



METRO COUNCIL WORK SESSION
MEETING SUMMARY
June 26, 2012
Metro Council Chamber

Councilors Present: Council President Tom Hughes and Councilors Shirley Craddick, Carl Hosticka, Kathryn Harrington, Rex Burkholder and Barbara Roberts

Councilors Excused: Councilor Carlotta Collette

Council President Tom Hughes convened the Metro Council work session at 2:03 p.m.

1. ADMINISTRATIVE /CHIEF OPERATING OFFICER COMMUNICATIONS

Ms. Martha Bennett of Metro reported on the first meeting of the Natural Areas Funding Advisory Committee, which took place the morning of June 26. Ms. Bennett noted that the committee agreed that doing nothing to address the issue with funding natural area preservation is not an option. Moreover, Ms. Bennett mentioned that the group is interested in looking at long term funding sources in addition to a local option tax. There was discussion about the feedback received from local jurisdictions regarding the establishment of a regional service district, which has been generally negative.

Ms. Bennett noted that the Greater Portland Pulse will host an event on Friday, June 29 to discuss regional indicators, aspirations and outcomes.

2. REGIONAL BROWNFIELD SCOPING PROJECT

Ms. Miranda Bateschell of Metro introduced the Regional Brownfield Scoping Project and informed Council that they will be asked for input and initial policy direction. Ms. Bateschell noted that Council will be asked to identify what challenges, if any, should be focused on at the regional level. The goal of the project is to assess the need for brownfield restoration in the region and to outline solutions and best practices that can be applied to address the issue. Ms. Bateschell overviewed the project timeline, beginning with Phase 1, which consists of data collection and scoping the extent of the problem. Project consultants were asked to go through the Phase 1 findings and to question Council if the adequate level of information has been provided for constructive policy direction.

Mr. Jim Darling of Maul Foster & Alongi introduced himself and provided background on his and the firm's experience with assessing brownfields. Mr. Seth Otto of Maul Foster & Alongi reminded Council that the purpose of today's presentation is to recap the findings, understand the scale, impacts and range of cost for redevelopment of brownfield sites. Moreover, Mr. Otto explained that accounting for and categorizing brownfields, the degree of contamination and potential for redevelopment has been assessed during Phase 1 of the project.

At this time, councilors asked for clarification on what kinds of contamination is identified in brownfields. Mr. Otto noted that generally speaking, contamination comes from former industrial

uses and the pollutants associated with industry and agriculture such as PCBs, heavy metals, petroleum, chemical cleaning substances and organic compounds. Mr. Darling stated that brownfields contamination is usually found in soil and ground water, but can also be identified in the air.

Mr. Otto explained that the Department of Environmental Quality (DEQ) maintains a database of brownfields, which was described as the tip of the iceberg of potential brownfield sites. Mr. Otto overviewed Maul Foster & Alongi's development of a methodology to make sense of DEQ's reporting discrepancy and to arrive at an extrapolation factor that could estimate how many potential brownfields there are in the region. Mr. Otto then described the four brownfield typologies, which were grouped by historic use, location, market factors and potential for redevelopment. The four typologies are,

- **Small Commercial Site** – small sites such as gas stations and dry cleaners
- **Industrial Conversation** – industrial sites transitioned to commercial centers
- **Ongoing Industrial** – Industrial sites in designated employment areas
- **Rural Industrial** – Natural resource related sites near the edge of urban areas

Mr. Otto described the process used to determine the seven study areas in the region that represent different historical periods of development and relationships to Metro's urban growth design types, and additionally, cover a cross section of urban forms. There were a total of approximately 1,500 sites indicated as candidate brownfields to be studied. Mr. Otto then explained the reworking of DEQ data using Metro's Data Resource Center (DRC) tools such as RList for improved spatial analysis. Mr. Otto overviewed the expanded data when comparing documented, or known, brownfields with candidate brownfield sites, which meet the criteria of the typologies. There are approximately 7,000 candidate sites and their distribution aligns with the region's centers and corridors. When the extrapolation factor was applied to candidate sites, Mr. Otto noted that approximately 1,800 brownfields were estimated to exist in addition to the 2,349 documented sites.

Mr. Otto then overviewed the distribution of potential, or estimated, brownfield sites by typologies, and again broken down by the number of sites, acreage and 2040 design types (i.e. corridors, centers, and employment areas). Small commercial represent the highest number of total estimated sites, while ongoing industrial reflect the largest amount of acreage. Mr. Otto mentioned that there great deal of uncertainty about brownfields in the Urban Reserves. Mr. Darling brought up the stigma attached with labeling brownfields, to which, Mr. Otto noted they were careful not to confirm new sites. There was discussion about the process of officially documenting sites as brownfields, which usually happens because of development activity.

Ms. Lorelei Juntunen of ECONorthwest presented socio-economic analysis of the Phase 1 findings and prompted a policy discussion. Ms. Juntunen presented the questions guiding analysis, such as can investment in brownfields lead to greater refill rates and fiscal outcomes, support social and equity outcomes and improve environmental outcomes. Ms. Juntunen explained that a wide range of development prototypes were used to appraise potential outcomes for current brownfields. Key findings from the socio-economic analysis included substantial potential for investment, job creation and increased tax revenue.

Faced with the reality that not every brownfield will be developed, Ms. Juntunen overviewed the feasibility indicator, which measures market value and development costs. Ms. Juntunen then discussed the wide range of uncertainty regarding the cost of cleaning up brownfields depending on the degree of contamination, and how this unknown variable cost presents a big deterrent for development of brownfields. It was noted that brownfield costs introduce a greater effect, or financial burden, on low cost developments. Another important finding, Ms. Juntunen described, is that market conditions can have more of an impact on development than brownfield status. Mr. Darling then added information on the difference between restricted and unrestricted brownfield clean up costs.

Mr. Otto then presented spatial analysis which was used to look at the relationship between brownfields and equity and environmental indicators in the region. Analysis showed that underserved areas and populations, with respect to socio-economic conditions, had three times more brownfields per acre than less sensitive areas. With nearly all brownfields sites located in close proximity environmentally sensitive lands, a similar finding was determined regarding a linkage between brownfields and environmental disparities in the region.

Council Discussion:

Councilors commented that in order to provide constructive policy direction, it is important to have the opportunity to understand what new information and analysis indicates. It was recommended that the project team return in August or September, after a presentation has been made to Metro Policy Advisory Committee (MPAC). Councilors then asked for the comments and questions posed by the technical review team and the Metro Technical Advisory Committee (MTAC). Ms. Bateschell presented challenges that were discussed at the technical review team, including the tax assessment reduction policy, which reduces property owner's tax value and liability if contamination can be shown. Ms. Bateschell noted that this policy creates a disincentive to clean up brownfields.

Ms. Bateschell then discussed options of where to invest funding for clean up; into either low cost or high cost brownfields. Additionally, Ms. Bateschell mentioned the education issue, which comes from the reality that most property owners go through the brownfield process only once. Ms. Bateschell then overviewed the MTAC feedback, which included,

- There is a need to address DEQ oversight regarding brownfields.
- Interest in providing more funding for cleanup.
- Realization that getting property owners to take first step toward cleanup is the biggest challenge.
- Industrial to industrial development is more difficult because of low financial redevelopment potential. A change in entitlement or zoning through industrial conversion enables a much greater value on the property, which also change the market dynamic.
- There was question about uncertainty and discretion at the state level and the different levels of cleanup. Additionally, it was questioned whether or not the health risks between no action, little action and full action have been compared. In other words, does a high burden of cleaning up or redeveloping some sites disable opportunities to reduce health risks.

Councilors reviewed the reasons why Metro invested funding into the Regional Brownfield Scoping Project, including the necessity to learn more about what has not been fully studied in the past, particularly as brownfield analysis pertains to future Urban Growth Reports and the development of vacant or underutilized properties in the region. There was discussion about the public responsibility and private ownership and obligation to address brownfields. Councilors also discussed the achievable goals of the brownfield project and how they relate to Metro's mission. Additionally, the cost of getting information versus the benefit of having that information was discussed, as it pertains to uncertainty with brownfields, being one of the project's biggest challenges.

There was discussion about where to focus public investment and planning in regard to 2040 design types. The brownfield project could focus on specific solution, Mr. Darling commented, if Council directs the project team to spotlight corridors and centers. Councilors expressed the need for further analysis on which policy direction would produce the best return on investment in the region. Councilors continued to ask the question of what problem in the region is solvable within the scope of the brownfield project. In addition, councilors noted the importance of achieving multiple objectives such as those associated with climate change mitigation, active transportation planning and economic development. Councilors also discussed the need to address equity disparities in the region through brownfield work. Ultimately, councilors directed the brownfield scoping project team to prioritize solutions based on Metro's mission and regional planning objectives.

3. COUNCILOR BRIEFING/COMMUNICATION

- Councilor Harrington mentioned that she asked for a tour of the Pacific Region Compost Facility in Corvallis.
- Councilor Burkholder discussed possible reforms to the North Portland Enhancement Fund, which now costs more to manage than the fund itself. Councilor Burkholder noted that a dialog with stakeholders and community members will play an important role in changes made to the fund.

ADJOURN

Seeing no further business, Council President Hughes adjourned the Council work session at 3:28 p.m.

Prepared by,



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ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF JUNE 26, 2012

ITEM	DOCUMENT TYPE	DOC DATE	DOCUMENT DESCRIPTION	DOCUMENT No.
2.0	PPT	6/26/12	Regional Brownfield Scoping Project: Preliminary Findings	62612cw-01
2.0	Handout	N/A	Metro Brownfield Typologies	62612cw-02