

SB 630 -1 STAFF MEASURE SUMMARY

Senate Committee On Energy and Environment

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/16, 3/21

WHAT THE MEASURE DOES:

Authorizes State Treasurer to issue of lottery bonds at the request of Oregon Department of Administrative Services (DAS), after consultation with Oregon Business Development Department (OBDD) in amount that produces \$15 million in net proceeds and additional amount to pay bonding related costs. Requires proceeds of issued lottery bonds be transferred to OBDD to award grants to developers to fund development of former landfill sites. Requires site of proposed development be within an urban growth boundary and approved by local government for mixed use development. Requires proposed development include at least 500 housing units and the majority of the proposed development to be designated as a brownfield site and have a RCRA site ID, or be included in the Comprehensive Environmental Response, Compensation, and Liability Information System database. Establishes application and agency review requirements. Stipulates that work on proposed development begin within one year from entering into grant agreement. Requires OBDD, working with grant recipient, to report to the legislative committee related to economic development no later than one year from the completion of clean up and mitigation efforts. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Clarifies direction to Oregon Business Development Department (OBDD) too develop a pilot program to award grants to developers to fund the development of former landfill sites. Stipulates that OBDD and state are under no obligation to continue the pilot program after the net proceeds of the lottery bonds have been expended or obligated to pay grant awards. Requires grant agreement to require the recipient to indemnify the State of Oregon and its political subdivisions and agents for any claims arising from the activities of the recipient for which the grant was awarded.

- Revenue Statement Issued - Further Analysis Required
- Fiscal Statement Issued

BACKGROUND:

According to the Department of Environmental Quality (DEQ) a "brownfield" is ga vacant or underused property where expansion or redevelopment is complicated by the actual, potential, or perceived presence of environmental contamination. In order to remove barriers to redevelopment the DEQ operates a Site Assessment Program (SSA) which conducts assessments to determine if a property is actually contaminated and what additional actions may be needed to obtain a no further action determination from DEQ. Municipalities or private parties can also investigate brownfields under DEQ's Voluntary Cleanup Program. Generally, the parties using the Voluntary Cleanup Program hire an environmental cleanup contractor to investigative and do cleanup work to be reviewed by DEQ for consistency with state laws. A party may also seek DEQ approval through the Independent Cleanup Pathway after an investigation or cleanup has been completed at qualified sites. For entities that are interested in purchasing a brownfield property, DEQ offers the option of negotiating a Prospective Purchaser Agreement, or PPA. A PPA limits the purchaser's future liability to DEQ for environmental cleanup of the property. Under a PPA, a prospective buyer of the contaminated property must agree to contribute a certain amount of money or effort towards cleaning the property up.

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Senate Bill 630 would authorize the issuance of \$15 million of lottery bonds and transfer the net proceeds to Oregon Business Development Department (OBDD). The Act would direct OBDD to use proceeds to award grants to developers for development of mixed-use development within a UGB that includes at least 500 housing units on former landfill sites.