminating barriers to brownfield redevelopment. Subsequently, in 1997 the federal government brought together the resources of 15 federal agencies as part of the Brownfields National Partnership. In the Portland area, EPA and Housing and Urban Development staff are available to offer guidance in accessing federal brownfield programs.

Environmental Protection Agency Brownfield Pilots
EPA's Brownfield Initiative awarded grants for over one hundred pilot projects to towns and cities across the country as seed money to promote brownfield redevelopment efforts. The goal of EPA's initiative is to empower states, communities, and other stakeholders in economic development to work together towards the sustainable reuse of brownfields.

The Portland Brownfield Initiative
In February 1996, the City of Portland was awarded a $200,000 pilot project grant. The Portland Brownfield Initiative seeks to create brownfield redevelopment strategies and opportunities for improved community participation on a community-wide scale. For that reason, the Portland Initiative does not target any one particular brownfield site, but rather focuses on the process of developing community-based strategies in areas where brownfields are an all too common occurrence.

State Programs

Two recent laws passed in Oregon, the Oregon Recycled Lands Act of 1995 and House Bill 3724 resulted in a variety of programs available to Oregonians who desire to cleanup properties for productive reuse. Other reforms to both federal and state legislation have attempted to limit the liability for brownfield cleanups and encourage recycling of contaminated properties

Voluntary Cleanup Program
The Oregon Department of Environmental Quality (DEQ) instituted the Voluntary Cleanup Program (VCP) in 1991 in order to partner with owners and operators of contaminated properties for investigation and cleanup of their sites. The VCP is flexible, enabling cleanups to be completed in a manner which meets the site owner's or operator's needs. The program offers a framework where DEQ provides the responsible party with the appropriate technical and regulatory advice. DEQ staff, in partnership with the owner or operator, sets the objectives for the cleanup including the scope of DEQ's involvement. This process is initiated with a signed letter of agreement that covers liability issues and, in accordance with the statute, requires the responsible party to pay for DEQ's involvement in the cleanup.

Prospective Purchaser Agreements
DEQ also uses Prospective Purchaser Agreements (PPA) as a tool to promote the cleanup and reuse of contaminated properties. A PPA is essentially a promise from the State not to return to the purchaser for environmental cleanup at the property, for any contamination that existed at the time the property was purchased, provided that the purchaser fulfills all obligations under the agreement. The PPA defines and limits the extent of a purchaser's liability to the State for environmental cleanup. As a result, PPAs often make obtaining financing for the purchase of a contaminated property easier. A prospective purchaser may be an individual, business or government body. DEQ has published a Prospective Purchaser Program Packet which provides a detailed overview of the program, qualification requirements, further contact names and an application.

Orphan Site Program
DEQ offers a program for sites where the owner cannot afford cleanup costs, or for which there is no known owner. As part of these orphan site programs, DEQ manages an EPA environmental site assessment grant for local governments to investigate contamination levels of orphaned properties. This program is intended as a last means of action for high priority sites if the site cannot or will not be cleaned up by the responsible parties.

Local Programs

Target Area Designation Program
The Target Area Designation (TAD) Program may be one of the most innovative and flexible ways for a neighborhood to directly address the redevelopment of brownfields and other neighborhood issues. The TAD provides multi-year funding and technical assistance to low and moderate income neighborhoods in support of community-based revitalization efforts. The City of Portland, Bureau of Housing and Community Development (BHCD) will fund a full or part-time staff position in the community to organize residents and coordinate program implementation.

To receive a TAD, a neighborhood group must prove that they have a collective vision for change in their neighborhood, a plan to support the changes, and the will and power to implement their plan. TAD funding typically lasts 3-5 years.

Urban Land Reuse Plan

Brownfield redevelopment is an important issue to neighborhoods and communities throughout the Portland Metropolitan region. As part of the ongoing efforts of the Portland Brownfield Initiative, an Urban Land Reuse Plan is currently being developed to integrate brownfield cleanup and redevelopment issues with traditional land use planning.

The general objectives of the Urban Land Reuse Plan are:

- To promote the redevelopment and revitalization of brownfields through Oregon's existing state and local land use law, policy, and plans, or recommend changes to land use policy and practice which encourage the reuse of brownfields inside the Urban Growth Boundary.
- To integrate existing technical resources, including Metro's Vacant Industrial Lands database into the Urban Land Reuse Plan to illustrate how planning currently affects brownfields.

The Urban Land Reuse Plan will focus on the Brownfield Initiative grant areas – Portland's Enterprise Community and along the waterfront. Citizens, neighborhood associations, business district associations, CDCs, developers, and local governments will be able use this plan as a tool to assist in the redevelopment of brownfields.

RESOURCES

National Program Information:
EPA National Asbestos and Small Business Ombudsmen -- (800) 368-5888
EPA: Portland Office 326-3250
EPA web page: http://www.epa.gov/
Housing and Urban Development: Portland Office, Environmental Officer --(503) 326-2701

State Program Information:
DEQ Voluntary Cleanup Program – (503)-229-6834
DEQ Prospective Purchaser Agreement Program – (503)-229-646
DEQ Orphan Site Program --(503) 229-5080
DEQ web page: http://www.deq.state.or.us/

Local Program Information:
Bureau of Housing and Community Development, TAD Program Manager -- 823-2383
Portland Brownfield Initiative Urban Land Reuse Plan, -- (503) 235-5000.
Portland Brownfield Initiative: http://www.brownfield.org/

THE ROLE OF PLANNING

Oregon's land use planning system is widely considered to be the best in the country. Urban growth boundaries are the key component to the system. Brownfield redevelopment is critical for smart growth inside urban growth boundaries. To reach the regional growth goals established within Metro's 2040 Growth Concept, understanding and navigating both state and local land use systems is a necessary skill for all brownfield stakeholders.

An Overview of Land Use Planning in Oregon

Statewide Goals: "The law of the land"

Oregon's land use planning law is based on a foundation of 19 statewide planning goals that express the State's policies on land use and related topics such as citizen involvement, housing, and natural resources. All locally created plans must comply with these goals.

Metro and the 2040 Framework plan

Metro is the regional government agency spanning Washington, Multnomah, and Clackamas counties. Metro's Urban Growth Management Functional Plan, adopted in 1997, requires local governments to address efficiency in land use through infill and redevelopment opportunities.

Citizens planning for brownfields

The Comprehensive Plan

Each city in the state of Oregon must complete a comprehensive plan which establishes the City's goals for growth as well as policies to achieve the goals of the plan. Again, cleanup and reuse of contaminated properties is critical to comprehensive city planning and development.

The Zoning Code

Zoning regulates everything from the type of use (commercial, industrial, residential), to the height of buildings and placement of driveways. The Zoning code in Portland is also known as Title 33 and is the guide to zoning regulations.

Community and Neighborhood Plans
Community Plans began as a method for updating Portland's Comprehensive Plan. Community planning is a collaborative process between the City of Portland and the residents, the business community, and property owners of a particular area. Neighborhood Plans fall under Community Plans and address issues that are unique to a particular neighborhood.

Non-Governmental Plans
Land use plans are not the only types of plans that help shape the future of a neighborhood or community. Community-based organizations frequently join with neighborhood groups to develop and implement plans that address specific issues that are important to the community. Plans that address the future of business and industrial districts, housing affordability, techniques for workforce development, or park and open space programs provide CDCs with a long-term framework for achieving specific community goals.

Are brownfields included in existing plans?

Almost every plan from the state and region to the local and neighborhood levels supports the concept of cleaning up and redeveloping contaminated properties. Very few plans however, specifically refer to brownfields. For example:

Metro RUGGO- Objective 23- Developed Urban Land
"[To} encourage the redevelopment and reuse of lands used in the past or already used for commercial or industrial purposes wherever economically viable and environmentally sound."

City of Portland Comprehensive Plan- Policy 2.19 Infill and Redevelopment
"Encourage infill and redevelopment in the Central City, and transit stations, along Main Streets, and as neighborhood infill in existing residential, commercial and industrial areas."

Albina Community Plan- Policy D: Economic Development- Objective 5
"Foster the establishment of new small businesses and housing developments. Particularly on land that is vacant or underutilized."

RESOURCES

To inquire about Portland's neighborhood association system, call the Office of Neighborhood Involvement -- (503) 823-4519 or, www.ci.portland.or.us/oni/
To see zoning maps of your community, visit the Bureau of Planning Permit Office on the first floor of City Hall. There is a large book with zoning maps that you can study without having to wait in line.
To inquire about Comprehensive, Community, and Neighborhood Plans, contact the Bureau of Planning – (503) 823-7700
For information concerning Metro and regional growth plans, call Metro's Growth Management Services -- (503) 797-1562

FINANCING REDEVELOPMENT

Obtaining funds for redeveloping property is never easy. The additional costs and unknowns associated with brownfields make financing even more difficult. This section provides insights into the funding process. It also offers suggestions to make the financing of brownfields a little easier.

Reducing Lenders' Fears

Fear of Unknown Costs

Lenders are concerned that a borrower may run into additional costs when redeveloping a brownfield. Unexpected costs may delay or even break a project. Therefore, financial institutions will require environmental site assessments prior to offering a loan. When dealing with a brownfield, the developer should provide potential lenders with as much information as possible on the site. Thorough environmental assessments are the primary means for providing this important information.

Fear of Undesirable Collateral

As with any real estate loan, the lender often will hold the property as collateral against a possible default by the borrower. Banks do not want to hold contaminated properties as collateral. Offering different sources of collateral may assist in calming this fear.

Fear of Liability for Cleanup

Lenders are concerned that their affiliation with a project may make them liable for the cost of cleanup. These fears can be minimized with the use of the liability limitations available to current and prospective owners. The Voluntary Cleanup Program and Prospective Purchaser Agreement programs offer a lender assurances that the state is working with the owners in an effort to limit the cleanup responsibilities to those identified early in the process.

Spreading the Loan Around

The lenders interviewed for this document stated that banks may be more willing to fund a brownfield project if the liability burden can be shared among several lending institutions. In this case, a developer will have to approach several banks asking for a percentage of the total funding package. This creates more work for the developer, but it also allows them to seek financing from smaller scale lending institutions such as community banks. Community banks are either locally owned banks that restrict their activities to a specific geographic area or are separate units of large banks that only lend to special community based projects.

Using a Loan Guarantee

The Oregon Legislative Assembly passed House Bill 3724 in 1997 to create new public sources of funding for brownfield redevelopment. The bill requires that two existing State Economic Development Department loan guarantee programs be expanded to address brownfields. The Capital Access Program and the

Oregon Credit Enhancement Fund are now available to small profit and non-profit businesses who desire to redevelop brownfields. A loan guarantee can be used to assure a bank repayment of a percentage of a loan. With such a guarantee, a bank is usually more willing to make a riskier loan.

Using Non-Bank Sources of Loans

If a developer has difficulty obtaining traditional financing from either one bank or a group of several banks, the developer may seek to find a non-bank loan or grant fund that will consider the project. These alternate sources may supply the additional funds necessary for a gap in the financing package for the project. Non-bank loan funds and grants are typically administered by state or local governments or non-profit charitable foundations. If these types of funds are used in a redevelopment project, it will be increasingly important to partner with the community to prove that the proposed development addresses the stated needs of the community.

A Call to Action!

There are currently very few non-bank loan or grant programs serving the Portland area. The State recently created the Brownfield Revolving Loan Fund, however they have yet to allocate any funds to this program. Contact your state representative, or the Oregon Economic Development Department (OEDD) to request that funding be given to this loan program.

RESOURCES

Oregon Economic Development Department, Business Finance (503) 986-0160, or http://www.econ.state.or.us/ECONPG.HTM

For "brownfield friendly" project loan information:

- Bank of America - Commercial Real Estate Group - (503) 297-3520
- Bank of America - Community Development Division - (503) 279-2938
- Albina Community Bank (503) 287-7537

CLEANING UP BROWNFIELDS

Everyone who has financial interest in a piece of real estate should be concerned with possible contamination on their property. This includes residential property owners as well as commercial property owners. The process by which a property owner determines whether and to what extent a site is contaminated is called an environmental site assessment. Once an assessment is made, the property owner will know whether or not they need to cleanup the site. The cleanup process is known as site remediation.

Environmental Site Assessment

Cleaning contaminated property always begins with the personal initiative of the property owner (if an owner of a property cannot be determined, the cleanup process can be initiated by a concerned third party). There are two options available to property owners who seek to obtain environmental information on a site. The first option is to use the services provided by the Department of Environmental Quality (DEQ). A second option is to hire a private company to assist the property owner through the site assessment and remediation process. These options should be followed if a property owner suspects contamination, or if a property owner is considering developing or selling a site.

Cleaning up an underground storage tank

DEQ

This state agency has several processes in place to lead the property owner through the cleanup of their site. DEQ may conduct a professional assessment of the site. Based upon the results of the assessment they will determine (1) whether further studies must be completed, (2) if site remediation is necessary, or (3) whether no further action is needed.

Private Environmental Services

There are several private companies that are licensed and bonded to perform environmental site assessments. Private companies may be able to offer a quicker time frame depending upon the extent of the project and the budget of the property owner.

Site Remediation

Once a professional assessment of the site has been completed (by either public agency or private company), an estimate of the extent and the type of contamination will be known. Armed with this information, a property owner can choose an appropriate form of remediation. All remediation techniques fall under two categories: off-site or on-site.

Off-site technologies physically remove the contaminated soil from the site. For example, excavation is a common practice in site remediation and is the first step in all off-site treatment technologies. The contaminated soil is gathered in trucks and transferred to a permitted collection facility. The cost of excavation, transportation, and disposal ranges between $50 and $460 per ton depending upon the nature of hazardous materials and methods of disposal.

If You're in a Hurry...

The Port of Vancouver, WA recently uncovered chemical contamination while constructing the Mill Plain Boulevard extension. In order to stay on schedule, they hired an on-site mobile laboratory which tested 15 to 20 soil samples a day. The mobile lab cost $1,500 per day, however they accomplished within a matter of weeks work that normally takes several months. To date, the total cost of cleanup has approached $300,000. The Port will seek to recover this cost from the responsible party(ies), if they can be identified. (Daily Journal of Commerce, 1/29/98, pg 1)

On-site technologies attempt to remove or eradicate the hazardous material without excavating the offending soil. A common on-site technology is capping. Using this method, a barrier is placed over the soil so that contamination cannot migrate. There are also types of contamination that can be neutralized using organic substances. This method is referred to as bioremediation. The on-site technologies vary in availability and appropriateness of use such that a standard cost range cannot be estimated.

When choosing a treatment technique, you must consider four factors:

- **Cost**: This will vary significantly based upon what treatment is necessary and what treatment options are available locally.
- **Side Effects**: The larger the site, the more a cleanup may disrupt the surrounding neighborhood. The owner of a large piece of property should work closely with the immediate community to determine a treatment method that will meet everyone's needs.
- **Appropriateness of cleanup method**: The organization that conducts the site assessment can counsel the property owners on the best locally available methods for the specific type of pollution found on the site.

Required regulatory steps: No site remediation can be completed by the property owner without paying heed to national, state, and local environmental regulations. In many cases, permits may also be needed from the City to undertake cleanup activities.

RESOURCES

For assessment information:
DEQ Voluntary Cleanup Program – (503)-229-6834
DEQ Orphan Site Program --(503) 229-5080 or, http://www.deq.state.or.us/
For remediation information:
http://clu-in.com/ -or- http://www.epa.gov/
For private services use the Yellow Pages under Environmental and Ecological Services

NEIGHBORHOOD STRATEGIES

Now that the basics of brownfields have been explained, you are ready to get involved. This section describes four steps toward community-based recycling of contaminated properties. These basic steps include, 1) finding redevelopment opportunities, 2) learning how local planning affects the reuse of brownfield sites, 3) establishing a collaborative relationship with other brownfield stakeholders, and 4) getting involved in community redevelopment efforts.

Finding Brownfield Opportunities

Before taking a course of action, it is important to familiarize yourself with the extent of confirmed or potential brownfields within your community. There are a number of ways in which a community group can gain information on the status of questionable properties:

1. Obtain information about the past land usage of the sites in question. Business activities that may involve contaminating processes include gas stations, dry cleaners, heavy manufacturing, printing, oil storage and waste treatment operations. Properties that attract illegal dumping may also be contaminated. The following tasks can provide valuable information:
   - Visit your county's tax assessment office and look at the records of the site. The records will indicate the previous owners and past land uses.
   - Ask the local business community, long time residents and local officials. Anecdotal information may give clues to the past practices that occurred on the site.
2. Visual identifiers are the most common indications that a site may contain contamination. You should avoid, however, physically entering a property since you may be trespassing and there may be unexpected hazards (open pits, holes etc.). The following are common visual signs of contamination:
   - Damaged electrical equipment such as transformers and capacitors.
   - Ponds or lagoons with unnaturally colored water.
   - Uneven surface areas where waste or fill may have been dumped.
   - Sparse or dead vegetation with discolored soil.
   - Storage tanks, exposed underground pipes, and storage sheds could be places where hazardous materials have been discarded.
3. Obtain the DEQ list of brownfields. With help from DEQ staff, you can access their database (the OPENS System) on identified brownfields.

The OPENS System

The Oregon Public Environmental Systems (OPENS) is a quick, convenient way to get detailed information on DEQ's environmental cleanup program sites. You can print information from DEQ databases, pick up pre-printed copies of reports, or purchase a floppy disk containing several environmental cleanup site databases. –Call (503) 229-6170

Coordinating Brownfield Opportunities through Planning

Many community groups and organizations have clearly defined goals and visions for the future of their neighborhoods. Community development corporations, neighborhood associations and business district associations often articulate these desires and potential strategies for implementation in their neighborhood or community-based plans. Brownfield issues, however, are often not included in these plans. Community groups that find themselves in this situation should create a collaborative public process for determining goals, specifically for local contaminated properties. The process should bring together all sectors of the community to ensure a diversity of interests and ideas that can form a collective vision. Innovative planning will greatly contribute to the success of all community efforts, whether or not it is brownfield related.

Develop Collaborative Relationships with Brownfield Stakeholders

Those that live, work, and play around potentially contaminated properties have an important role to play in brownfield redevelopment. Opportunities for action have been outlined in previous sections of this document. However, few of these opportunities can be achieved by one individual. Partnerships are necessary to empower community members as an equal partner in recycling neighborhood lands. Developing relationships with important brownfield stakeholders will facilitate the cleanup of brownfield sites in a way that best reflects your community's needs.

Neighborhood Associations
Neighborhood associations are the recognized venue for citizen participation in City land use issues. These organizations often represent community voice in public dialogues. These forums may be opportunities for a community to promote its plans for brownfield redevelopment.

Civic Organizations / Non-profit Advocacy Groups
By engaging these institutions around their roles in ensuring the sustainability and health of their neighborhoods, communities can gather support, spread the word, educate and raise funds.

Developers / Community Development Corporations (CDCs)
Partnering with developers and CDCs can enable a community to realize redevelopment goals. These stakeholders bring the technical and financial resources necessary to ensure project fulfillment.

Government Agencies
Community groups can collaborate with government agencies to access existing redevelopment programs and funds. Citizens can shape public policy and advocate for future programs related to redevelopment in their neighborhood.

The Kennedy School Success Story

The redevelopment of the Kennedy School in the Concordia neighborhood is not specifically a brownfield redevelopment project, however, it is an excellent example of how the collaborative process and community initiative helped save a landmark from demolition and recycle a long-vacant property.

Until 1997, Kennedy Elementary School had been vacant for over twenty years. After unsuccessfully trying to sell the dilapidated property, the school district decided to demolish the school. The Concordia Neighborhood Association (CNA) persuaded the City's Bureau of Housing and Community Development (BHCD) to finance an analysis of this site. Armed with positive results of the study, CNA convinced the City to purchase the property. A task force was set up comprised of representatives from CNA, the Northeast Coalition of Neighborhoods, the County, the Bureaus of Police and Parks and Recreation. Market research and the results of four public meetings produced a development plan which ultimately allowed McMenamins Pubs and Breweries to convert the old school into a brewpub with a restaurant, movie theater, a number of pubs, and a bed and breakfast. Residents of the neighborhood have a dedicated room at the school for their use as well as free use of the on-site soaking pool.

Involving Yourself in the Redevelopment Process

In a majority of cases, partnerships can be established between the property owner of a contaminated site, the developer, and the community group. Under these circumstances, the community group can involve themselves directly with the other brownfield stakeholders, or they can involve themselves through the channels created in the City's land use planning and permitting system.

For the more rare occasions, community groups may need to take action on behalf of a site that does not benefit from a property owner with interest in development. If this type of site is identified by the community through its planning efforts, partnerships with local government and civic organizations become increasingly important.

If your community group finds itself in the situation of having to advocate for an orphaned property, the group should ask themselves these questions regarding future development:

- In your opinion, does the site pose an immediate health risk to the neighborhood?
- If your community has a community or neighborhood plan, what sort of land use has the area around the site been designated for?
- What types of redevelopment may be economically viable while also compatible with the community's goals for the neighborhood?
- Are there adjacent sites, contaminated or not, that could be consolidated to better serve the community needs?

These tasks will require a high degree of effort by dedicated community members in order to have an effect on the greater community. Once these questions are raised and various options are identified, government and civic group partners can provide assistance in taking action on orphaned sites.

Community Solutions

One of the objectives of this document is to give you, the community member, a working base of knowledge about brownfields and the opportunities that exist through their redevelopment. The other goal of this effort, and that of the Portland Brownfield Initiative, is to ensure that community members are indispensable partners in the cleanup of contaminated properties. Because brownfields endanger the economic health and physical health of the neighborhood, public involvement is crucial to making redevelopment projects truly community-based. So, find redevelopment opportunities, plan for their change, create partnerships with other stakeholders, and most importantly, involve yourself in the redevelopment process.

RESOURCES

Use all the previously listed resources as well as the following:

Urban League of Portland, Environmental Affairs -- (503) 280-2600
Environmental Justice Advocacy Group (EJAG) -- (503) 283-7841
City of Portland, Office of Neighborhood Involvement -- (503) 823-4519