

**STATEMENT OF  
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OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE  
U.S. ENVIRONMENTAL PROTECTION AGENCY  
BEFORE THE  
SUBCOMMITTEE ON SUPERFUND, TOXICS AND ENVIRONMENTAL HEALTH  
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS  
UNITED STATES SENATE**

OCTOBER 19, 2011

Good morning, Mr. Chairman, and members of the Subcommittee. My name is David Lloyd. I am the Office Director in the Office of Brownfields and Land Revitalization (OBLR) in the U.S. Environmental Protection Agency's (EPA's) Office of Solid Waste and Emergency Response (OSWER). I am pleased to appear today to discuss EPA's Brownfields Program.

As you know, brownfields are all around us, in the smallest towns and largest cities -- empty warehouses, abandoned and deteriorating factories, vacant corner gas stations, and junk filled lots. They are most often in downtown or city center locations that are very visible, but also that have the efficiency and benefit of existing infrastructure, such as road access, power and other utilities. Brownfields are defined by the Small Business Liability Relief and Brownfields Revitalization Act (Brownfields Law) as "real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant." These are properties where real or potential environmental concerns pose a barrier to reuse. Estimates of the number of brownfields across the country range from 450,000 to more than one million properties. While these sites blight and hold down value in very visible ways in neighborhoods and communities, they can, when

addressed, become real assets for communities, adding economic, social and environmental benefits for citizens.

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Since the program's inception in 1995 and through fiscal year 2011, EPA's Brownfields Program has continued to provide tools to communities and tribes that address these sites. The Program's funding has assessed more than 17,500 properties, made more than 24,500 acres ready for reuse, leveraged more than 72,000 jobs for cleanup and redevelopment activities, and leveraged more than \$17.5 billion in economic development. Brownfields revitalization also produces long-term sustainability benefits, for example every acre of brownfields reused saves 4.5 acres of greenspace. Working with communities, states, tribes and other federal agencies, the Brownfields Program has become a coordinated national effort, providing tools that link environmental protection and public health with economic development and community revitalization.

In 2012, EPA will continue to focus efforts on streamlining the grants application process, strengthening our state and tribal response programs, piloting multi-purpose grants, promoting greener and more sustainable clean ups and reuse, fostering area-wide planning and expanding land revitalization across all of EPA's land cleanup programs.

### **Brownfields Grants**

EPA's Brownfields Program provides direct funding for brownfields assessment, cleanup, revolving loans, research, technical assistance and environmental job training. Demand for this funding is very high, and EPA is currently only able to fund approximately one-third of the applications we receive. Assessment grants provide funding to: inventory, characterize, and assess properties; develop clean up plans; and conduct community involvement activities related

to brownfields. Environmental site assessments provide the information that communities and property owners need to move forward with reuse. In fact, about 20 percent of the properties assessed show little or no contamination, freeing the site for reuse after a relatively small public investment. Since the program's inception, EPA has awarded 2,008 assessment grants to small and large communities, usually for \$200,000 each, for a total of \$480 million.

As an example, The Westside Infill Transit Oriented Development Project in National City, California is a \$69 million infill project; the project will develop 201 affordable housing units on approximately 14 acres of land immediately adjacent to the 24<sup>th</sup> Street Trolley Station, a light rail station serving metropolitan San Diego. The city-owned site was used formerly by the city public works as a maintenance area. An EPA Brownfields assessment grant and two targeted site investigations found the site to be contaminated with hazardous waste. Reclaiming the neighborhood for residential uses, especially affordable housing for families, was identified as one of the top priorities by the community. With technical assistance from EPA in coordination with the Department of Housing and Urban Development (HUD) and Department of Transportation (DOT), under the Partnership for Sustainable Communities, the Westside neighborhood has started to address environmental hazards from heavy industrial uses throughout the neighborhood. This project is creating jobs, revitalizing a neighborhood, improving public health, and developing badly needed, affordable housing near a light rail station.

EPA awards direct cleanup grants of up to \$200,000 per site to public and nonprofit property owners to carry out clean up activities at brownfield sites. Since passage of the Brownfields Law, EPA has awarded 839 cleanup grants totaling \$157.8 million. As an example, a \$200,000 cleanup grant was awarded to address environmental conditions at a parcel on

Meeting Street in Providence, Rhode Island. Following the cleanup of a parcel of property, which included remediation of contaminants and removing the deteriorated buildings, construction of a new 76,000-square-foot Meeting Street National Center of Excellence facility began. Cleanup and redevelopment activities were funded through a program organized by Meeting Street that raised more than \$15 million from the private and public sectors. The new facility is expected to stimulate additional investment and redevelopment in the area, and serve as a national model of education. This new facility now features a K-8 school that enrolls children of all abilities; a high school for students with severe and profound disabilities; the Bright Futures Early Learning Center; Meeting Street Early Intervention; outpatient Specialty Services; and The Children's Network, a school-readiness program for children from low-income families in Providence, RI. The building's clinical facilities, gymnasium, therapeutic pool, and family resource center are also available to the entire community. In addition, the new facility, which is applying for LEED certification as an energy efficient building, has three acres of greenspace which will include outdoor play areas and athletic fields for use by both the school and the community.

The Brownfields Program also supports property clean up with grants to states and local governments to capitalize revolving loan funds. The Brownfields Revolving Loan Fund (RLF) grants provide the capital to make low or no interest loans and subgrants to finance brownfields cleanup. Since passage of the Brownfields Law, EPA has awarded 292 RLF grants totaling \$286.1 million. For example, The United Neighborhood Organization (UNO) Soccer Academy is an ultra-modern \$27 Million dollar LEED Gold certified student elementary school and soccer academy which opened on Chicago's southwest side. The UNO remediated a former industrial property, which hosted a scrap yard and gas station/auto repair shop, with a \$1 million loan from

the Illinois Brownfields Revolving Loan program, capitalized with EPA brownfields grants. The school itself is now an anchor for the neighborhood and relieves overcrowding in the existing elementary schools. Ten months ago, UNO didn't even own title to this vacant industrial property. In less than six months, all levels of government were able to coalesce to complete the siting, funding, cleanup, oversight and approval needed to allow this school to be built on a brownfield.

In addition to its grant programs, EPA conducts Targeted Brownfields Assessments (TBAs) through contracts with small and large businesses and interagency agreements with our federal partners. These single property assessments help communities on a direct basis, especially small and rural communities. EPA allocated \$38 million for TBA support in fiscal years 2003 through 2011, including \$9.4 million in Recovery Act funding. To date, EPA has conducted TBAs at 2,020 properties. EPA performed a TBA at Meridian Creamery in Idaho. Following assessment, the property was redeveloped as a 100,000-square-foot facility used as the city's new municipal complex. One hundred people are employed in the building. As a result of the development, three restaurants have opened nearby.

In FY 2010, EPA began a pilot program that provided research and technical assistance support for brownfields area-wide planning. Brownfields area-wide planning focuses on the nexus among brownfield sites, the surrounding area (such as a neighborhood, commercial corridor, downtown district, or greenway), and the development of clean up and reuse implementation strategies. EPA piloted this approach because in many communities brownfield sites are connected to each other through location, infrastructure, and economic and social conditions which create a collective impact on the community. The focus on multiple brownfield sites through area-wide planning can lead to a systematic clean up and reuse strategy.

Twenty-three recipients, including several small rural communities, were selected to receive EPA grant funding to pilot this approach. Recipients are conducting research activities such as community engagement sessions, market studies, review of existing environmental conditions, and infrastructure analysis, and making use of technical assistance provided both by EPA and outside vendors to develop a brownfields area-wide plan for community revitalization and redevelopment, identifying the next steps for implementation and the resources available to help them get there. The pilot projects are now fully underway and will continue through 2012. For example, of the 23 projects we have ongoing, we have funded a project in Tulsa, Oklahoma that is focusing on 69 brownfields sites in the northern part of the City. These projects will improve a wide range of communities – like Ranson, West Virginia, Kalispell, Montana, Newark, New Jersey, and tribal lands on the Colville Reservation in Washington, State just to name a few.

Also in FY 2010, the Brownfields Program began a joint effort with the Department of Housing and Urban Development (HUD) and Department of Transportation (DOT) under the Partnership for Sustainable Communities to ensure that federal investments, policies, and actions support development in an efficient and sustainable manner, ensuring that the agencies' policies, programs, and funding consider affordable housing, transportation, and environmental protection together. Coordinating federal investments in infrastructure, facilities, and services meets multiple economic, environmental, and community objectives with each dollar spent. For example, investing in public transit can lower household transportation costs, reduce greenhouse gas emissions and air pollution, decrease traffic congestion, encourage healthy walking and bicycling, and spur development of new homes and amenities around transit stations.

The Partnership selected five community pilot projects to receive direct technical assistance from EPA, with the goals of identifying both the barriers to and opportunities for

growth and development. This effort maximizes the impact of millions of dollars in federal resources for transit, housing and brownfields by aligning priorities in a collaborative approach that benefits the communities in need of assistance. EPA continues to work with HUD and DOT towards these goals, and anticipates that improved coordination will help leverage implementation resources for brownfields redevelopment projects for years to come.

Properties contaminated with petroleum such as abandoned gas stations are a common type of brownfields. Since passage of the Brownfields Law, EPA has awarded 841 assessment, revolving loan fund, and cleanup grants totaling \$193.7 million for petroleum contaminated brownfields. For example, at the former Crane Pottery factory site in Trenton, New Jersey, fears of potential contamination hindered potential restoration. The site had long been an eyesore for residents of the surrounding low-income neighborhood. But after the city of Trenton was awarded a brownfields petroleum assessment grant for \$200,000, the site was able to commence redevelopment. There are now three industrial facilities in operation at the site and an additional \$300,000 has been leveraged for assessment, cleanup, and redevelopment of the properties.

In addition to funding brownfields assessments and clean ups, EPA also funds brownfields training, research, and technical assistance. As communities clean up brownfields and other contaminated sites, they need a workforce with environmental cleanup skills. EPA's brownfields job training grants are linked directly to brownfields sites in communities and trains local residents, connects to firms that will create jobs and hire locally to get these sites cleaned and back into productive reuse. To date, EPA has awarded 191 job training grants, and approximately 6,000 local, unemployed residents of brownfields-impacted communities have been trained. Of those, approximately 4,300 have obtained full-time employment in the

environmental field and remediation work with an average starting hourly wage of approximately \$14.50.

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In reviewing proposals and awarding grants, EPA has found that brownfields come in a range of sizes and types. Brownfields are often stereotyped as large industrial sites in urban areas. The reality however, is that brownfields are mostly small properties such as dry cleaners, vacant lots and gas stations. More than 40 percent of our grants go to communities of fewer than 100,000 people.

The award process for fiscal year 2012 is underway, and the program will announce brownfields assessment, revolving loan fund (RLF) and cleanup grant awardees in the Spring of 2012. The application deadline is November 28, 2011 and EPA expects to receive more than 900 requests totaling over \$250 million. If the Brownfields Program receives the full appropriation requested in the FY 2012 President's Budget, the Agency plans to award approximately 200 grants in the coming year.

#### **State and Tribal Programs**

States and tribes are at the forefront of brownfields clean up and reuse. The majority of brownfields cleanups are overseen by state response programs. Section 128(a) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) provides grant assistance to states to build capacity and strengthen State and Tribal environmental response programs. Since 2006, CERCLA 128(a) grantees reported that nearly 44,000 properties were enrolled in state and tribal response programs and more than 549,000 acres were made ready for reuse. Additionally, state and tribal response programs provided technical assistance at more than 1,800 properties.



Similarly, tribal response programs are taking an active role in the cleanup and reuse of contaminated property on tribal lands. Tribes are developing and enhancing their response programs to address environmental issues on tribal lands. Through brownfields grant assistance, tribes are creating self sufficient organizations for environmental protection. Tribal response programs conduct assessments, create cleanup standards, and educate their communities about the value and possibilities of brownfields clean up and reuse.

The development of state and tribal programs is essential to ensuring the successful implementation of the national brownfields program. Providing financial assistance to states and tribes increases their capacity to meet brownfields clean up and reuse challenges. It helps to ensure that cleanup and reuse is protective and in accordance with federal, state and tribal standards.

Under the Brownfields Law, EPA provides financial assistance to build capacity to establish or enhance response programs so that states and tribes can clean up and reuse the brownfields sites in their communities. In fiscal year 2011, EPA's brownfields appropriation included \$49.5 million for states, tribes and U.S. territories, although the Agency received funding requests of over \$70 million. EPA anticipates that the increasing demand for these funds from states and tribes will continue into the future.

EPA awards funds to states and tribes through a national allocation process where EPA makes individual cooperative agreement funding decisions based on remaining balances available from prior years' grant awards, activities that ensure effective planning and development of response and voluntary cleanup programs, as well as activities that provide the public with access to information to create an environment for meaningful public participation. States and tribes use the grant funding for a variety of activities. For some, the funding provides

an opportunity to create new response programs to address contaminated properties, while for others it allows them to enhance existing programs with innovative new tools. Some states, such as Colorado, use the funds to bolster clean up revolving loan funds, while others, such as Wisconsin, use the funds to maintain a “one clean up” approach to assessment and clean up. Many use the funds to conduct site specific activities, such as the assessment and clean up of brownfields sites. Since fiscal year 2003, states and tribes reported conducting more than 1,700 site assessments on brownfields.

### **American Recovery and Reinvestment Act (ARRA)**

Since February 2009, the Brownfields program has worked diligently to ensure that American Recovery and Reinvestment Act (ARRA) funds are used efficiently and effectively to help rebuild communities most in need, invest in jobs that will put our citizens back to work, and improve public health and the environment. Of the \$100 million allocated for the Brownfields Program to assess and clean up contaminated land for redevelopment or reuse, the Brownfields Program has awarded 100 percent and expended over 55 percent. To date, the program funding has facilitated the start of over 1,000 assessments and the start of 63 clean ups. Over 600 properties have been assessed and 37 properties have been cleaned up resulting in 549 acres of property ready for reuse, leveraging over \$200 million in additional investment and nearly 1,200 jobs for cleanup and redevelopment activities. Further, loans and/or sub-grants have been made, or are being processed, by nearly all the Brownfields Revolving Loan Fund (RLF) grantees. In addition to funding assessment and cleanup activities, EPA has invested ARRA dollars in Environmental Workforce Development and Job Training Grants to help local residents take advantage of the jobs created by the management, assessment, clean up and revitalization of Brownfields properties and other contaminated lands in their own communities. With these

ARRA funds, grantees have trained over 1000 residents and have placed 672 in full-time employment with an average hourly wage of \$14.89.

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### **Liability Protection**

A critical element of the Brownfields Law is the statutory liability protections and clarifications under CERCLA for certain landowners who are not responsible for prior contamination at brownfields properties. The Brownfields Law clarified the landowner liability protection of bona fide prospective purchasers, innocent landowners and contiguous property owners under CERCLA. These self-implementing protections increase comfort and certainty for prospective purchasers and provide incentives for redeveloping brownfields.

To qualify for liability protection, property owners must satisfy certain statutory requirements. For example, prior to acquiring a property, purchasers must meet environmental due diligence requirements by undertaking “all appropriate inquiries” into the previous uses and condition of the property. In collaboration with a wide set of stakeholders, EPA developed a regulation establishing standards for conducting “all appropriate inquiries.” The final rule was issued in November 2005 and went into effect in November 2006. To further increase comforts and certainty and advance brownfields clean up and redevelopment, EPA has issued guidance and enforcement discretion policies clarifying the steps prospective purchasers and local governments can take to qualify for these liability protections.

### **Conclusion**

EPA’s Brownfields Program serves as an innovative approach to environmental protection, spurring environmental clean up, reducing neighborhood blight, preserving greenspace, leveraging private investment, leveraging jobs in cleanup and redevelopment activities, and promoting community revitalization. Our continued success will require

collaboration among all levels of government, the private sector, and nongovernmental organizations. EPA will continue to implement the Brownfields Program to protect human health and the environment, enhance public participation in local decision making, build safe and sustainable communities through public and private partnerships, and demonstrate that environmental cleanup can be accomplished in a way that promotes economic redevelopment.

**Written Testimony of Oklahoma Mayor Mick Cornett  
Before the Senate Environment and Public Works Committee  
Brownfields Redevelopment**

Introduction

My name is Mick Cornett, I have been the Mayor of Oklahoma City since 2004 and I also serve as a Trustee for The U.S. Conference of Mayors and President of the Republican Mayors and Local Officials.

I am pleased to be here today to discuss the impact that the brownfields program has had on my community. Oklahoma City has been very successful in utilizing many of the EPA brownfields programs including the Revolving Loan Fund program and the assessment grants. We've also used the EPA grant funds to provide technical assistance to others. These programs have all leveraged private sector funding, created jobs, and made improvements in my community.

I would like to highlight a few examples of how we have utilized the various Brownfield programs in Oklahoma City, the impact the program has had nationwide, and how the program may be improved. I would also like to officially submit my written testimony that more fully outlines the work that we have done in Oklahoma City.

**OKLAHOMA CITY BROWNFIELDS PROGRAM**

The City has a successful and recognized Brownfields Program. We are the recipient of two Region 6 *Phoenix* awards for Brownfields redevelopment (for MAPS 1 and the Dell Center site), and a national *Brownfields Renewal Award* (Dell Center site.)

Our relationship with the EPA Brownfields Program began in 2003 with a \$225,000 cluster grant comprised of the Superfund Redevelopment Grant, the Cluster Pilot, the One Cleanup Grant, and the Curriculum Grant. Some of the grant funds were used to evaluate potential reuse options for four former Superfund sites in Oklahoma City, the Eastside Reinvestment Area project. Other funds were used to develop training, curriculum, and outreach materials to increase awareness of the brownfields program.

Our other early program involvement was with the Skirvin Hotel, for which Oklahoma City was the recipient of a brownfields loan. This preservation effort has been a 'poster child' for the regional/national program. The use of Brownfields Revolving Loan Funds (\$717,911) to address and cleanup the friable asbestos eliminated a substantial barrier to restoring the hotel. Cleanup was completed on July 21, 2005; restoration completed February 2007. We also utilized another important federal program, the Community Development Block Grant Program or CDBG, to assist us with our efforts to restore this historic hotel. The restored Skirvin has exceeded projected occupancy rates and financial projections and serves as a model of successful public private cooperation. This project leveraged \$56,413,586 in total funds, \$22,000,000 of which was public funding.

After positive relationship developed with EPA on these early projects, Oklahoma City has since received a number of Brownfields program grants. Today EPA offers annual cycles of funding for three grant types- Revolving Loan Funds, Assessment Funds, and for Cleanup (on site-specific projects).

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### REVOLVING LOAN FUNDS (RLFs)

These are the largest dollar amount grants offered by EPA. The funds are provided to offer low-interest loans to qualifying property owners for the cleanup or remediation of environmental concerns on a property. This is often helpful 'gap financing' for redevelopment needs that traditional lenders won't risk funding. A percentage of RLF funds can also be granted to non-profit agencies.

- Since 2005, Oklahoma City has received 3 Revolving Loan Fund Grants and supplemental funding from EPA for a total of \$6,082,833.
- 90% of this funding (\$5,482,186) is allocated for loans and grants to conduct environmental cleanup.
- To date 66% of available funds have been used to support five cleanup projects.
- These funds leveraged about \$4.5 in private funds for every federal dollar spent. (Additionally, as loans are paid, these dollars will be 'recycled' to support additional leveraged projects.)

The City has funded the following projects through the RLF:

- **Dowell Center-** 250 N. Robinson Avenue in the Central Business District  
Loans total \$1,738,107; expected private leverage to complete renovation \$8,254,520

The original building was built in 1926 with an addition on the east constructed in 1964. The site is approximately .2296 acres with a 21 story high-rise office building of approximately 206,000 square feet. The property has been vacant since the early 1990's. The current property owner purchased the building in 1996; and asbestos abatement was needed before renovation. Abatement is now completed, and the building is being developed. The owner expects 65-70 tenants. The cleanup created 40 temporary asbestos abatement jobs. Subsequent renovation of the Dowell Center is expected to create an estimated 16.5 construction jobs and generate a construction payroll of \$4,456,000 between 2012 and 2016.

- **First National Center-** 120 N. Robinson Avenue in the Central Business District  
Loan \$1,485,474; expected private leverage to complete renovation \$6,250,000

The largest and most elaborate building of its time, originally built in 1931 as a replica of the empire state building to house the First National Bank and Trust. While improvements have been made, such as the addition of a parking garage, the original property is largely intact. The building features a retail arcade, and is connected to the

City's underground walkway system. A second structure, the Center Building, was built in 1957 just east of the skyscraper and is connected to the main building high-rise on several levels. The third structure, the East Building, a 14-story L-shaped addition constructed in the late 60's, is mostly vacant. This is the building that was funded for asbestos abatement prior to renovation.

- **OCCC- 325 SW 25<sup>th</sup> Street, Capitol Hill**  
Grant \$200,000; expected local dollars \$969,750

OCCC purchased the building in December 2008 to house the Oklahoma City Community College Capitol Hill Center. This Center is designed to provide access to the underserved Hispanic community to a quality educational experience. Classes will include, but are not limited to: GED classes, Adult basic education classes, Preparation for US Citizenship Examinations, From Information to Technology to Work, English as a second language class. The facility will also offer a computer lab, offer civic space for local and community meetings. Cleanup has been completed, and created 26 temporary asbestos abatement jobs. OCCC is currently in the process of renovation.

- **Will Rogers Courts- 1620 Heyman**  
Grant \$150,000; leverage unknown

The Oklahoma City Housing Authority (OCHA) received funds for the abatement of asbestos in basements. Basements are part of a contiguous townhouse-style apartment complex known as AMP101, Will Rogers Courts, a low income housing complex. The 40-acre residential site was constructed 1936 -1937 as part of the Works Progress Administration (WPA) program. Will Rogers Courts consists of 83 buildings. Once asbestos contaminants are removed, OCHA plans to remove old equipment, clean and utilize basements as a safe place during tornados and to offer additional community space for residents. The cleanup is projected to create 16 temporary asbestos abatement jobs over a 6 month period. Abatement is expected to be complete by October 2011.

- **Shepherd Manor - 901 NW 25th Street**  
Loan \$50,000; expected private leverage to complete renovation \$1,500,000

The surrounding area is mostly commercial and residential. This 2.58-acre, single-level 30,000 sq. ft. building was used as a retirement center, but has been vacant since April 2010. The building was purchased by Shepherd Manor, Inc. /Coffman Co, LLC, on January 12, 2011. Due to asbestos and code deficiencies, a major renovation is required before this facility can be effectively utilized. The project involves renovating the facility to provide a quality living environment for seniors. The cleanup is expected to begin in mid September 2011.

**ASSESSMENT FUNDS**

Since 2006, the City has been awarded five \$200,000 community-wide assessment grants for a total of \$1M. With these funds, the City has performed about 60 Environmental Site Assessments in the urban core to support redevelopment. Some have been for properties acquired for major public projects paid for through local bonds and sales tax measures- the Core to Shore park acquisition properties, the Bricktown Fire Station, and the Goodwill and USPS sites the City acquired. Many have been in support of private development within the urban core- now being redeveloped as apartments, architectural and commercial office spaces. Others have been conducted for non-profits, for the future home of an educational building, a faith-based charity organization, and a hospital. The majority of the properties assessed are being recycled into productive uses.

- Since 2006, Oklahoma City has received five environmental Assessment Grants from EPA for a total of \$1,000,000.
- 92% of this funding (\$916,916) has been allocated for environmental assessments.
- To date 76% of all available funds have been encumbered.
- We currently have \$192,000 remaining for assessment projects
- Because of lowered federal budget for assessments, OKC applied for, but did not receive any assessment funding in 2011.
- Assessment dollars are often well-leveraged; some key examples are listed below.

<b>Selected Assessment Project</b>	<b>Estimated leveraged funds</b>
<u>Core to Shore Central Park</u> – The City is in the process of acquiring numerous properties in the Core to Shore Area (C2S) and is performing pre-acquisition phase I ESAs. This is the area that will be developed as the Central park from 2013 to 2018. There are historical oil and gas and UST issues throughout the area. Some phase II work is being done, but larger phase II sampling studies will be performed to assess area-wide impacts. 21 of these properties have undergone assessment; 4 more are pending.	\$130 M in MAPs funding
<u>Former Red Cross Site</u> – This property is located on 315-323 NW 10th Street. The building and property were assessed prior to the Medical Business District (MBD) purchase. The MBD applied for and received a cleanup grant directly from EPA. The site is currently under contract for development of a new hospital facility.	\$25 M in private funding
<u>Bricktown Fire Station</u> – The site was assessed prior to OKC acquisition. Contaminated soils were removed from the site and the new fire station was completed in the summer of 2011. It is OKC’s first environmentally sustainable project built to LEED standards.	\$3.3 M
<u>Skydance Pedestrian Bridge</u> – The Skydance Bridge is designed as an iconic pedestrian bridge to link the Central park on the North of the new I-40 cross town to a southern park which will connect downtown to the River. The bridge features a sculpture intended to evoke the “sky dance” of the scissor-tailed flycatcher, Oklahoma's state bird. The bridge will be 192 feet tall, 20 feet wide and 380 long. Construction on the southern portion	\$5.2 M through the Oklahoma Department of Transportation.



of the bridge has begun, and is expected to be complete in 2014.	
<u>1315 N. BROADWAY</u> – The building was purchased by Midtown Mayfair LLC on April 28th, 2011. Redevelopment is expecting to yield between 20-24 apartments. Construction should begin 2012.	\$1.5 million
<u>2<sup>nd</sup> &amp; LOTTIE- “OG&amp;E site”</u> - The property assessed is two adjacent lots, the eastern one owned by OKCNE, a non-profit organization, and the western one is owned by the City. OG&E purchased these properties on November 10 <sup>th</sup> , 2009 to construct a new substation.	\$25 M
<u>Duane Mass 18 W Park Place</u> – Property purchased by Mass Architects on September 3 <sup>rd</sup> , 2010. Location redeveloped as new office space in March of 2011. The phase I and limited phase II were required by the bank prior to financing.	\$400,000
<u>1129 N. Francis</u> – Developer reports this property is expected to be redeveloped on a two year timeline (by 2013).	\$1.5 M
<u>The Downtown Elementary School</u> – This property was selected as the site for the new Downtown Elementary school. This school is expected to be completed in 2014 and will host about 500 students.	\$11 M
<u>Mercy Site</u> – The Urban Renewal authority approved a contract for Midtown housing with Gary Brooks for construction of a 250-unit complex on the former site of Mercy Hospital in MidTown. Construction is expected to start in August of 2012.	\$28.2 M

**TECHNICAL ASSISTANCE ACTIVITIES**

In addition to specific projects, a percentage of EPA grant funds are used to support Oklahoma City program staff in providing technical assistance to others. This has included routine outreach and training activities, as well as specific project support to the following area non-profits:

- Love Link Ministries, with abatement of asbestos and solvent vapors in the former vacant NuWay dry cleaning facility.
- Latino Community Development Association, with the abatement of the former vacant J.C. Penney’s building in Capital Hill.
- Medical Business District, with the abatement, deconstruction and redevelopment of the former vacant Red Cross site on 10<sup>th</sup> St.
- Oklahoma Municipal League, with on-site abatement of a vacant, poor-condition, building next to their facility on 23<sup>rd</sup> St.

## NATIONAL IMPACT OF BROWNFIELDS

The Brownfields Law and the EPA Programs that resulted from that law has had a very positive impact on many communities throughout the nation. In a Conference of Mayors survey, 84 percent of cities said that they have successfully redeveloped a brownfield site with 8 percent claiming they have not yet been successful and another 8 percent claiming that they don't have brownfields in their communities.

150 cities have successfully redeveloped nearly 2,100 sites, comprising more than 18,000 acres of land. And there are over 1,200 sites comprising of another 15,000 acres that are in the process of being redeveloped. 106 cities reported that 187,000 jobs have already been created through the redevelopment of brownfield properties with 71,000 jobs in the pre-development stage and 116,000 permanent jobs.

This new development has also resulted in an increase in tax revenues at the local, state, and federal level. 62 cities reported that their actual tax revenues from redeveloped brownfields sites totaled over \$408 million with an estimate of potential revenues ranging from \$1.3 - \$3.8 billion.

In every survey that the Conference of Mayors ever conducted, the top three impediments to brownfields redevelopment were always the same-- lack of clean up funds, the need for more environmental assessments, and liability issues.

## WAYS TO IMPROVE THE PROGRAM

The Brownfields Law and Program has a proven track record of leveraging private sector investment, creating jobs, and protecting the environment. The law provided some liability relief for innocent purchasers of brownfield properties and provided resources to conduct environmental assessments and cleanups. However, there is much more work to be done. The U.S. Government Accountability Office has estimated there are between 400-600 thousand brownfield sites throughout the US. According to the Conference of Mayors research, approximately 4,000 brownfields sites have been redeveloped or are in the process of being redeveloped which comprise thousands of acres of formerly abandoned properties.

The challenge that communities face now is that many of the "easy" brownfield sites have been developed and the economic conditions for many communities and private sector companies is challenging. The Conference of Mayors and the Brownfields Coalition believe that with some minor changes in the Brownfields Program, it would help spur on additional redevelopment projects and economic growth.

I would like to highlight some of the key recommendations that the Conference of Mayors and the Brownfields Coalition believe would make a significant difference with redeveloping even more properties.

**Full Funding of the Brownfields Program** – I know budgets are tight and we are all doing more with less. However, this program has a proven track record of leveraging private sector money,

putting people to work, and taking formerly contaminated properties and putting them back into productive pieces of land that increases our tax base. At the current funding levels, which are far below the authorized level, EPA can only fund 1 in 4 applications that make it to headquarters. In my opinion, this is a good investment that pays for itself and should be fully funded.

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**Creation of a Multi-Purpose Grant** – The way the program works currently is that a city applies for various grants and identifies the properties where the money will be spent. The only problem with that scenario is that this is not flexible enough for real situations in the marketplace. A city may have multiple developers and businesses who are interested in several brownfield properties. What many cities could use is the ability to assess a number of properties and provide cleanup grants and loans depending on which site or sites are chosen for redevelopment. It hinders that opportunity if a city has to apply for a grant and wait 6 months to a year to see if they get funding. The Conference of Mayors and the Brownfields Coalition would like to see the establishment of a multi-purpose grant to be given to communities that have a proven track record of fully utilizing their brownfield money. We believe by giving us that flexibility will make the program even more useful.

**Increase Cleanup Grant Amounts** – As I mentioned earlier, many of the “easy” brownfield redevelopment projects are already underway or have been completed. What we have left are brownfields that are more complicated due to the level of cleanup that is needed, market conditions, location of the site, or a combination of these factors. The Conference of Mayors would like an increase in the funding ceiling for cleanup grants to be \$1 million and in special circumstances, \$2 million. This would give some additional resources to conduct cleanup at the more contaminated sites and bring these properties back into productive use.

**Clarify Eligibility of Publicly-Owned Sites Acquired Before 2002** – The Conference of Mayors and the Brownfields Coalition believes that as long as a local government did not cause or contribute to the contamination of the property but just happened to own the property prior to 2002, they should be allowed to apply for EPA funding for that property. It took Congress nine years to pass the original law and in that time, many communities took it upon themselves to take ownership of contaminated properties so that they could potentially turn these properties around. These same communities have now found themselves ineligible to apply for any funding for those properties to assist them with their efforts.

I wish to thank the Committee for having me testify today. Brownfields redevelopment is such a win-win for everyone involved. It creates jobs, it cleans up the environment, and it's pro-business and pro-community. The reauthorization of this law should be a priority for this Congress. Thank you again for this opportunity.

United States Senate  
Subcommittee on Environment on Superfund,  
Toxins and Environmental Health  
Oversight Hearing on Brownfields Program - Cleaning Up and Rebuilding  
Communities

**Testimony**

**Elizabeth Spinelli, Hudson County Brownfields Program**

**Wednesday, October 19, 2011**

Hudson County, New Jersey is located on the Hudson River directly across from New York City. The county is the fourth most densely populated area in the United States. As of the 2010 Census there are 634,266 people living within Hudson County's 46.6 square miles. The New Jersey Department of Environmental Protection (NJ DEP) Known Contaminated Sites list has over 1,000 contaminated sites in Hudson County; giving us approximately 21 challenged sites per square mile. Clearly, our main concern is for the health and well-being of the residences of our county.

The Brownfields that plague Hudson County are the remains of our industrial past. Companies with names like Western Electric, Maxwell House, Colgate-Palmolive, Owens Illinois, Guyon General Piping, and Diamond Shamrock were leading firms in the municipalities of Hudson County. These companies employed thousands of workers and provided tax revenues to the towns along with good paying jobs.

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All that changed in the 60's and 70's when manufacturing companies left the region and closed their facilities. Jobs became scarce, creating high unemployment throughout Hudson County and high numbers of people living in poverty.

The unemployment in Hudson County rose to double digits. To this day our unemployment rate is higher than the state and national average. The unemployment rate for Hudson County is currently 10%.

The loss of these companies had another adverse effect, that is the large number of abandoned, derelict properties, and buildings that are functionally obsolete by today's standards. Many of these sites had their buildings demolished to lower the property taxes. These sites were fenced in and left to decay along with the communities. Land lie fallow and millions of potential, valuable square footage went unused for decades.

The revitalization of these properties was the only option for Hudson County. In the spring of 1998 Hudson County applied for and was awarded a grant from US EPA. We called the application the Brownfields Revitalization in an Urban Complex, A Demonstration Project in Hudson County.

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The US EPA grant provided the resources, support and technical expertise for site identification, inventory, assess and reuse plans for these sites.

The Hudson County Economic Development Corporation is the lead agency and our first act was to form the Brownfield Stakeholders Group to guide and direct the process of Brownfields revitalization. The group consist of a banker, educators, insurance professional, developers, interested citizens, town representatives, the Hudson County Regional Health Commission, the Hudson County Office of Strategic Revitalization, (which is now the Hudson County Office of Planning), and the Hudson County Division of Community Development. In addition, the US EDA, US HUD, New Jersey Department of Environmental Protection Brownfields Manager, and the US EPA Region 2 Project Manager served on the group. Many of these individuals are still working members of the committee.

The first meeting held on December 1, 1998 and meetings continue to this day. We did however move from monthly to quarterly meetings three years ago. These dedicated individuals have been the core of our efforts and have contributed their time and energy for the good of the Hudson County. We owe our success to their guidance, diligence and selfless support.

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(4)

### **Projects and Success**

The first project was in the Town of Harrison, New Jersey. Harrison Mayor Raymond McDonough decided it was time to address the abandoned sites that were located near the entrance to the Town. The largest of the sites was a site formerly known as the Callahan Concrete Company. The company had closed and left behind land that was fenced in and cluttered with debris. The site is located on the banks of the Passaic River, directly across from Newark, NJ. The Town selected the site because of the impact to the area and it represented a great location for redevelopment.

The work began on the site and the preliminary investigation concluded that the main contamination was historic landfill. Many towns utilized historic fill around the turn of the century to fill in marshy areas. These areas were the breeding ground for mosquitoes that spread the plague.

The land was cleared; followed by the challenge of finding a suitable developer who could bring the highest and best use to the property and the Town of Harrison.

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(5)

Mayor McDonough's office received many calls of interest, but none of the interest materialized into a project. Finally a developer who specialty is building hotels expressed interest in the site. A Hampton Inn & Suites was the proposed project. The developers were from Long Island and had completed other hotels throughout the Tri-State region. A team from the town visited a hotel in the Long Island that the developers had completed to see firsthand the type of project the group would be building in Harrison. The visit was a success. The Hampton Hotel & Suites is the first hotel to open in Harrison since stagecoach days. The project has an indoor pool, a health club and a beautiful walkway on the Passaic River. They offer shuttle service to Penn Station in Newark, NJ and to the Harrison PATH station that serves New York City, Jersey City and Hoboken. Its location is ideal for the business traveler, and in recent years with the opening of the Red Bull Stadium in Harrison, it is a favorite of soccer fans. The hotel is a thriving business and was the impetus for other development projects within Harrison, NJ.

This successful project could not have happened without the US EPA Grant dollars that started the process. The Hampton Inn & Suites proved there were options for Brownfields reuse and gave confidence to developers to consider challenged sites for development instead of building on green space. Job creation for this project is 45 full time and 15 part time jobs.



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(6)

The second project is Affordable Senior Housing in Kearny, NJ. The site located at 681 – 697 Schuyler Avenue had been a former manufacturing company. The land was fallow for over twenty years. This site sits on the hilly side of town and has amazing views of the Manhattan skyline. It had been fenced in and was an eyesore in the community.

The Mayor of Kearny, Mayor Alberto Santos and the Town Council realized that many elderly people with limited resources had to leave the Kearny to find affordable housing. Seniors who had lived all their lives in town now had to move away to find housing that was they could afford.

The Hudson County Brownfields Stakeholders embraced this project and moved forward with a site investigation using the US EPA Grant. The project had many partners leveraging their funds to help create this great project. Among the partners were NJ EDA using Hazard Discharge Site Remediation Funds (HDSRF) , US HUD HOME Funds and the developers.

Town of Kearny has a 49-unit Affordable Senior Housing complex. It has added life to a section of town that was underutilized and an eyesore. On mild evenings seniors can be seen sitting on the front stoop enjoying the camaraderie of friends and the joy of living in a beautiful building. There are 2 full time jobs at this location.

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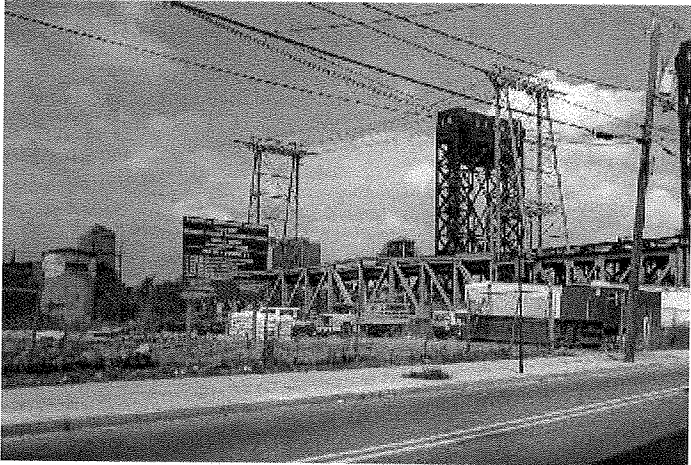
(7)

In conclusion: These are examples of two smaller projects but every journey starts with that first step. **These early successes helped spur development that “But for the US EPA Grant” would not have been considered.** These projects signaled a change in the dynamic of adaptive reuse and sustainability within our urban environment. We have had success because we work well with the communities, we encourage community participation and we respect the people and their dually elected officials as the client in our process. Our collaboration with the United States EPA has been a wonderful example of working together for a common goal. They have offered assistance and guidance throughout the process. We rely on the Grant to assist with the projects but, we have also relied on the guidance that the EPA has provided to us.

Working with the US EPA and the Grant process has made us understand that reclaiming Brownfields is a perfect starting point to reclaiming our future. Living in a community that has mass transit options and that are walk-able and livable will lead to a healthier and brighter future for all communities.

Thank you for the opportunity to come before you to discuss our program.

Harrison Passaic Avenue - Before



Harrison Passaic Avenue - After

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Affordable Senior Housing Kearny, NJ – Before

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Affordable Senior Housing

After



Committee Chairman Boxer, Committee Ranking Member Inhofe, Subcommittee Chairman Lautenberg, Subcommittee Ranking Member Crapo, and Committee and Subcommittee members, thank you for the honor of your invitation and the opportunity to present my perspective on the implementation of the brownfields program in Idaho. The brownfields program has enjoyed great successes in Idaho and has generated many fans, especially in our rural communities where trust in and acceptance of government programs and regulations is difficult to earn.

Idaho's brownfields program, first funded through a state assistance grant from EPA in late 2003, has partnered with our rural communities to turn landfills and abandoned mine sites into parks and trails, abandoned wood mills into visitor centers and white water parks, a historic grain silo into a performing arts theater, a historic laundry building into an event center, an abandoned creamery into a LEED certified municipal complex, and a former methamphetamine lab into a children's arts academy, among many other projects which led to job creation, community development, and protection of human health and the environment. Since our program's inception in 2003, we have used federal brownfields funding to conduct assessments and cleanups at over one hundred properties in dozens of rural communities, clearing thousands of acres for redevelopment, removing the stigma of environmental contamination and blight from rural communities, ultimately leading to job creation and the protection of human health and the environment. We are pleased with the results of our successful partnership with EPA and our experience leads us to believe brownfield program implementation in rural communities can be improved without increasing federal appropriations.

#### Two Brownfield Worlds: Metropolitan and Rural

We realized very quickly that the brownfields program works differently in rural states than in metropolitan areas and it is critical that the federal program recognize this key distinction. Consider that there are 39 metropolitan areas in the United States with a larger population than the entire state of Idaho; this is who our small, rural communities are competing against in the annual grant competition. Large metropolitan areas have staff grant writers, grant managers and environmental experts; small, rural communities do not. From both a staffing and expertise perspective, small, rural communities require substantial involvement and support from the state program to successfully and efficiently apply for, implement and close-out an EPA competitive grant. Absent the state's help, small communities either don't apply for grants or become completely overburdened attempting to manage a grant award – they literally want to give the funding back and walk away. For rural states, such as Idaho, where the expertise needed to navigate the brownfields renewal process resides at the state level and not at the rural community level, more funds need to be allocated toward state assistance programs rather than EPA competitive grants.

#### A Rural Grantee's Experience and How the State Assisted

Following is an example of this critical partnership between our state program and a local brownfields cleanup grant recipient. In the fall of 2003, at Washington County's request, our state brownfields program drafted a competitive grant proposal for rural Washington County. Fewer than 10,000 people live in Washington County with half of those living in the County seat of Weiser. Reluctantly, the County foreclosed on an abandoned former dry cleaner site in Weiser for failure to pay property taxes over three consecutive years. The shuttered dry cleaners located on the central corridor through Weiser had a known soil and groundwater contaminant plume which crossed under a residential area. The County

correctly identified the brownfields program as a solution for assessing and cleaning up the property so that it could be returned to productive use.

However, when County officials looked at the 53-page EPA grant proposal guidelines, they were discouraged from applying since they had no one on staff versed in federal grant writing, brownfields law, economic development, or environmental consulting. The County Clerk became the local champion for this project, so the task fell to her. She called me in October 2003, almost in tears, asking if we could assist with their grant proposal. We ended up crafting a successful proposal for the County, which EPA selected for funding, 7 months later. The County did not have experience managing federal grants and was quickly overwhelmed when their EPA project officer identified all of the federal reporting and regulation compliance documentation with which the County would be required to comply, including: workplan creation, cooperative agreement negotiation, detailed budgets, quarterly reporting, procurement requirements, the need to develop and advertise a request for proposal for contractor services, Endangered Species Act compliance, National Historic Preservation Act compliance, and many other requirements which need to be satisfied in order to successfully manage a federal grant. Despite the fact that this project was relatively small in scope, the estimated amount of time required to comply with these grant requirements is approximately 300 hours, or 15% of a full time equivalent employee. This was an expense and level of expertise that Washington County was in no position to meet. The Washington County Clerk called and informed me that they would be refusing the EPA brownfield assessment grant because it was too complicated and they didn't understand all of the requirements, let alone how to comply with them. Our state brownfields program was only 8 months old at this point, but it had already become clear that we needed to provide extensive support to Idaho recipients of EPA brownfields grants.

From that point forward, we managed the grant for Washington County. We helped them craft their workplan and negotiate a cooperative agreement with EPA. We wrote a request for proposals for consultant services and aided in the selection of a qualified consultant to conduct assessment work. We completed the EPA Region 10 site eligibility documentation for the abandoned dry cleaners and completed all the other federal compliance documentation such as Endangered Species Act consultation and National Historic Preservation Act Section 106 compliance. We provided oversight for Washington County during all site activities and assisted with the quarterly reporting to EPA. We also utilized our state brownfield program funding to conduct additional assessment and limited cleanup at the site.

With all of this assistance, the County was able to successfully implement and close out the grant. The County subsequently sold the property to a private, for-profit small business. The new business put over \$40,000 into property revitalization, opened up a sign and T-shirt printing company and created three permanent, full-time jobs. The property is no longer a source of soil and groundwater contamination, it was returned to the tax rolls of the County, and is now a productive place of business instead of an environmental threat and neighborhood blight.

#### Grant Applicants Request State Assistance

This is just one of the many examples of the Idaho brownfields program's support of rural brownfield projects. We have had a significant hand in writing either in whole or in part, all of the competitive EPA brownfield grant applications awarded to Idaho applicants. Additionally, our EPA funded state brownfield program plays a substantial role in the management of all competitive brownfield grants



awarded to Idaho applicants. Without our support and assistance, it is unlikely that the competitive grants in Idaho would have been implemented successfully. In fact, grant applicants actively seek out our involvement in crafting proposals, implementing the grant, overseeing field activities, and interpreting assessment and cleanup reports.

#### State-Led Actions Improve Program Efficiency and Local Stakeholder Attitudes in Rural Idaho

Aside from assisting competitive grant applicants in Idaho, our EPA funded state program also conducts site specific assessments and cleanups at brownfield properties throughout the state at the request of local governments, renewal agencies, and non-profits. These projects are primarily conducted in rural areas and are instrumental in removing the stigma of environmental contamination and blight from rural town centers. Since we are involved in at least twenty (20) to thirty (30) state-led assessment or cleanup actions at rural brownfield sites per year, we have significant experience in complying with all federal regulations and reporting requirements relative to brownfields. When our state program directly funds an assessment or cleanup, we always absorb the numerous federal compliance requirements such that our clients only have to spend about an hour or two on paperwork for a project from application through the final report, saving federal funding and saving grantees 100's of frustrating hours. The project is completed efficiently with the client feeling positive about their experience working with government.

By implementing our program as I just described for the past eight (8) years, our state assistance program has established excellent working relationships with all the appropriate federal, state, and local contacts we need to successfully implement a brownfield assessment or cleanup. We have private contractors under contract with whom we work to efficiently develop work plans for assessing and cleaning up brownfield sites. Because of our experience and the structure of our program, we are able to conduct brownfield assessments much more efficiently through our EPA funded state program as compared to Idaho grantees who are directly funded by a competitive EPA grant.

This state-led strategy allows local brownfield project champions to drive the process at the local level while we work behind the scene to line up and execute the project with almost no administrative impact on our rural clients. The result is that our EPA-funded state program is able to assess properties in 1/3 the time and at 1/3 the cost (per acre assessed) when compared to Idaho grantees directly funded through an EPA competitive grant. It is important to remember that aside from the environmental benefit of brownfield assessment and cleanup, the service that our rural stakeholders truly value with respect to this program is that we remove environmental barriers to economic development. It is important to our rural communities that these barriers be identified and removed in a timely manner so they can move forward with redevelopment projects.

#### Typical EPA Grant Timeline for Idaho Projects

Developers, property owners, contractors, and the general public tend to become disillusioned with projects, especially government funded projects, if they drag on too long and are seen as a burden on community resources. Our state-led approach of directly assisting rural communities with their brownfield redevelopment projects are efficient and place no burden on local government staff time or resources. This preserves the precious time and resources the community can devote to redeveloping

properties and putting people back to work rather than devoting that energy to competing for a federal grant for which they may not be prepared to implement if they are even selected for funding.

As discussed, timing is critical on redevelopment projects, a two-year process for completing an assessment or cleanup just doesn't work for anything but the largest of projects; yet that is what you get with the competitive grant process. If a rural community were to successfully compete for an EPA brownfield assessment grant, they would need to start crafting their proposal at least two to three months prior to the proposal deadline. If EPA selects the proposal for award, that announcement is generally made six (6) to seven (7) months after the proposal deadline. After that, the grant awardee must develop a workplan and negotiate a cooperative agreement with EPA before grant funds are actually awarded, often an 8-10 month process. The actual funding is usually in place by October 1, a full twelve (12) to fourteen (14) months after the grantee started working on their proposal. The intended environmental assessment does not take place for at least six (6) months after the grant funds are in place due to federal grant requirements which include a community involvement plan, procurement of contractor services, and other federal requirements. Environmental assessment work from planning until the final report can take up to six (6) more months even for fairly simple sites. The result is a two year lag between the identified need for a brownfield site assessment in a rural community and the completion of an assessment report.

#### Typical State-Led Project Timeline for Idaho

In contrast, Idaho's State brownfield program regularly completes brownfield assessment projects in less than six (6) months from the time we receive an application until the time we deliver a final assessment report, while meeting all of the same federal requirements. This timeline is much more in line with development projects than the much longer EPA competitive grant process. If you can imagine shepherding the exact same project through the EPA competitive grant process and Idaho's brownfield program simultaneously, the result would be that the state-led project would be complete before you know whether or not EPA selected your grant proposal for funding.

#### Why Our Rural Communities Need Support from the State Brownfields Program

While the two-year competitive grant process may work well in metropolitan areas, which tend to have larger, more complex, and therefore more expensive sites to assess, the relative lack of available staff time, expertise, and financial resources in our rural communities precludes many of our rural communities from applying for competitive grants. Additionally, many of the brownfield sites in our rural communities do not require the level of funding commonly sought for competitive grant proposals. It is often the case that our state program can remove environmental barriers to redevelopment of rural properties with a total expenditure of \$5,000 to \$50,000, depending upon the site. While this dollar amount may sound small, to a community of 5,000 people or less, which are very common in Idaho, these dollar amounts are significant and largely unattainable with the limited tax base available to most rural communities.

Aside from ability to access funding and expertise, rural communities have another very real hurdle when it comes to brownfield revitalization. With few exceptions, rural property is significantly less expensive than the same acreage in our most populated city, Boise. There is no motivation for a developer to spend thousands of dollars to have a potentially contaminated site assessed in a small

town when they can go 50 yards down the street and develop uncontaminated bare ground at no risk. This tends to leave smaller towns with a “doughnut effect” where the core of the town falls into blight as development leap-frogs to the margins of the community.

#### Statistics Support the Value of Idaho’s Brownfields Program

The statistics support our conclusions that rural states and communities are being left out of the competitive grant award process. Of all EPA competitive grants, approximately 50% of awards are made in EPA Regions 1 and 3 alone, predominantly in metropolitan areas. EPA Region 10 (Alaska, Washington, Oregon, and Idaho) on average receives 4% of competitive EPA grant awards annually. Region 10 also submits fewer applications than all other regions in the country. This is largely a function of the rural nature of our states, rather than lack of need for brownfield assessment and cleanup funding. Our region boasts 25% of the United States land mass with only 4% of the United States population. We simply do not have the same capacity to adequately compete for or implement EPA competitive grants as more populace regions. It is tempting to dismiss our need for brownfield funding based on our rural nature, but consider the impact a \$50,000 project can have when an abandoned, blighted gas station on Main Street in a town of 4,000 is brought back into reuse as a café, or a bank, or a farmer’s market. Also, consider that we often work to remove environmental barriers to entire historic mining districts covering tens if not hundreds of acres per site. Rural states and communities need these funds; we just can’t compete for them under the current system.

#### Despite Efficiency, State Assistance Funding is Being Reduced

Idaho’s EPA funded brownfields program has a very successful track record of promoting and implementing brownfield revitalization which ultimately leads to job creation, reduction of environmental contamination, and community renewal. However, our business model is vulnerable to the threat of reduced funding. While the current allocation of federal funding for state brownfield programs remains static, the addition of new states, tribes, and territories applying for federal assistance is increasing. The result is that state assistance program funding is being reduced year to year. If the current trend continues, Idaho’s program will reach a point where we have to choose between the level of service we provide to EPA grant awardees in Idaho or the number and scope of direct assessments and cleanups we perform for rural Idaho communities. We will maintain a balance for as long as we can, but at some point we will be forced to make those choices, effectively picking winners and losers.

#### A Solution Without an Increase in Appropriation or a Change in the Brownfields Law: Stabilize State Assistance Funding With Competitive Grant Funds

There is a solution to this dilemma without the need to appropriate additional funding at the federal level. It is my understanding that funds can be moved from the EPA competitive grant program into the EPA funded state assistance grants without a change in the brownfields law. By moving some of these funds from the EPA grant program into the state assistance grant program, EPA can keep funding state programs like ours as we effectively target and assist rural communities which cannot realistically participate in the EPA competitive grant program. Based on the current performance of Idaho’s brownfields program, such a shift in funds would be a bargain for taxpayers since our brownfield

activities are completed in 1/3 of the time and at 1/3 of the cost per acre as compared to EPA funded competitive grant projects in Idaho

#### Additional Challenges for Rural Idaho

Idaho's rural communities are facing additional brownfield challenges due to the downturn in the economy. Businesses which once thrived are shuttered and abandoned. Some of these abandoned properties are the source of environmental contamination in some Idaho small towns. Due to this contamination and the downturn in the economy, property owners are unable to lease or sell their properties. Cash strapped owners are starting to walk away from contaminated commercial and industrial properties by not paying property tax to Idaho counties. Counties are required by Idaho statute to foreclose on real estate once property taxes are three (3) years in arrears. If the cost of assessment or cleanup is greater than the value of the property, some property owners figure it is less costly to simply stop paying taxes and let the property revert to the county. Idaho counties rely on our brownfield program to assist them in assessing and cleaning up these involuntarily acquired properties which sometimes pose a real threat to human health and the environment as well as presenting themselves as blights after being abandoned for three (3) or more years. This is a trend that seems to be increasing rather than decreasing at the same time that our program's funding is being reduced. Again, if funds were moved from the EPA competitive grant program to the state assistance grant program, we could ensure that we are able to continue to assist rural Idaho counties facing the involuntary acquisition of contaminated properties.

#### Other Opportunities to Improve the Brownfields Law

There are other opportunities for improving the brownfield program's performance nationally, but these opportunities would require some minor changes to the current law. One opportunity for improvement would be to change the eligibility requirements for petroleum brownfields to match that of hazardous substances brownfields. The current law states that, in order for a petroleum site to be eligible for federal brownfield funding, the current owner needs to be two (2) owners removed from the last property owner to dispense petroleum at the site and/or a potentially responsible party. This stipulation is very difficult to explain to our stakeholders, presents an artificial obstacle for assessing, cleaning up, and revitalizing former petroleum sites, and unnecessarily adds to the documentation burden borne by organizations attempting to implement successful brownfield programs. Another opportunity to improve the program would be to create greater access to federal brownfield funding for rural communities by removing the limit on site specific activities conducted by state and tribal assistance grant recipients. The current limit is set at 50% of total grant funding. This seems to be an arbitrary limit, especially for state programs like ours which provide so much direct support to rural communities that would normally not have access to brownfield funding.

While the last two suggestions for improvement are of import, it is starting to become critical that we figure out a way to stabilize brownfield funding to states. Without a stabilized funding source, our ability to implement the brownfield program in rural communities will be compromised. One very straightforward way of accomplishing this stability, without appropriating more funds or changing the brownfield law, would be to move funding from the EPA competitive brownfield grant program, where metropolitan areas dominate, to state assistance grant funding. Again, as the chart below shows, our state program is much faster and less expensive to implement at the project level than the EPA

competitive grant program. Making this funding shift would increase brownfield effectiveness and efficiency in rural communities; it would also be a bargain to the United States taxpayers.

Brownfield Assessment Performance by Funding Source Type

	Total acres assessed by type	Total assessment costs (\$) by type	Cost (\$) per acre assessed by type	Average length of assessment*
EPA Competitive Grant (Idaho grantee)	147.219	767,658	5,214.39	30 months
Idaho Brownfield Program – funded by EPA state assistant grant	1,154.322	2,034,601	1,762.59	6 months

\*Denotes length of time from application until final report(s)

Conclusion:

State-led assessments cost less than 1/3 of EPA competitive grant funded assessments and take less than 1/3 the amount of time, in Idaho.

**EPA Competitive Brownfield Grant Awards by Year and EPA Region (2004 – 2010)**

EPA Region	2010 \$ Awards	2010 # of Applications	# of Awards	2009 ARRA \$ Awards	2009 # of ARRA Awards	2009 \$ Regular Awards	2009 # of Regular Awards	Total 2009 Awards (Regular and ARRA)	2009 # of Applications (used for both Regular and ARRA)
1	16,115,500		49	7,440,033	24	17,150,000	46	70	102
2	6,031,666		23	1,800,000	8	3,200,000	6	14	33
3	4,600,000		18	2,660,000	9	3,500,000	9	18	47
4	9,300,000		33	5,800,000	13	10,800,000	29	42	102
5	26,605,500		71	9,650,000	25	19,994,000	44	69	134
6	3,400,000		12	2,232,200	6	5,434,495	15	21	48
7	3,583,000		7	1,600,000	7	1,960,000	8	15	26
8	2,700,000		6	1,000,000	4	2,800,000	4	8	16
9	5,341,085		19	3,876,900	13	8,050,000	23	36	54
10	1,045,213		3	1,050,000	3	1,200,000	6	9	22
<b>Total</b>	<b>\$78,721,964</b>		<b>241</b>	<b>\$37,109,133</b>	<b>112</b>	<b>\$73,888,495</b>	<b>190</b>	<b>302</b>	<b>584</b>

EPA Region	2008 \$ Amount	2008 # of Applications	2008 # of Awards	2007 \$ Amount	2007 # of Applications	2007 # of Awards
1	11,317,250	93	60	18,794,700	102	80
2	3,310,000	32	17	3,100,000	28	16
3	4,128,524	56	21	4,000,000	41	13
4	11,227,080	70	49	9,200,000	64	17
5	26,002,770	129	91	18,534,000	146	81
6	4,941,130	46	17	5,800,000	33	11
7	4,330,360	30	23	4,125,515	28	17
8	2,050,000	11	5	988,450	15	5
9	6,300,000	61	29	2,228,723	36	17
10	1,247,900	21	7	2,112,254	27	11
<b>Total</b>	<b>\$74,855,014</b>	<b>549</b>	<b>319</b>	<b>\$68,873,642</b>	<b>520</b>	<b>268</b>

EPA Region	2006 \$ Amount	2006 # of Applications	2006 # of Awards	2005 \$ Amount	2005 # of Applications	2005 # of Awards
1	10,922,744	70	47	11,649,090	75	53
2	3,400,000	34	17	2,044,378	28	11
3	6,328,046	41	28	4,480,000	38	22
4	5,100,000	51	26	4,233,000	57	19
5	22,472,150	108	84	21,895,000	85	78
6	3,499,955	36	17	7,523,531	38	16
7	2,561,000	13	13	5,090,427	25	24
8	1,359,000	20	7	3,070,000	20	12
9	11,536,000	39	39	7,349,420	44	34
10	2,761,024	25	14	6,932,464	36	23
<b>Total</b>	<b>\$69,939,919</b>	<b>437</b>	<b>292</b>	<b>\$74,267,310</b>	<b>446</b>	<b>292</b>

EPA Region	2004 \$ Amount	2004 # of Applications	2004 # of Awards	Total Each Region	Total Region Awards	
1	8,629,213	87	40	\$102,008,530	399	CT, ME, MA, NH, RI, VT
2	3,283,555	52	16	\$26,169,599	114	NJ, NY, Puerto Rico
3	4,155,000	37	15	\$33,851,570	135	DE, MD, PA, VA, WV
4	6,225,000	49	26	\$61,885,080	212	AL, FL, GA, NC, SC, TN, KY, MS
5	27,264,483	115	67	\$172,417,903	541	IL, IN, MI, MN, OH, WI
6	4,239,733	42	18	\$37,071,044	112	AR, LA, OK, TX, NM
7	3,800,000	16	11	\$27,050,302	110	IA, MO, KS, NE
8	2,377,538	22	12	\$16,144,988	55	CO, MT, ND, SD, UT, WY
9	10,396,334	49	36	\$55,078,462	210	AZ, CA, HI, NV, US Territories
10	4,080,778	35	24	\$20,429,633	91	AK, ID, OR, WA
<b>Total</b>	<b>\$74,451,634</b>	<b>504</b>	<b>265</b>		<b>1,979</b>	

**Return on Investment at One Urban and One Rural Brownfields Revitalization Project in Idaho**

Category / Site	American Linen - urban	Albion Normal School - rural
Assessment dollars expended:	\$90,000	\$58,000
Jobs created during redevelopment	40	14
Total payroll during redevelopment	\$850,000	\$400,000 (estimate from owner)
Employees currently employed	7	20
Part time	5	19
Full time	2	1
Total current payroll	\$210,000	\$80,000
Annual operating expense (non-payroll)	\$280,000	\$150,000
Total material cost for redevelopment	\$1,400,000	\$600,000
Structures remodeled	3 @ 26,000 square feet One of these structures is on the National Register of Historic Places	7 @ 120,000 square feet All structures on the National Register of Historic Places
Assessed value prior to redevelopment	\$900,000	Exempt, owned by City of Albion prior to redevelopment. Property was always exempt from valuation due to public ownership. Purchase price was \$600,000, so we assume this to be the fair market value pre-redevelopment
Assessed value post redevelopment	\$2,500,000	\$1,400,000
Increase in property value	\$1,600,000	\$800,000 (see assumption above)
Annual taxes prior to redevelopment	\$10,000	\$0 due to public ownership
Annual taxes post redevelopment	\$20,000	Estimated at \$10,000
Other indicators	1. Led to purchase and redevelopment of 4 other buildings in the "Linen District" with a total economic development benefit of over \$10,000,000  2. All original infrastructure was able to be reused. No infrastructure costs were incurred by local utilities or governments as a result of this development.	1. Construction of senior center on the campus property valued at \$250,000  2. Local catering business saw an increase in revenue of \$35,000 annually once the campus re-opened.
One time redevelopment investment	\$3,850,000	\$1,800,000
Annual economic return	\$510,000	\$240,000
Total project return on assessment dollars during first year of operation	\$48.44 return per \$1 of brownfield assessment funding	\$35.17 return per \$1 of brownfield assessment funding

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Testimony before the Committee on Environment and Public Works

*“Oversight Hearing on the Brownfields Program –  
Cleaning Up and Rebuilding Communities.”*

Wednesday, October 19, 2011

10:00 a.m.

Room 406, Dirksen Senate Office Building  
Washington, DC

Written Testimony of:

E. Evans Paull

Executive Director

National Brownfields Coalition

Tel: 202-329-4282

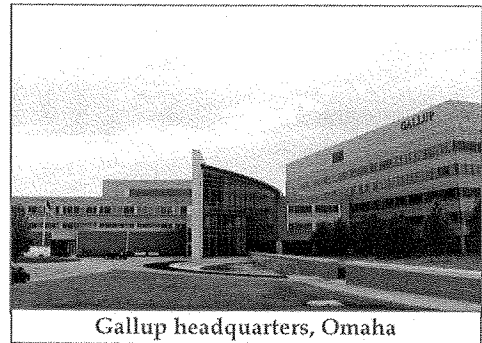


Good afternoon, Madam Chairwoman and Members of the Committee. I am Evans Paul, Executive Director of the National Brownfields Coalition. Our organization appreciates the opportunity to testify in relation to the topic of today's hearing, the "Brownfields Program – Cleaning Up and Rebuilding Communities." The National Brownfields Coalition represents national, local, and public and private organizations that share the goal of promoting brownfields redevelopment as a means of achieving community economic revitalization, sustainable growth and development, and environmental restoration of land. Some of our diverse national members include: the US Conference of Mayors; Smart Growth America; NAIOP, the Commercial Real Estate Development Association; and the Trust for Public Land.

I wanted to start today by calling your attention to brownfields community turn-around projects that have been carried out in some of the states that are represented on this Committee. There is a recurring theme that I want to stress. EPA brownfields funds, although modest in the larger picture of multi-million dollar redevelopment projects, are often the first funds in to help communities lay the groundwork for turning blighted contaminated properties into new community assets. It would be hard to overstate the importance of these critical resources – EPA funds essentially function to allay fears of the unknown, and then, once known, the funds work in concert with state and local resources to counter the extra costs of redeveloping brownfields. The payoffs from these modest investments in leveling the playing field are enormous, because it's not just about cleaning up and redeveloping X, Y, and Z site. It's also about enabling communities to re-position their economies, taking the failed industries of the past and retooling those sites to enable future growth and improved quality of life.

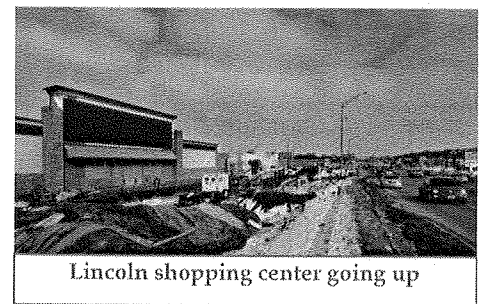
### Nebraska

In *Omaha* EPA site assessment funding for three key waterfront properties has paved the way for 750 jobs and \$140 million in new investment, including: the Gallup Corporation's world operational headquarters; and a riverfront trail that will enable the local populations to enjoy 64 miles of newly-accessible riverfront property.



Gallup headquarters, Omaha

In *Sarpy County* economic development officials are hinging a big piece of the area's economic future on the 954-acre PCS Nitrogen Fertilizer site, where a 2008 brownfields site assessment has turned an unknown into a predictable cost for a future industrial employment-generating use.



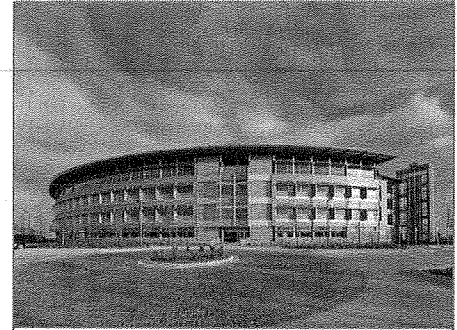
Lincoln shopping center going up

In *Lincoln* an EPA site assessment of the 41-acre property at 16<sup>th</sup> and O Streets later led to a \$19 million retail redevelopment project that replaced abandoned dilapidated property and produced 425 jobs.

## Arkansas

In *Little Rock* an EPA site assessment of a Union Pacific rail yard near downtown paid dividends in 2006 when Heifer International chose to locate their world headquarters on the 4.2 acre site, bringing 225 jobs and 225,000 visitors to Little Rock. Heifer International is a non-profit world food organization.

Two 2011 site assessment grants will target properties in *Little Rock* and *North Little Rock's* disadvantaged Empowerment Zone communities. Other Arkansas communities benefitting from EPA Brownfields grants include *Camden, Helena, and Pine Bluff*.



Heifer International, Little Rock

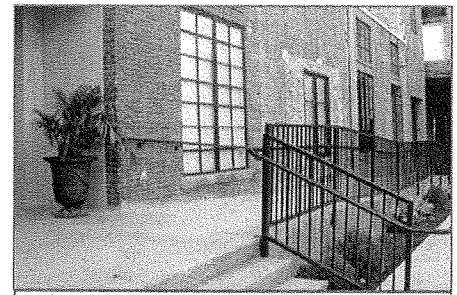
## Louisiana

In *Shreveport*, 60 employees have new manufacturing jobs at the refurbished HICA Steel Castings plant due, in part, to an EPA site assessment grant. The former HICA steel foundry closed in the mid-1990's and contamination issues had complicated interest in reviving the plant. The site assessment grant led to a cleanup (funded largely by the previous owner) and paved the way for the new manufacturing operation.

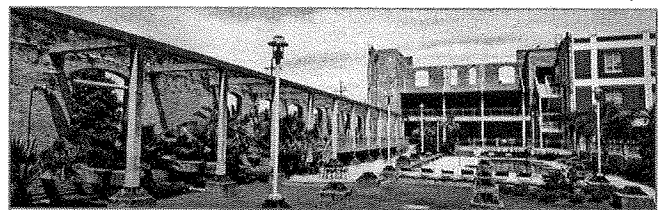
In *New Orleans*, an EPA site assessment helped unlock the hidden potential of the Falstaff Brewery, which had been vacant for 30 years. The dilapidated property was transformed into 147 mixed income apartments in 2008.

The American Can redevelopment, which is often cited as a

model for historic preservation, was brought back to life as 268 apartments and 20,000 sq ft of commercial space. The brownfields tax expensing program was part of the incentive package that leveraged this community-altering investment.



Falstaff Brewery, New Orleans



American Can, New Orleans

## Demonstrated Success but Challenges Remain

These projects are just a few of the brownfields investments that are replacing lost jobs and tax revenue with vibrant new uses on sites where closed industrial plants have left a legacy of blight and contamination. Brownfields investments are the perfect example of the principle that environmental improvements can also be good for the economy, generate jobs, and spur community revitalization. In a report that compiled results from ten studies, the Northeast-Midwest Institute (NEMW) concluded

that, on average, \$1 of public investments (from all sources) in brownfields leverages \$8 in total investment.<sup>1</sup> EPA reports that, on average, \$18.29 is leveraged for each EPA Brownfields dollar expended at a brownfield.

**Efficient Job Producer** – As a job producing strategy, brownfields investments produce jobs in three rounds – first, in cleaning up the land; second, in vertical construction; and third, by producing permanent reuse jobs. The previously-cited NEMW report analyzed jobs leveraged and concluded that it takes only \$10,000 to \$13,000 in public investment in brownfields site improvements to produce one permanent job (the federal standard for several job creation programs is \$35,000 per job). The latest U.S. Conference of Mayor’s (USCM) brownfields survey indicates that 230,223 new jobs could be created just on the brownfields sites in 106 respondent cities. Fifty-four cities said that 161,880 jobs have already been created through the redevelopment of 2,118 sites, with 64,730 jobs in the pre-development/remediation stage and 97,150 permanent jobs.<sup>2</sup>

The EPA Brownfields program reports that their investments in site assessments and cleanups have produced 72,400 jobs since the program’s inception.<sup>3</sup>

**Environmental Benefits** – Brownfields investments produce direct benefits by cleaning up contaminated land, thereby improving public health. EPA data<sup>4</sup> also indicates that there are indirect benefits of brownfields redevelopment, including:

- *Saving land from destructive sprawl development* – One acre of redeveloped brownfields equates to 4.5 acres of “saved” greenfields (or more than 45,000 acres in the cities surveyed, above).
- *Contribution to air quality objectives* – EPA studies have concluded that brownfields redevelopment saves 32 to 57 percent Vehicle Miles Traveled (VMT’s) relative to comparable greenfields sites.
- *Contribution to Water Quality Objectives* – EPA data also indicate that brownfield redevelopment produces an estimated 47 to 62 percent reduction in stormwater runoff relative to greenfields development.

**Unmet Needs: Vast Reservoir of Brownfields Sites** – Cities and towns are still struggling to overcome contamination-related impediments on an estimated 450,000 to one million sites.<sup>5</sup> The previously cited NEMW impact report concluded that the pace of cleanups is addressing, at best, 1.4 percent of the sites, annually.

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<sup>1</sup> Northeast-Midwest Institute, “The Environmental and Economic Impacts of Brownfields Redevelopment,” July, 2008. (<http://www.nemw.org/images/stories/documents/EnvironEconImpactsBFReDev.pdf>)

<sup>2</sup> See: <http://www.usmayors.org/pressreleases/uploads/November2010BFreport.pdf>

<sup>3</sup> See: [http://epa.gov/brownfields/overview/brownfields\\_benefits\\_postcard.pdf](http://epa.gov/brownfields/overview/brownfields_benefits_postcard.pdf)

<sup>4</sup> See: [http://epa.gov/brownfields/overview/brownfields\\_benefits\\_postcard.pdf](http://epa.gov/brownfields/overview/brownfields_benefits_postcard.pdf)

<sup>5</sup> US General Accounting Office, “Brownfield Redevelopment, Stakeholders Report...,” December, 2004

The previously-cited USCM survey also reflects on the vast potential for brownfields sites to restore fiscal health to cities – 75 respondent cities indicated that redeveloping their brownfields sites would add up to \$1.66 billion to local government coffers. Local governments consistently rank “lack of cleanup funds” as the number one impediment to brownfields redevelopment.

*Do Brownfields Investments Make Sense in a Recession?* A recession is actually good timing for brownfields investments. Public expenditures in site assessments and cleanups are far-sighted investments in future responsible growth -- more brownfields sites will be “development-ready,” and future growth can be steered to land where infrastructure is in place, existing communities can be revitalized, and the negative externalities associated with sprawl can be avoided.

### **Reauthorize the EPA Brownfields Program**

The original authorization of the EPA Brownfields Program expired at the end of 2006. The need to reauthorize the program is an opportunity for Congress to include provisions which would strengthen the program by providing additional tools and resources for communities working to redevelop their brownfields, including:

#### *Funding that Meets America’s Brownfields Needs*

1. *Increase Total Brownfield Grant Program Funding* – Congress should increase overall EPA funding for brownfields grants. Currently EPA can fund only about one in three of qualified applications. While funding levels of at least \$600 million annually are needed and easily justified, the Coalition can support modest funding increases based on inflation adjustment of the 2002 authorization level (\$250 million), which translates to \$330 million in FY 2012. Then levels should rise 3 percent annually to \$361 million in FY 2016.
2. *Increase Cleanup Grant Amounts* – Congress should recognize the complexity of the cleanup process at larger or more complicated sites by increasing the funding ceiling for cleanup grants to \$1 million. Under special circumstances, EPA could waive the limit and go up to \$2 million per site.

#### *Making Brownfields Grants More Productive at the Local Level*

1. *Establish Multi-Purpose Brownfield Grants* – Congress should allow eligible entities to have the option to apply for multi-purpose grants that can be used for the full range of brownfield-funded activities (assessment, cleanup, reuse planning, etc.) on an area-wide or community-wide basis. Such multi-purpose grants should be available in grant amounts of up to \$1.5 million. Applicants would be required to demonstrate a plan and the capacity for using this multi-purpose funding within a set timeline.
2. *Establish Pilots for Sustainable Reuse and Alternative Energy on Brownfields* – Congress should authorize \$30 million for pilots that demonstrate sustainable reuse, green buildings, and alternative energy. Pilots should allow use of funds for site assessments, cleanup, site and area-

wide planning, feasibility analysis, and engineering studies related to environmentally beneficial site improvements, such as, high performance/green buildings, green infrastructure, ecosystem restoration, and/or renewable energy production.

3. ***Facilitate Petroleum/UST Brownfield Cleanups*** – Grantees that seek to use assessment, cleanup or multi-purpose grants on sites with petroleum contamination should not be required to make the difficult demonstrations that the site is “low risk” and that there is “no viable responsible party” connected with the site. Replace the “No Viable Responsible Party” language with a PRP prohibition on using funds to pay for cleanup costs at a brownfields site for which the recipient of the grant is potentially liable under the petroleum statutes (parallels the language for non-petroleum brownfields sites).
4. ***Clarify Eligibility of Publicly-Owned Sites Acquired Before 2002*** – Congress should allow local government applicants to obtain funding at publicly owned sites acquired prior to the January 11, 2002 enactment of the Brownfields Revitalization Act, provided that the applicant did not cause or contribute to the contamination. For these sites, applicants would not have to demonstrate that they performed all appropriate inquiry.
5. ***Clarify that Non-Profits are Eligible for Assessment and RLF Grants*** – Congress should clarify that non-profits and related community development entities are eligible to receive brownfields assessment, cleanup, revolving loan fund, and job training grants. Currently non-profits are only eligible for cleanup and job training grants.

#### ***Improving Tools for Local Government to Address Mothballed Brownfield Sites and Long-Term Vacants***

1. ***Clarify Current Law to Give Local Governments Greater Comfort in Acquiring Contaminated Properties*** – Congress should consider a clarification of the current law to give local governments greater comfort when they are acquiring properties through tax foreclosure.

#### ***Offering Assistance and Reduce Barriers to Brownfields Redevelopment in Disadvantaged Communities, Small Communities, and Rural Communities***

1. ***Capacity-Building for Disadvantaged Communities, Small Communities, and Rural Communities*** – Congress should authorize EPA to use existing authorities, including technical assistance, training, loaned federal employees (under the Intergovernmental Personnel Act), and the retired volunteers (under the Senior Environmental Employment Program) to provide capacity-building for small, disadvantaged, and rural communities that need support to cleanup and revitalize brownfields.
2. ***Allow Funding for Reasonable Administrative Costs for Local Brownfields Programs*** – Brownfields grant recipients should be allowed to use EPA funds to offset a portion of indirect costs, thereby lowering the administrative burden for financially strapped disadvantaged and

rural communities. The Coalition is unaware of any similar federal program that does not allow grantees to charge administrative costs.

### **Additional Long-Term Objectives**

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The 2002 reforms represented great progress in giving innocent parties comfort that they will not be impacted by future enforcement actions, unless they cause or exacerbate contamination. There are still a number of specific gaps, which the Brownfields Coalition recommends for future consideration, but those proposals are not part of the current reauthorization agenda.

### **Conclusion**

The EPA Brownfields Program has been a vital resource for communities struggling with abandoned industrial and commercial property. As effective as the program has been, there are opportunities for significant improvements, many of which will not cost any additional funding. Let me be clear on this point: this program should be funded at a higher level, but, if increasing funding commitments is not possible in the current environment, Congress can still move the ball forward by reauthorizing the program and adopting modest changes to make the funds more flexible and productive at the local level.

Marjorie Weidenfeld Buckholtz  
Statement Before The Senate Environment and Public Works Committee  
Superfund Sub-Committee  
October 19, 2011

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Good Morning:

Chairman Lautenberg, Ranking Member Crapo, Members of the Committee, I want to thank you for the opportunity to discuss EPA's Brownfields Program. As one of Brownfields' founders, it remains a subject close to my heart. In the time allotted to me, I would like to discuss three things: The circumstances leading to the creation of the Brownfields Program; my view of several critical initiatives that need to be continued, enhanced or improved, and finally, my thoughts on the lessons learned during Brownfields' first twenty years.

During a 25-year EPA career, I was lucky: I was often sent to communities where the EPA had the opportunity to effect the most significant change. Throughout the 80s and early 90's, I saw that Superfund's prioritization of "Worst Sites First" meant that lesser contaminated sites fell outside Federal purview. Some abandoned properties fell below the cut line for Superfund or State programs, but were too polluted to attract investment. EPA clearly needed a new approach to address the specific needs of diverse communities.

**The Brownfields Program: A new approach to Assessment, Cleanup and Reuse**

In the early 1990s, we began to expand our thinking to tailor an assessment, cleanup and redevelopment program across the range of rural, urban and Tribal communities, and this was the start of the Brownfields program. At its core was the emphasis that local solutions work best under local stewardship. As EPA's Brownfields program evolved, we built strong regional leadership teams, which continue to be the backbone of this very successful initiative.

Early on, we understood that lenders and developers did not fear risk per se. Instead, they needed to understand risks and manage them. At the core of Brownfields, therefore, was EPA's decision to provide site assessment seed money to quantify risks, enabling sound decisions and building confidence.

Sound business analysis allowed EPA to remove 30 thousand properties from the Superfund inventory. A typical site clean-up costs around \$400 thousand. Through Brownfields, EPA was able to provide much less (\$200 thousand over two years) to entice local developers and lenders to invest in their own communities.

## **Superfund and Brownfields: Separate, but Complementary**

The new model that was born was different from Superfund in several important ways. First, many of the sites were "*perceived to be contaminated,*" rather than *actually* contaminated. Seed money for local site assessments cleared up that mystery. Eventually, one third of the sites on the Superfund inventory were proven not to be contaminated and ready for reuse.

Another key difference is that the Superfund Law, CERCLA, makes the polluter, or the responsible party, pay for clean up. This can take years of painful litigation and negotiation, leaving the property an expensive reminder of former prosperity to the people who live there.

Brownfields processes, while protective, are streamlined to take into account the future use of the property, and are always on a faster investment timeline.

There is still a need for a strong Superfund program for sites with major technical issues and high levels of contamination. The Brownfields program complements those efforts.

## **Brownfields Job Training Program (BJT)**

EPA's Brownfields program also emphasized strategies to strengthen local employment. When Brownfields began, I was shocked that communities needed to "ship in" workers, because they lacked people with proper training. It seemed unbelievable that, amid economic gloom, high-paying jobs were outsourced.

In response, EPA created the Brownfields Job Training Program (BJT) in concert with local community colleges and workforce development groups. As you heard from David Lloyd, this highly successful program continues to insure that local workers benefit from economic redevelopment. This year, it has been expanded to cover many more of EPA's clean up programs. I respectfully urge the committee to protect the viability of this program.

I retired from Government a few years ago, but I have remained active in Brownfields-related initiatives. The Brownfields program has flourished in ways that would have seemed unimaginable at the beginning. Under AA Mathy Stanislaus' direction, David Lloyd and his talented and dedicated staff have taken the program into the 21<sup>st</sup> Century.

But there is more work to be done. To improve the program, I would respectfully recommend several innovations to strengthen or add, in addition to Brownfields Job Training.

## **Area Wide Planning**



Formally recognizing the area-wide approach within the Brownfields program structure will allow more innovation in the program.

Area Wide Planning was piloted within the Brownfields program with impressive results. Its success stems from meaningful involvement of all citizens in a locally driven planning process. This approach will enable sustainable and comprehensive future assessment and cleanup especially if implemented in concert with the Job Training program. It is a key to sustainable, equitable redevelopment.

### **Non-profit Eligibility for all types of Brownfields grants**

In many communities (especially rural areas) non-profit development corporations and community development corporations drive the economy and carry out redevelopment efforts. Accordingly, their ability to apply for assessment grants and administer revolving loan funds is critical.

### **RE-Powering Contaminated Lands and Mines**

EPA launched RE-Powering America's Land: Siting Renewable Energy on Potentially Contaminated Land and Mining Sites in September 2008 to encourage the siting of renewable energy facilities on currently and formerly contaminated properties across the nation .

Left untouched, contaminated sites create public health and safety risks, drag down property values, drain the tax base, and tend to attract criminal or other undesirable activity. While many sites can be cleaned up and reused as residential, commercial, or conventional industrial facilities, blighted and abandoned sites that are not readily put to these uses may be perfectly suited for solar arrays, wind farms, geothermal installations, or manufacturing centers for renewable energy components.

According to one high-ranking political appointee, "RE-Powering is not just win-win; it's a triple win because communities are fully engaged, the economy flourishes with new jobs and renewed hope, while forgotten or abandoned eyesores are given new life."

I know that I am "preaching to the choir," Senator Lautenberg, when I say that language for RE-Powering on Brownfields sites is critical for Brownfields Re-Authorization. Your forward thinking proposal last year is exactly what is needed to jump start productive reuse of Brownfields across the US.

After many success stories, most of the highest market value Brownfields sites have already been picked over, leaving many cities, towns and tribes with properties that have scant reuse potential. My recent consulting work with

Brightfields LLC, a Massachusetts Solar firm, has focused on conversion of community liabilities, like closed landfills, into assets. From this experience, I have seen that RE-powering works and remains one of the most innovative and exciting initiatives to ensure the program's future success.

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### **Lessons Learned**

I would like to close with a couple of lessons learned over the past two decades of the program.

First: The cooperation evidenced in this Committee is a heartening reminder of Brownfield's bi-partisan popularity. As you know, the program was started under Bush I, flourished during the Clinton years, and was signed into law as Bush II's signature environmental legislation. Today, it continues to serve well under the Obama Administration. This bi-partisan spirit will be the key to a successful reauthorization and an effective program.

Second: Leveraging and partnerships are at the heart of this program. There have been prior attempts to make this an entitlement or block grant program. This would have destroyed our efforts. It works because it provides technical support and seed money to leverage private sector investment, in essence teaching our partners "to fish" and building capacity that lasts long after the grants expire.

Third: Remember that real people benefit or suffer as a result of our actions. Brownfields began to extend hope and prosperity to those unlucky enough to live/work near contaminated sites. Countless citizens of once forgotten communities have benefited from these efforts – we must resolve not to forget them once again.

It is easy to sit in comfortable offices while making pronouncements about issues from which we are far removed. I used to urge my staff to visit these sites frequently. Facing the people our regulations impact helps remind us whom we really work for. And if they saw injustice, hopelessness, and despair, to remember it, remember it well, I as they went about the business of making environmental policy. That ethos still works today.

Thank you. I am happy to entertain questions from the panel.

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