

**OVERSIGHT HEARING ON THE BROWNFIELD'S
PROGRAM—CLEANING UP AND REBUILDING
COMMUNITIES**

JOINT HEARING

BEFORE THE

SUBCOMMITTEE ON SUPERFUND, TOXICS
AND ENVIRONMENTAL HEALTH

OF THE

COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

OCTOBER 19, 2011

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FIRST SESSION

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**OVERSIGHT HEARING ON THE BROWNFIELD'S
PROGRAM - CLEANING UP AND REBUILD-
ING COMMUNITIES**

WEDNESDAY, OCTOBER 19, 2011

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
SUBCOMMITTEE ON SUPERFUND, TOXICS AND
ENVIRONMENTAL HEALTH,
Washington, DC.

The committees met, pursuant to notice, at 10 a.m. in room 406, Dirksen Senate Office Building, Hon. Frank Lautenberg [chairman of the Subcommittee on Superfund, Toxics and Environmental Health] presiding.

Present: Senators Lautenberg, Inhofe, Carper, Boozman.

**OPENING STATEMENT OF HON. FRANK LAUTENBERG,
U.S. SENATOR FROM THE STATE OF NEW JERSEY**

Senator LAUTENBERG. The first thing I want to establish is that I am not Senator Boxer.

[Laughter.]

Senator LAUTENBERG. She is the Chairman, normally. But she could not be here, but she is here in spirit and very much supporting our interests and our effort on the Brownfields opportunity. So I thank you witnesses for being here. And Senator Inhofe is here, I know, as well.

I welcome everyone to today's oversight hearing. We are going to focus, obviously, on the Environmental Protection Agency's Brownfields program. Brownfields are blighted properties that have been a drag on local economies because of contamination or the mere perception of contamination. Often, these are abandoned industrial sites where parents don't want their kids to play, and few businesses will take the chance to locate in one of these sites.

Now, the EPA started its Brownfields program more than a decade ago to transform these community eyesores into community assets. Since then, EPA has cleared up more than 600 Brownfields in communities across our Country, putting more than 20,000 acres back to productive use. Much of that is urban, but also in rural areas as well. And when you think about that kind of opportunity to have property available for community use, it is a wonderful gain.

These cleanups have created more than 72,000 jobs, attracted more than \$17 billion in private investment. Once Brownfields are rehabilitated, they often spark neighborhood revitalization, boost

property values and make communities more attractive places to live, work and do business.

In my home State of New Jersey, Elizabeth, a city in our State, used a Federal brownfields grant to help transform abandoned industrial land into new affordable housing. In Trenton, New Jersey, our State capital, they are using brownfields funding to clean up a site where lead acid batteries were once made and stored. When they are done with it, the property is safe and usable. Hudson County, one of our more crowded counties, is using Brownfields funding to attract new investments. As you will hear when we are joined by Betty Spinelli, Hudson County's Economic Development Chief, she will tell us about these new investments.

Successful projects like these demonstrate why we should reauthorize the Brownfields program and invest more in it. Congress first authorized the Brownfields program in 2002. While the authorization ended 4 years later, Congress has continued to fund it because we recognize that it is good for ongoing business success. It is time to reauthorize the program, because we still have a lot of work to do, and a lot of opportunity to gain.

There are 450,000 brownfields sites across this Country. The communities where these sites are located need help to reclaim them. We also should take this opportunity to strengthen the brownfields laws. For example, some have suggested that the law should explicitly allow EPA to award both assessment and cleanup grants at the same time, which conceivably could streamline the process and make sure that the resources reach communities faster.

In addition, non-profit organizations want to compete for a wider variety of Brownfields grants. I believe that we have to do more to encourage renewable energy on Brownfields. It just makes sense to put new solar or wind facilities on properties, unused properties, blighted, that they might have been, rather than open space or sensitive lands. So I believe both parties can find the common ground that we need to reauthorize and improve the Brownfields program. The program is a proven success and a magnet for community investment. And we should not hesitate to renew it.

I look forward to moving this issue forward in this Congress, beginning with today's hearing. And I am pleased to be here with a good friend, different perspective. My area is much more open and expansive than Senator Inhofe's.

[Laughter.]

Senator LAUTENBERG. I come from the most crowded State in the Country. And it is hard to make a turn if you are not looking where you are going.

But here we are, Senator Inhofe.

[The prepared statement of Senator Lautenberg follows:]

SENATOR FRANK R. LAUTENBERG
EPW JOINT COMMITTEE HEARING
ON BROWNFIELDS OVERSIGHT
OPENING STATEMENT
Wednesday, October 19, 2011

This hearing shall come to order.

I welcome everyone to today's oversight hearing, which will focus on the Environmental Protection Agency's brownfields program.

Brownfields are blighted properties that have been a drag on local economies because of contamination—or the mere perception of contamination.

Often, these are abandoned industrial sites where no parent wants their child to play—and no business wants to locate.

The Environmental Protection Agency started its brownfields program more than a decade ago to transform these community eyesores into community assets.

Since then, E-P-A has cleaned up more than 600 brownfields in communities across our country, putting more than 20,000 acres back to productive use.

These clean-ups have created more than 72,000 jobs and attracted more than 17 billion dollars in private investment.

Once brownfields are rehabilitated, they often spark neighborhood revitalization, boost property values and make communities more attractive places to live, work and do business.

For example, in my home state of New Jersey, the city of Elizabeth used a federal brownfields grant to help transform abandoned industrial land into new affordable housing.

In Trenton, officials are using brownfields funding to clean up a site where lead acid batteries were once made and stored.

And Hudson County is using brownfields funding to attract new investments—as we'll hear when we're joined by Betty Spinelli, Hudson County's economic development chief.

Successful projects like these demonstrate why we should reauthorize the brownfields program and invest more in it.

Congress first authorized the brownfields program in 2002. While the authorization ended four years later, Congress has continued to fund it because we recognize its ongoing success.

It is time to reauthorize the program because we still have a lot of work to do.

There are more than 450,000 brownfields sites across the country—and the communities where these sites are located need help to reclaim them.

We should also take this opportunity to strengthen the brownfields law.

For example, some have suggested the law should explicitly allow EPA to award both assessment and cleanup grants at the same time, which would streamline the process and make sure resources reach communities faster.

In addition, non-profit organizations want to compete for a wider variety of brownfields grants.

And I believe we must do more to encourage renewable energy on brownfields. It just makes sense to put new solar or wind facilities on blighted properties rather than open space or sensitive lands.

I am confident both parties can find the common ground we need to reauthorize and improve the brownfields program.

This program is a proven success and a magnet for community investment, and we should not hesitate to renew it.

I look forward to moving this issue forward in this Congress, beginning with today's hearing.

**OPENING STATEMENT OF HON. JAMES M. INHOFE,
U.S. SENATOR FROM THE STATE OF OKLAHOMA**

Senator INHOFE. Thank you, Mr. Chairman.

This will be a shock to a lot of you out there, and I hate to do it at this time in the morning, but Frank Lautenberg and I don't always agree.

[Laughter.]

Senator INHOFE. In this area, I think we do agree. Except for one thing you said just a minute ago on what they should be doing with property that come back. I think that should be left to the cities and the States to make determinations as to what is best for them.

But I think this is one of the programs, and I have been very critical of the EPA, one that I think has worked real well. The Brownfields program is an example of a program that EPA administers which does increase economic opportunities. But there are many more opportunities for improvement, and I am pleased with the liability reforms that we passed in 2002. That was the Small Business Liability Relief and Brownfields Revitalization Act.

However, more needs to be done on the liability front. Under currently law, if a city or municipality has acquired a Brownfields property prior to 2002, they are ineligible to apply for a Brownfields grant, unless they have performed "all appropriate inquiry." And this means that properties that a city has acquired through no action of their own prior to 2002 are ineligible to apply to the Brownfields program unless they are able to prove that they have provided "all appropriate inquiry" into the previous owner's use of the property.

This can't be done in many cases. The end result is that a number of these properties sit stagnant and vacant because cities are unable to demonstrate that they have performed all appropriate inquiries, and thus they are unable to apply to the Brownfields program.

We should allow these cities and local governments to be eligible to apply for the program and not require them to prove that they performed all appropriate inquiry, provided that they did not cause or contribute to the contamination. In other words, if this happens through no cause of their own, they should be able to do this.

By providing this liability relief, we would bring a number of these vacant and stagnant properties into meaningful use. This in turn would create much-needed local jobs and provide new stream of potential revenue for local governments who already are short on revenues. Given our current economic situation, this is not the time to push for an authorization increase for the Brownfields program. We need to do more with less. One example would be to decrease the amount of funding that goes toward administrative costs, and redirect those funds to be spent on the ground.

Although the EPA has made a conscious effort toward balancing rural and urban needs with the program, smaller communities, that is what we have in Oklahoma, smaller communities, and very rural areas are still in need of better access to this program. This is an area I would like to work to improve.

Finally, I would like to extend a warm welcome to, on the second panel, one of our witnesses is the Mayor of Oklahoma City, Mick Cornett. He has done such an incredible job and he has a great

story to tell us on how the Brownfields program can and does good work. Oklahoma City has been particularly successful in using that program to improve their community and increase economic opportunities for the citizens.

I am not the only one impressed with the Mayor's work. He was recently awarded the USEPA's Phoenix award for Oklahoma City's work with the Dell Center project, a former landfill that has since revitalized and now employs a number of Oklahomans.

Also, welcome Aaron Scheff, Brownfields Program Manager for Idaho.

I think about what is happening in Oklahoma City. I was Mayor of Tulsa. At that time, I think most people would look at it and say, oh, Tulsa actually did a better job than Oklahoma City. These are the two largest cities in Oklahoma. But starting back, I guess it was Kirk Humphreys then Ron Norick then of course Mick Cornett, have come through and put this program together. When you go through the Oklahoma City area right now, Mr. Chairman, you are looking down at Bricktown, the use of the waterway in there, and a lot of this is tied to this program.

So I congratulate Oklahoma City on the great work they have done. I hope that we will pay particular attention to Mick Cornett when he makes his presentation.

Thank you, Mr. Chairman.

[The prepared statement of Senator Inhofe follows:]

Opening Statement of Senator James M. Inhofe

Ranking Member, Senate Committee on Environment and Public Works

Subcommittee on Superfund, Toxics, and Environmental Health

**Oversight Hearing on the Brownfields Program – Cleaning Up and Rebuilding
Communities Wednesday, October 19, 2011**

Madam Chairman, thank you and Superfund Subcommittee Chairman Lautenberg for calling today's hearing. I think this is a good point in time to evaluate the Brownfields program.

Despite what many believe, I agree that EPA does, on occasion, do good work. The Brownfields program is an example of a program that EPA administers which does increase economic opportunities. But there are many more opportunities for improvement. I am pleased with the liability reforms that we passed with the 2002 Small Business Liability Relief and Brownfields Revitalization Act.

However, more needs to be done on the liability front. For example, under current law, if a city or municipality has acquired a Brownfields property prior to 2002, they are ineligible to apply for a Brownfields grant unless they have performed "all appropriate inquiry." This means that properties that a city has acquired through no action of their own, prior to 2002, are ineligible to apply to the Brownfields program unless they are able to prove that they have provided "all appropriate inquiry" into the previous owner's use of the property. The end result is that a number of these properties sit stagnant and vacant because cities are unable to demonstrate that they have performed "all appropriate inquiries" and thus they are unable to apply to the Brownfields program.

We should allow these cities and local governments to be eligible to apply to the Brownfields program and not require them to prove that they performed "all appropriate inquiry," provided that they did not cause or contribute to the contamination. By providing this liability relief, we would bring a number of these vacant and stagnant properties into meaningful use. This in turn would create much-needed local jobs and provide a new stream of potential revenue for local governments who already are short on revenues.

Given our current economic situation, this is not the time to push for an authorization increase for the Brownfields program. We need to do more with less. One example would be to decrease the amount of funding that goes towards administrative costs and redirect those funds to be spent on the ground.

Although EPA has made a conscious effort towards balancing rural and urban needs with the Brownfields program, smaller communities and very rural areas still need better access to this program. This is an area I would like to work on improving.

Finally, I would to extend a warm welcome to Mick Cornett, Mayor of Oklahoma City. He has a great story to tell on how the Brownsfield program can and does good work. Oklahoma City

Senator LAUTENBERG. Thank you very much.

Mr. Lloyd, we look forward to hearing from you. Mr. Lloyd is the Director of the Brownfields Program for the Environmental Protection Agency. In this role, Mr. Lloyd oversees EPA's efforts to review applications, issue Brownfields grants to communities, States and non-profit organizations.

So Mr. Lloyd, we welcome you and you may begin your testimony now, please.

STATEMENT OF DAVID R. LLOYD, OFFICE DIRECTOR, OFFICE OF BROWNFIELDS AND LAND REVITALIZATION, OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, U.S. ENVIRONMENTAL PROTECTION AGENCY

Mr. LLOYD. Thank you. Good morning, Mr. Chairman and members of the Committee.

My name is David Lloyd, as was said. I am the Director of EPA's Office of Brownfields and Land Revitalization in the Office of Solid Waste and Emergency Response. I am very pleased to appear today to talk about EPA's Brownfields Program. I would like to thank members of this Committee and the Subcommittee for their long-term bipartisan support of the EPA Brownfields Program.

As you know, and as has been said, Brownfields are all around us, really, in the smallest towns and in the largest cities. Empty warehouses, abandoned deteriorating factories, vacant corner gas stations and junk-filled lots, they are often in town and city center locations, both in small and large cities. And they are very visible.

But they are, and have the efficiency and benefit of often being located near existing infrastructure, such as road access power and other utilities. EPA's Brownfields program is able to provide resources for the assessment, cleanup, Revolving Loan Fund grants, technical assistance and job training that can help move these properties to productive use.

Since the program's inception in 1995, as the Senator noted, we have continued to provide tools and have been able to help in the assessment, fund the assessment of 17,500 properties, made over 24,000 acres ready for re-use, leveraged more than 72,000 jobs for cleanup and redevelopment, and leveraged more than \$17.5 billion in economic development. Working with communities, States, tribes and other Federal agencies, we think the program has really become a coordinated national effort that is community-based, looking at the needs of the communities and not the desires of the Federal program.

In addition to the grant programs, we conducted targeted Brownfield assessments and we fund those through contracts with both small and large businesses and inter-agency agreements. These single property assessments really help communities, particularly smaller and rural communities, to look at their sites and figure out what the next path forward. A good example is the Meridian Creamery in Idaho, where EPA funded a targeted assessment, and we are following that assessment. The property was redeveloped as a 100,000 square foot facility, used as the City's new municipal complex, that employees over 100 people.

Last year, EPA also began a pilot program that provides research and technical assistance support for Brownfields Area-Wide Plan-

ning. Brownfields Area-Wide Planning looks at individual Brownfield sites or collections of sites and helps a community decide what is needed to get those properties cleaned and back into re-use. They might be a neighborhood, a commercial corridor, a downtown district or a greenway. But they help them develop cleanup and re-use strategies.

We had 23 recipients, including several small rural communities, that received this funding. Some examples would include a project, a large project we have ongoing in Tulsa, Oklahoma, which will focus on 69 Brownfields sites, but really will benefit a whole range—

Senator INHOFE. Let me, without losing his time, ask him to repeat what he just said, because I was distracted by a staffer.

Mr. LLOYD. I was, Senator, describing a program that we put in place last year, using our existing authority, called Brownfields Area-Wide Planning. What we are doing is funding, we are in a pilot phase now, but we will be moving forward with a new round. We selected 23 communities of many sizes, rural and urban, to help them plan around either a group of Brownfields sites or one large Brownfields site and look not just at cleaning up that one site, but looking at the connectivity to what infrastructure is needed, business planning, economic planning, to help revitalize that whole area.

So for example, we have a project ongoing in Tulsa, Oklahoma, that is looking at 69 Brownfields sites in the northern part of that city. And really, they are touching a wide range of communities. Ranson, West Virginia, Kalispell, Montana, National City, California, Newark, New Jersey, and also tribal lands. We have a project on the Colville Reservation in Washington State, just to name a few.

As other witnesses will point out that are on the second panel, States and tribes are critically important partners, and are at the forefront of Brownfields cleanup and redevelopment. The majority of Brownfields cleanups are supervised and overseen by State response programs. Since 2006, nearly 44,000 properties have enrolled in State and Tribal Response programs, and more than 549,000 acres have been made ready for re-use through those programs.

Additionally, the State and Tribal Response programs provide technical assistance.

In 2012, EPA is going to continue to focus efforts on streamlining our grant application process, strengthening our State and tribal programs, piloting multi-purpose grants as were referenced, providing broader technical assistance and expanding land revitalization across the programs, all of the Office's programs.

In closing, really our continued success will require collaboration among all levels of government, the private sector and non-governmental organizations. EPA will continue to implement the Brownfields program to protect human health and the environment, enhance public participation in the local decision-making needed to build safe and sustainable communities through public and private partnerships, and to demonstrate that Environmental cleanup can be accomplished in a way that promotes economic redevelopment.

This concludes my statement, and I am happy to answer questions.
[The prepared statement of Mr. Lloyd follows:]

**STATEMENT OF
DAVID R. LLOYD
OFFICE DIRECTOR
OFFICE OF BROWNFIELDS AND LAND REVITALIZATION
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.

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 24th 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.

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.

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.

**QUESTIONS FOR THE RECORD
OFFICE OF BROWNFIELDS AND LAND REVITALIZATION
OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
SUBCOMMITTEE ON SUPERFUND, TOXICS AND ENVIRONMENTAL HEALTH
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE**

Chairman Boxer Questions

Q1. Please provide a description, including in electronic format, of the number, types and amounts of brownfields grants by state that the Agency has provided during the past five years.

Answer: Over the past five years, the EPA has awarded more than 1,500 assessment, Revolving Loan Fund (RLF), cleanup, job training and Area-Wide Planning (AWP) grants totaling \$429 million (please see the attached list). This information was derived from our data collection system, the Assessment Cleanup and Redevelopment Exchange System (ACRES). Please note that the number of grants reported may vary slightly from the number selected for award, as some regions may consolidate funding amounts when one organization is selected for multiple awards through separate funding competitions. EPA has also, as funding has allowed, provided supplemental funding to existing, high performing Revolving Loan Fund grants.

Q2. Please provide a description, including in electronic format, of the number of brownfields assessments by state that the Agency has conducted during the past five years.

Answer: From FY 2007 through FY 2011, the EPA Brownfields Program has completed a total of 7,829 brownfields assessments, either directly or through funding provided to cooperative agreement recipients. The program directly deploys contractor resources to conduct Targeted Brownfields Assessments (TBAs) on behalf of communities that may not have capacity to manage a Federal grant or may otherwise need this type of assistance. The number of TBAs conducted by the EPA (by state) during the time period indicated is included below and provided electronically in the attached spreadsheet. These numbers include assessments conducted using American Recovery and Reinvestment Act (ARRA) funds. Over this time period, the EPA has performed 361 site assessments in 30 states through TBAs (please see attached spreadsheet).

In addition to TBAs, EPA provides funding for state and local governments to conduct environmental site assessments through cooperative agreements. During this time period, cooperative agreement recipients have performed 7,468 assessments in 51 states and territories (please see attached spread sheet). These numbers include assessments conducted using ARRA funds.

Q3: Please describe the benefits and potential challenges of the area-wide brownfields plans based on the Agency's past participation and understanding of such initiatives.

Answer: In FY 2011, the EPA awarded assistance to 23 communities through the Brownfields Area-Wide Planning (AWP) Pilot Program. The 23 grants will continue through 2012. These grants supported research, training and technical assistance for Brownfields area-wide planning to help communities focus on the nexus among brownfield sites, the surrounding area, and the

development of site reuse and implementation strategies. Knowing how a site will be reused is critical to making decisions about the assessment and cleanup for that site. EPA's Brownfields AWP pilot program funding enables communities to develop strategies for systematically addressing the issues that will help further the cleanup and redevelopment of brownfields sites, and look for opportunities to leverage resources and investments.

Based on the Brownfields program experiences and understanding of community revitalization challenges, EPA decided to pilot the brownfields area-wide planning approach because brownfields sites are often connected to each other through location, infrastructure, economic conditions and social needs. Communities face unique challenges when burdened with a single large or multiple contaminated sites concentrated within a specific area. Brownfield sites provide unique development opportunities as they often have the added efficiency of being located with or near existing infrastructure, such as roads and utilities. In areas where there are many concentrated brownfields sites, however, there will also often exist the associated conditions of distress, such as dilapidated or inadequate infrastructure, and communities may have a difficult time determining which sites will serve as the catalysts for cleanup and redevelopment. Facilitating an area wide approach to planning and funding investments in town center or downtown locations can help communities with these challenges as they rebuild America's downtowns in rural and urban communities.

Based upon data from grantee reporting and through the Program's ACRES database, through fiscal year 2011, on average, \$18.29 is leveraged for each EPA Brownfields dollar expended at a brownfield from Assessment, Cleanup, and Revolving Loan Fund grants since Program inception. In addition, based upon data through fiscal year 2011, on average, 7.43 jobs are leveraged per \$100,000 of EPA Brownfields grant funding since program inception. As of December 2011, 73,423 jobs have been leveraged through the Brownfields Program including the State and Tribal 128(a) program. For more information regarding Brownfields program benefits, please see: <http://www.epa.gov/brownfields/overview/Brownfields-Benefits-postcard.pdf>

The Brownfields AWP Pilot Program benefits communities by providing support for activities that will result in development of a multi-site cleanup and reuse framework, such as public engagement opportunities, market studies, brownfields existing conditions reports, and infrastructure analysis. The brownfields area-wide planning process works best when there is a strong partnership in place at the local level, with residents, community organizations, and local governments working together to share information and ideas early in the process. The partnership-based approach can be extended to federal, tribal, state and regional governmental organizations, which may be able to assist the community with eventual implementation of the plans. Throughout the Brownfields AWP process, communities will consider cleanup and infill redevelopment approaches that will enable them to reuse existing infrastructure and identify opportunities to create or preserve green space, recreational property, non-profit uses, and pursue economic development on brownfields. EPA anticipates that the program will also lead to increased air and water quality benefits by reducing greenhouse gas emissions and other air pollutants, stormwater runoff, and pollutant loadings into local waterways as communities develop their area-wide plans and implement the activities needed to clean up and reuse their brownfields sites. The Pilot Program is focused on distressed and underserved communities or parts of communities, and EPA is working to ensure that the plans that are ultimately developed will lead to on-the-ground projects and progress for these communities.

Senator Lautenberg Questions

Q1: How can we change the law to help EPA make brownfields safe and productive more quickly?

Answer: The Administration has taken no position on provisions to amend the 2002 Brownfields law. However, Brownfields stakeholders point out that the current funding cap for brownfields cleanup grants (\$200,000) is not sufficient at many sites, to perform the necessary cleanup work. Informal research shows that cleanup costs for a typical brownfield site are often in the range of \$400,000 to \$600,000. However, if the appropriated funding for the Brownfields Program remained at the same level as in past years, or was reduced, increasing the maximum amount available for brownfields cleanup grants would mean the program would be able to award fewer cleanup grants annually, and thus, would serve fewer communities.

In addition, communities and stakeholders regularly communicate that many smaller communities lack the capacity to manage a grant, and if the Brownfields Program had the authority to conduct the cleanup on their behalf through a Targeted Brownfields Cleanup Program (similar to the Targeted Brownfields Assessment Program), it would allow the program to more quickly address these sites.

Some stakeholders have also stated that the current CERCLA liability defenses available to municipalities do not provide local government leaders with the sufficient confidence they need to take title to properties that may pose significant environmental challenges. EPA recognizes that local governments often are the only entities willing to acquire, clean up and redevelop abandoned and contaminated properties in their jurisdictions. More certainty in how the liability protections apply to municipal acquisition through land banks, and other methods of municipal acquisition could be helpful to promote more brownfield assessment, cleanup and redevelopment.

The President's American Jobs Act proposal promotes the use of land banking to help in the acquisition and management of distressed, contaminated, or abandoned properties through its Project Rebuild initiative. Land banks work with communities to buy, hold and redevelop distressed properties as part of a long-term redevelopment strategy and have shown impressive results in stemming property price declines and stabilizing communities across the country. Project Rebuild will seek to scale successful land bank models, providing much needed infusions of capital that they can leverage to raise private sector investment. Additional private sector investment is vital to help supplement EPA's Brownfields Program funding to support cleanup and development of abandoned and distressed properties.

Q2: You mentioned in your written testimony that EPA has begun a pilot program to issue multi-purpose grants that can be used for both assessing and cleaning up a property.

What is the status of the multipurpose pilot program and what benefits do you expect to see from multi-purpose grants? Would explicitly authorizing multipurpose grants in the law help put properties back to use more quickly and efficiently?

Answer: Stakeholders have expressed interest in having the option to apply for one grant for both assessment and cleanup of brownfields sites. The grant would give a recipient flexibility in conducting assessment and cleanup activities, and would eliminate the delay that may occur

when a recipient is moving from assessment to cleanup and has not secured funding. The Brownfields Program is developing guidelines to pilot a multi-purpose grant. The purpose of the pilot is to facilitate eligible entities in moving sites through assessment and cleanup and to redevelopment as quickly as possible. This grant would provide funding of up to \$550,000 to assess and clean up a single site owned by the applicant. The current statute's site funding limitations would still apply, so a recipient could not spend more than \$200,000 on assessment (\$350,000 with a waiver) and \$200,000 on cleanup. The Brownfield Program released the multi-purpose pilot guidelines in December 2011 and plans to announce the selection of ten pilots in spring 2012.

EPA will be evaluating how quickly an applicant can move a site from assessment to cleanup and redevelopment. Because the Program already has the authority to pilot the multi-purpose grant, a change in statute explicitly authorizing the option is not needed.

Q3: Non-profit organizations argue that they should be eligible for assessment grants, in addition to cleanup grants.

What are the advantages and disadvantages of changing the law to accommodate this request? Does your experience distributing cleanup grants to nonprofits make you confident nonprofits could effectively administer assessment grants? How would EPA verify that non-profits receiving assessment grants carry them out appropriately?

Answer: Nonprofit organizations are often vital components of a community and can act as a catalyst for a community to begin addressing brownfields sites. These organizations can extend the reach and capacity of local governments and often play a critical role in garnering community support and involvement for brownfield projects, and also for specific end uses of brownfield sites such as affordable housing projects. Nonprofit organizations have demonstrated the capability and capacity to effectively administer Brownfields grants, having successfully managed the cleanup grant funding many of them have received. In some areas of the country, depending on local statutes, and governmental capacity, non-profits may play a crucial role in planning and implementing community redevelopment activities, including those on brownfield sites. In some instances, non-profit organizations such as Community Development Corporations (CDCs) or Community Development Financial Institutions (CDFIs) are the primary stakeholder working with local governments to help promote neighborhood revitalization. CDCs and CDFIs in particular typically focus on underserved markets and populations which are often in distressed or rural areas. They can be critical conduits for redevelopment activity -- sometimes the only entity in a low-income area or rural community with the capacity and experience to initiate and manage complex redevelopment projects, such as brownfields cleanup and redevelopment. The Brownfields Program has in place criteria to assess programmatic capacity for grant applicants. This criterion is used for validating that nonprofits and other grant recipients have the capacity to successfully administer Brownfields grants.

Q4: Some local governments have argued that we should allow brownfields grants to be used to fund administrative and indirect costs for local brownfields programs.

How would accommodating this request affect the brownfields program? Do other environmental laws allow grant funding to be used on administrative costs? What are some other ways to help local governments deal with the administrative costs of the brownfields process?

Answer: Allowing a limited amount of reasonable costs (less than 10 %) to support the administration of the brownfields grants would assist smaller cities and towns that are more economically challenged. Currently, communities must bear the cost of administering the grants themselves.

Administrative costs, including indirect costs, are allowable under most EPA grant programs with the exception of the Brownfields Program due to the statutory cost prohibition. For example, EPA's Office of Research and Development, Science to Achieve Results (STAR) Program grants provide for administrative costs and Congress has authorized administrative costs under the Chesapeake Bay grant programs up to 10 % of the amount of the grant.

Q5: How would increasing the maximum amount available per brownfields grant affect the program? Do you have recommendations on how much the per-grant limit should be increased?

Answer: The Brownfields Program believes the current funding ceilings are sufficient for communities to successfully conduct assessments and clean ups of brownfields properties. However, stakeholders have pointed out that due to the limitation on award amounts, the grants can only provide funding for smaller cleanup projects or provide only a portion of the money necessary to clean up a brownfields property. Larger cleanup projects often rely heavily on leveraging other public and private funds to finance the remainder of the clean up and redevelopment of the property. Informal research shows that cleanup costs for a typical brownfield site are often in the range of \$400,000 to \$600,000. If the funding ceilings were increased, larger cleanup projects that were unable to leverage other public or private funding may qualify. On the other hand, if the appropriated funding for the Brownfields Program remained at the same level as in past years, or was reduced, the program would be able to award fewer cleanup grants annually, and thus, would serve fewer communities.

Senator Inhofe Questions

Q1: Every year and a half, EPA sponsors and helps fund the Brownfields Conference at a price of at least \$2 million. I do understand that this conference is very beneficial to the brownfields community and is very popular and well attended. In this economic climate in which we are all cutting back on costs, why has EPA not considered privatizing the cost of this conference?

Answer: EPA has moved the Conference schedule to occur only once every two years as a way to reduce costs, and will begin to charge a registration fee for future conferences, starting with the next National Conference. The revenue generated from the registration fees is expected to cover approximately 40 to 50 % of total conference costs.

Q2: From an overall program perspective, can you tell me how the current economic climate over the past couple of years has impacted the brownfields program?

Answer: EPA has received input from local officials, including comments during the Mayor's Roundtable held during the 2011 Brownfields Conference, that the recession has impacted the Brownfields Program because of the strong connection between brownfields transactions and the broader real estate development market. From a timeline and project performance perspective, however, the current lag in the real estate development market presents an ideal time for communities to inventory, assess and clean sites to prepare them for future development.

Q3: Right now EPA averages around \$24 million to administer the brownfields program. Is there a way to streamline or reduce EPA's administrative costs?

Answer: The Brownfields Program receives resources for its administrative costs through the Environmental Program and Management (EPM) appropriation. These resources primarily cover personnel costs for Headquarters and regional offices administering the program and managing more than 1,500 brownfields cooperative agreements. EPM resources also cover the costs of technical support provided by federal personnel, and contractor support for the program. These resources are particularly valuable during the current economic climate to support understaffed small local governments to advance projects in rural areas of the country. The Brownfields Program relies heavily upon administrative costs to manage the program and ensure that all fiduciary and program requirements are met in a timely manner. Additionally, these funds support the significant involvement required of EPA staff in the management, with the grantees, of the brownfields projects. Some Regional Project Officers are managing as many as 25-30 brownfield grants at one time.

While the Brownfields Program is working to reduce the administrative costs of the program, it would be extremely difficult to reduce the administrative cost further without decreasing the amount of technical assistance provided to recipients and having an adverse impact on program management effectiveness. To put this into perspective, in FY 2011, the Brownfields Program reported more than \$2.1 billion in dollars leveraged due to brownfields investments of \$123.7 million in grant funding administered by the program; a ratio of nearly \$17 for every federal dollar expended on projects. The amount of EPM resources dedicated to administering the program, \$24 million, is just over 1% of all funds leveraged from investments made by the program. The Brownfields Program is working to reduce the administrative costs of operating the program by streamlining the ACRES database and delaying upgrades to the system.

Additionally, the Program has initiated an effort to streamline and make more efficient the grant selection and award process, including developing model terms and conditions, better coordination between the Agency grants officials, and reducing the overall time line for the selection and award of brownfields resources.

Senator LAUTENBERG. Thank you, Mr. Lloyd.

I asked a question about renewable energy products. Now, those sited on Brownfields locations can spur community development while cleaning up pollution and reducing our dependence on other fuels. As we consider reauthorizing the Brownfields law, what might we do to better encouraging using contaminated lands for clean energy production?

Mr. LLOYD. First I would note, as you mentioned, there is nothing in the current statute that would certainly prohibit that end use, and in fact, we actively encourage renewable energy on Brownfields and other contaminated lands as a very viable and positive re-use. There is an initiative that the Office of Solid Waste is leading called the Repower Initiative. Essentially that provides funding and technical assistance to projects to help them see how renewable energy can be used. And many of those are Brownfields.

A great example would be technical assistance that we have provided to help a community develop solar arrays on a landfill, and do that in a way that not only is protective of the remedy, but will produce the energy results.

I think generally, as I have said in different forums, we like the community to decide what they need at a Brownfields site, and not to try to direct them toward any specific end use. But I think what we can do, Senator, to help expand this area that you have expressed interest in, and I think is a very positive area, is continue our technical assistance, I think strengthen it, and I think really we have to provide the kind of technical assistance to communities that help them solve some of the more complicated problems related to renewable energy. It is in some parts of the Country still a challenge to find connectivity to the grid and those things. I think that is where we could help, is by continuing to provide robust technical assistance on those projects.

Senator LAUTENBERG. Good. Because I don't know how you measure the amount of contamination existing in a place like this. Is there an easier mark if it is going to be used for non-direct personal human use? If it is an energy site?

Mr. LLOYD. Well, I think, as I understand your question, I think, this is one of the reasons I think contaminated sites, in many instances, do lend themselves so well to renewable energy uses. Because they can be protected from direct contact by large numbers of people, and still be providing a productive benefit for the community or broader.

Senator LAUTENBERG. Funding for the Brownfields Program has stayed roughly flat since the program was first authorized. Are we turning away proposals that have merit as a result of lack of funding each year? Can you give any indication at all how many you have to say no to as a result of the limited funds?

Mr. LLOYD. Well, first of all, I would just reiterate what I had said earlier, I think the funding that we are able to provide, and looks like in the near future we will be able to provide, is going to do the things we want to do in terms of supporting State and tribal programs, helping communities clean and redevelop these sites.

The program is very popular, and I think part of the reason is because it really is a program where communities are sort of in

charge of what they are doing. So it is somewhat over-subscribed. We have roughly between 700 and 800 applications each year for our grant funding. And we typically award between 200 and 300 grants, depending on the types of applications we get, and their specific funding level.

We are continually thinking of ways that we can, like the targeted Brownfield assessment program, get resources out to communities that either aren't able to apply or aren't successful in applying.

Senator LAUTENBERG. The estimates are that there are, you said this in your comments, 450,000 Brownfield sites across the Country. The number is hard to conceive of, 450,000 sites. Yet since the program's inception in 1995, only 17,500 sites have been assessed. What can we do to change the law to help EPA make properties safe and productive more quickly?

Mr. LLOYD. I think one, that figure, 17,500 would be assessments that were completed, completely entirely with EPA funding. I think looking, and I referenced the State and tribal response program numbers, there are vastly more assessment and cleanup activity going on both at a State level as well.

But I think that really, we are looking at some ways that we might make our grants more efficient to make it faster, both in the process by which we assess and evaluate grant applications and then also the process by which we get the money out there. That is a priority of my Assistant Administrators, that we move the money out as quickly as possible.

So we do have some plans there to help do that.

Senator LAUTENBERG. I am going to ask Senator Inhofe for his questions. But we will keep the record open and send our requests to you in writing and ask that you give us a prompt response.

Mr. LLOYD. Yes, sir.

Senator LAUTENBERG. Senator Inhofe?

Senator INHOFE. Thank you, Mr. Chairman. I am trying to think of ways that we might be able to, without expanding the funding for the program, get more from it. We have talked about it, and I mentioned this in my opening statement. I know that each year there is a conference called the Brownfields conference. And it costs about, some of them, in excess of \$2 million. I don't understand why, first of all, it is a good conference and I am all for it, it is well-attended and very popular. I support it.

But I am thinking that we, since a lot of the stuff that you are doing is partnership type of thing, that we ought to be able to maybe have that program underwritten in the private sector. Have you thought about that?

Mr. LLOYD. Yes, Senator, in a couple of ways. First, the program a few years ago moved away from the annual conference to an 18-month conference. But now we are actually going to move to an every 2-year conference. That is one thing we think will help.

But second, we recognize also that while it is an extremely valuable training conference and it is a national training conference, we need to spread the cost of that more efficiently. So we are looking at, for example, I think a very modest, reasonable fee structures that will still give the ability of non-profits and community groups

and smaller communities to participate, but will spread the cost more appropriately.

And also, we are in the process of, we will re-compete the grant that we used to provide our content management, look at how conference vendors and companies that come in to advertise there at the conference, that they pay a fair share. Because we see, we understand your concern and we are also under that pressure to make sure we reduce expenses of that kind.

Senator INHOFE. Good. I think that is a good idea. But let me volunteer something I am willing to do.

Prior, during the planning stage of your next conference, I would be willing to go to the private sector and enlist people who are willing to come in to promote this. I really believe we can get the entire conference paid for in the private sector, and I would be glad to assist in that.

Now, the only other thing I would mention to you is, as I mentioned in my opening statement, in terms of the percentage of the program that is funded, that goes to administration, I understand about \$24 million does out of a total, I hope my figures are right, out of a total of \$165 million, which is about one-sixth of the total amounts going to the administration. I think that is a little bit too high in terms of percentage allocated for administration. Do you have any thoughts on that?

Mr. LLOYD. Yes. Your numbers are basically correct, approximately correct. I think that one reason that administrative cost is higher than it might seem appropriate, I mean, just the machinery of accepting that many grant applications, not just in our assessment revolving loan fund and cleanup grant, but also job training grant and other competitions we have, there is a fair amount of labor. We do that internally and with assistance from contractor support.

So a good part of the cost goes to things like that. But we also are looking at, we recognize too the need to reduce that, because every penny we spend on administrative costs is one less dollar of any that goes to a community directly. For example, the data that we collect is critically important. Our grantees are truly partners in that, in that all of our data, the data that I read off in my opening statement, comes from grants, grantees reporting their progress.

So we have a system in place, a data base that collects that directly, which is not a typical way to get data, but it has worked very well. But we are really looking, and have looked last year, and continue to look this year, on ways to make that as inexpensive as possible.

Senator INHOFE. I appreciate that, this day when we are talking about billions and trillions, this is nothing. I understand that. But I have seen in Oklahoma, for example, which you are going to hear from Mayor Cornett, some of the great things that can happen that really don't cost much money. I figure if we can squeeze a little bit and get one more project out there, it would probably be worthwhile. I know, Mr. Lloyd, that you want to do that and we will look forward to working with you on that.

Thank you, Mr. Chairman.

Senator LAUTENBERG. Now we thank you, Mr. Lloyd, and I welcome our second panel.

We will hear now from a range of experts who have significant experience with the Brownfields program. They include Mayor Mick Cornett of Oklahoma City, Oklahoma; Betty Spinelli from my State, my home State, Executive Director of the Hudson County Economic Development Corporation in New Jersey; Mr. Aaron Scheff, Brownfields Program Manager for the Idaho Department of Environmental Quality; Evans Paull is the Executive Director of the National Brownfields Coalition; and Mary Buckholtz, President of Environmental Consulting Solutions. Ms. Buckholtz previously worked at EPA to help establish the Brownfields program and now works in the private sector, identifying ways to use renewable energy on brownfields.

We welcome all of you. I would ask Senator Inhofe if he has a special welcoming word for Mayor Cornett.

Senator INHOFE. First of all, I think I stated that in my opening statement, but I would just say that he has done a miraculous job. And let me clarify something I said, because it was kind of off the cuff. Oklahoma City, any objective person would look at Oklahoma City and say, they have really done great things.

As Mick knows, I used to use an airport that I am sorry they closed, it was called Downtown Air Park. And on my final approach, I always went over that area of Bricktown in the waterway there and the ball park. I have looked down and watched that develop, and it just has been amazing. I don't think there is any city in America that has done a better job. And a lot of it is due to our witness sitting before us, and I mentioned two of his predecessors who were also involved in that.

I think that we, or that he and Oklahoma City provided an example of what we should all strive for. He has done a great job, and with that, I am delighted to have him as our witness before this Committee.

Senator LAUTENBERG. Mayor Cornett?

STATEMENT OF HON. MICK CORNETT, MAYOR, OKLAHOMA CITY, OKLAHOMA

Mayor Cornett. Thank you, Senator. I appreciate the opportunity to testify before you today.

My name is Mick Cornett. I am the Mayor of Oklahoma City and a trustee for the U.S. Conference of Mayors.

I am pleased to be here to discuss the impact that Brownfields redevelopment has had on our city. We have been very successful in being able to utilize a lot of the EPA programs, including the revolving loan fund program, assessment grants, and we have used EPA fund to provide technical assistance. These programs have all helped us leverage additional funding, helped us create jobs and they have made a lot of improvements in our community.

I am going to highlight a few of the examples. First of all, Oklahoma City has had a successful and recognized Brownfields program. We are the recipient of two Region VI Phoenix awards and a National Brownfields Renewal award. Our relationship with the EPA Brownfields program began in 2003, with a \$225,000 cluster

grant, which was used to reevaluate potential re-use options for four former Superfund sites.

Our other early program involvement was with the Skirvin Hotel. This is preservation effort that has been really a poster child of the regional and national program. We used the Brownfields revolving loan funds in the amount of \$717,000 to clean up the asbestos, which eliminated a substantial barrier in making the numbers work and allowing us to reopen that hotel. Cleanup was completed in 2005, the restoration completed in February 2007, and this week, the Skirvin is celebrating its 100th anniversary as a property in Oklahoma City. But keep in mind, for 25 years it was shuttered until we got the EPA money and could work to reopen it.

That restored Skirvin Hotel is celebrating its centennial this week. It serves as a model for successful public-private cooperation. There were \$56 million in total funds, \$22 million of which were public funds.

Now, the revolving loan fund offer low interest loans to qualifying property owners for cleanup and remediation. This has been very helpful in our gap financing that traditional lenders won't risk funding. Since 2005, Oklahoma City has found three revolving loan funds grants that have been helpful. We have had supplemental funding for a little more than \$6 million.

These funds have leveraged about \$4.5 million in private funds for every Federal dollar spent. So the city has funded the following projects: the Dowell Center, which is just in the near north part of Oklahoma City. The loan total was \$1.7 million. We expect the private leverage to be a total of \$8.25 million. That building was built in 1926, but had been vacant since the early 1990's. It was purchased in 1996, but it had asbestos issues, and that abatement needed to take place before it could be renovated. Once the abatement was completed, the building is now being redeveloped. That cleanup alone created 40 temporary jobs and the renovation is expected to create another 16 and a half construction jobs, which will generate a construction payroll of \$4.5 million.

We have also done a project at Oklahoma City Community College. The grant was \$200,000. We expect the total of local dollars to be nearly a million. OCCC purchased that building in December 2008 and is renovating it to house the Oklahoma City Community College Capital Hill Center. That center will provide a quality educational experience to the city's Hispanic community. That cleanup has created 26 temporary jobs.

We have also used assessment funds. Since 2006, we have been awarded five \$200,000 community-wide assessment grants. With these funds, we performed about 60 environmental site assessments. These assessment dollars are often well-leveraged, and we have many examples documented within our written testimony that I have provided.

Some of the assessments have been for properties acquired for major public projects, paid for through local bonds and sales tax measures. We have had some Core to Shore park acquisition properties. We had a fire station open up in the Bricktown area, as well as sites involving the Goodwill company and also the United States Postal Service.

Other assessments have supported private development and non-profits, such as educational buildings, a faith-based charity organization and a hospital.

I would like to speak briefly about the national impact of Brownfields. The Brownfields laws had a positive impact throughout the Country. In a survey done by the U.S. Conference of Mayors, 84 percent of the cities that responded said they have successfully redeveloped a Brownfields site. And 150 cities reported that their 2,100 sites have been redeveloped and 187,000 jobs have been created.

In every survey that we have done, the top three impediments for redevelopment were the same: a lack of cleanup funds, the need for more environmental assistance and liability issues.

Bringing some ways that we can improve the program, the Brownfields law and program has a proven track record of leveraging investment and creating jobs and of course, improving the environment. However, there is additional work that we would like to see done. The GAO estimates there are about 400,000 to 600,000 Brownfields sites in the United States.

So the challenge that a lot of communities face now is that a lot of the easier sites have already been developed, and the economic conditions for both the public and private sector is challenging. The U.S. Conference of Mayors and the Brownfields Coalition believe that there are some minor changes that would allow some additional redevelopment and economic growth that would be realized. We would like to see full funding of the Brownfields program, we would like to see the creation of a multi-purpose grant, we would like to see the cleanup grants amount increased. And we would like to clarify the eligibility of publicly owned sites that were acquired before 2002. I am hoping in some of the question and answer period we can probably get into that.

In closing, I would like to thank the Committee for allowing me to testify today. We really believe that Brownfields is a win-win situation for the local government, as well as the Federal Government. We believe it cleans up the environment, it is pro-business, it is pro-community. I thank you for the opportunity to speak about the reauthorization opportunities.

[The prepared statement of Mayor Cornett follows:]

**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).

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 25th 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.

Selected Assessment Project	Estimated leveraged funds
<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>2nd & LOTTIE- "OG&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 th , 2009 to construct a new substation.	\$25 M
<u>Duane Mass 18 W Park Place</u> – Property purchased by Mass Architects on September 3 rd , 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 10th St.
- Oklahoma Municipal League, with on-site abatement of a vacant, poor-condition, building next to their facility on 23rd 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.

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.

1. If more brownfield resources were available to Oklahoma City, what would be your next projects and how would they benefit your community.

Oklahoma City is currently preparing two grant proposals requesting more brownfield assessment funds. As we are a City that is actively redeveloping and constructing civic improvements in the urban core, assessment funds are continually needed. Our urban core like most cities, has been home to a variety of industries through the years, and resultant environmental contamination exists from historical processes such as refining, oil and gas and well development, stored chemicals, warehouses, and salvage yards, automotive services, dry cleaners, gas stations, etc. Before a public entity acquires property, it is the responsible action to conduct All Appropriate Inquiry ('AAI') to determine any potential environmental concerns and limit public liability. Brownfield Assessment grants provide resources to accomplish this.

One of our grant proposals is geared specifically to the Core to Shore Park. The planned 70-Acre park area is/was home to filling stations, maintenance buildings, salvage yards, multiple auto body shops, auto painting facilities, salvage yards and motor freight stations. To satisfy AAI, the City must conduct Phase I studies before we acquire each of the approximate 80 parcels that make up the Park. We also know from Phase I studies already completed in the park area, that a Phase II sampling of soils and groundwater will be needed. These assessments alone are estimated at about \$300,000.

The phase II will assist in identifying contamination and inform steps needed to cleanup or mitigate problems to move forward on park development. The Park will provide valuable green space as well as a public common and civic gathering space. Having an accessible grand park with places to meet and play is expected to contribute to the mental well-being and pride of local residents. Beyond this, the Park is expected to be a key economic driver to revitalize the Core to Shore Area, declared blighted by the City Council in 2010. Studies of other parks developed in similar cities show improved property values, more housing options, and an expanded tax base through redevelopment near the park. Similar results are expected in Oklahoma City.

Other projects include City projects as well as others that will be completed in partnership with private development entities. We expect significant private development around the Core to Shore area when civic projects are implemented, similar to the previous development evidenced around Bricktown via earlier MAPs initiatives. When funds are available the Brownfields Program assists private sector redevelopment in urban areas by providing assessments (and loan funds) as a service and to ensure environmental concerns of significance are identified.

Pending/potential projects include:

- MAPs 3 projects for which the City will be acquiring property or constructing major civic structures, i.e., the Convention Center site, wellness centers, and the whitewater park.
- The site for the new downtown elementary school. A phase I was completed, and further phase II studies will be needed. (Depending on the complexities of a site a Phase II study can easily range from \$40K - \$100,000. The phase II for the Park is estimated at about \$200,000.)
- Development of Downtown housing- A current housing study shows a desire and need for more affordable housing options in the downtown area. The City will be considering

various initiatives to stimulate housing options. Several key locations have been identified; environmental studies will be needed.

- Strategic Neighborhood Initiative (SNI) - The City is in the process of constructing a new program in an effort to stabilize existing neighborhoods teetering between revitalization and decline. Our vision includes rehabilitation of existing housing stock, infill redevelopment on vacant lots; environmental studies will be needed.
- Commercial District Revitalization Program (CDRP) - The City is implementing a relatively new program to assist citizens in creating, marketing, organizing and maintaining older commercial districts. Rejuvenation of these provides greater opportunities for local businesses, which keeps more money in the local economy. Efforts may include redevelopment of vacant stores and/or properties; environmental studies will be needed.

2. **I understand that properties that local government have acquired prior to 2002, are not permitted to apply to the brownfields program unless they are able to demonstrate that they have performed AAI. I understand that clarifying eligibility of publically owned sites is an issue that some are pushing for. Can you tell me how the current brownfields program would be improved if Congress were to come up with a legislative solution to this?**

Many cities, including Oklahoma City, acquired properties through a variety of mechanisms- including donations, years ago. The City has property that was acquired in the 1930s, 40's, 50s, etc. when there were no environmental regulations at all. Trying to construct an argument that AAI was completed becomes a difficult- and meaningless exercise. As such, when the City wishes to do a redevelopment project on some of these older properties, brownfields funds (i.e., loans, grants, assessments), and the liability release from CERCLA, is not available. One approach for these older properties might be to accept a government's certification that their activities did not cause or contribute to the pollution at the site as a prequalification for brownfields eligibility.

Realizing that changes to CERCLA liability responsibility is a difficult political issue, civic buildings, land and structures are non-profit entities that belong to the public. In these cases, health concerns often have the potential to affect the public and the cost of cleanup is also essentially born by the public. In some cases the availability of brownfield funds may affect a governmental agency's ability to perform cleanup.

Government entities must be responsible stewards and cannot have a blank check on liability for violations of environmental law, but there is some logic in grandfathering in properties, situations, and releases that occurred prior to those laws. This position could be offered by many (i.e., for profit corporations) and opposes a basic CERCLA premise, but the fact that governments are non-profit decision-makers acting on behalf of the people should warrant special consideration. (i.e., the motivation for government cleanups is typically public health and environmental improvements vs. equity in private buildings or land.)

3. Can you tell me the economic and employment impacts that the Dell Center, Bricktown Canal, and Skirvin-Hilton Hotel brownfield projects have had on the economy of Oklahoma City?

Dell Center- To build the Dell Call Center, the City provided \$24 million in incentives-including brownfield remediation, and \$41.5M was spent in private investment. Since 2005, the Dell Center has generated a total economic impact of \$500 M in the local economy by employing more than 1,500 employees with the potential of expansion to 3,000. (Impacts considered include direct real estate taxes, indirect property tax, and sales tax.) During the full 14-year ramp up period after construction, the City's Finance Department expects a cumulative overall economic impact of about \$765 million.

Bricktown Canal- It is difficult to isolate the economic value of the Bricktown Canal from the other vicinity MAPs projects (i.e., the Bricktown Ballpark, Ford Center, Cox Center, Civic Center and river improvements). (The Oklahoma Memorial and the OKC Thunder have also provided significant local contribution.) However, clearly the canal was a major factor in Bricktown's transformation into a major entertainment and recreation venue. The Bricktown contribution is considered to most directly affect the City's Recreation and Travel sector economy.

- Estimates of visitors to Bricktown in 2003 were 1M; by 2008, this number had grown to about 2.9M.
- >150,000/year currently ride the canal boats. Bricktown Water Taxi reports carrying their 1 millionth passenger in 2007.
- Hotels have been the most notable investment related to the Recreation and Travel sector; over \$575 M has been invested in area hotels since the canals were constructed. The number of hotel rooms doubled between December 2006 and June 2008.
- The Harkins Theater (\$14M), Toby Keiths (\$4.7M), Bass Pro (\$18M), and the Sonic Headquarters (\$13M) are just some of the construction relating to Bricktown renaissance.
- From 1999-2008, property values in Bricktown increased an average 284%. Area employment in this sector increased about 26% during this time. In all, capital investments within Oklahoma City's downtown, including the MAPS projects, conservatively total over \$3.1 billion with new investment projects still pending.

Impact Analysis of OKC Maps & Other Significant Central City Investments, (Warner & Long) prepared for the OKC Chamber of Commerce, Feb 2009 revision

Skirvin Hotel- The redevelopment of the Skirvin Hotel was always acknowledged as a complex and economically risky project. Its value as a beloved City icon likely still exceeds its direct economic production. However, since its reopening in 2007, the project has exceeded original expectations and is a success story in the renaissance of Oklahoma City.

Through September 2010, the City expected lease and loan payments from the Skirvin of between \$1.6 - \$1.9 million. However, the Skirvin was able to pay approximately \$2,773,248, exceeding all expectations. Along with lease and loan payments, the City benefited through additional sales tax on rooms and dining at the hotel along with the State of Oklahoma's match on a portion of the

sales tax. The table below details public revenues to date from the hotel through 2010.

Loan interest payments	\$1,342,908
Lease payments	\$1,430,340
Sales taxes (3.875%)	\$2,544,599
Sales Tax Match via State of Oklahoma	\$975,708
<u>Ad Valorem Taxes</u>	<u>\$625,432</u>
Total Public Revenues	\$6,918,987

4. Are there parts of the brownfields program that you see that could be used to improve the program.

As noted in written testimony to the Senate Environment and Public Works Committee, the City supports:

- Full funding of the brownfields program as a cost-effective program that both supports redevelopment and addresses environmental concerns.
- A Multi-Purpose Grant that provides greater flexibility and can more timely address environmental concerns that can hinder redevelopment. Waiting up to 2 years to be funded depending on the timing of a grant cycle is simply not a viable market option for most projects. (That timeline can more than double if an assessment grant is sought, and based on the results, a cleanup grant is desired.) The current grant cycle and strategy is simply not flexible enough for many uses. A common pot that could be granted for the cities to use for assessment and/or cleanup projects would have more utility.
- An Increase in Cleanup Grant Amounts – Unfortunately, the current \$200,000 cap, is insufficient for many environmental cleanups. An increase in the funding ceiling for cleanup grants to at least \$1 million and in special circumstances, \$2 million is suggested. This would provide additional resources to conduct cleanup at the more contaminated sites (which are otherwise least likely to be developed) and bring these properties back into productive use.

Conversely, the City has experienced instances where a relatively small amount of cleanup funds is requested for a property or collective groups of property. (e.g., an initiative by a non-profit to cleanup a few properties in a certain neighborhood or sector for reuse as a park or urban garden.) Although, such ideas are consistent with the brownfields mission, the administrative hurdles and requirements associated with receiving funds (i.e., cleanup funds are per site, each site requires an ABCA document, QAPP, public notice, reporting etc.) make such a use impractical. A Community-wide clean up Grant, or additional flexibility within assessments and RLFs to 'bundle' a few projects within existing grant frameworks would be of benefit to local communities.

In addition, as other commenters to Congress have noted, it is more difficult to use Brownfield funding for petroleum assessments or cleanups than for hazardous substances. In Oklahoma City, this is not because there are less petroleum-related impacts, as much of our urban core was built over a major well field. For us, the Oklahoma Corporation Commission has been

helpful in making the required demonstrations that a site is 'low risk' and that there is 'no viable responsible party' connected with the site. Nonetheless, there are additional steps to go through and often the 'ratio' of what contamination on a property is petroleum vs. hazardous is difficult to determine. Based on the requirements for petroleum fund use, in such cases, our default is to use hazardous funds. Streamlining the requirements for petroleum fund use, or simply merging the funding to allow use for either petroleum or hazardous concerns would be preferable. A 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 could easily remain.

As a final note, EPA has encouraged reuse of CERCLA sites that have undergone remedy and are considered brownfields available for redevelopment. The City has unsuccessfully tried to promote this, specifically at the Double Eagle site on East Reno. As EPA retained a large lien on this site related to the cleanup, the site was effectively unavailable for redevelopment. A process for placing liens on other assets instead, or acquiring such land as part of restitution and donating it to a willing local government would be more effective as a redevelopment strategy.

Senator LAUTENBERG. Thanks very much, Mayor.

Now we will hear from Ms. Betty Spinelli. She is the Executive Director of the Hudson County Economic Development Corporation, and has seen some awards for projects that she has managed in Hudson County. Her program was awarded the New Jersey Department of Environmental Protection's first Environmental Excellence award. We congratulate you for that, and welcome you here and await your testimony.

**STATEMENT OF ELIZABETH SPINELLI, EXECUTIVE DIRECTOR,
HUDSON COUNTY ECONOMIC DEVELOPMENT CORPORATION**

Ms. SPINELLI. Thank you, Senator, and thank you for the opportunity to come and speak today about the Brownfields program.

In Hudson County, there are over 600,000 people living in 46.6 square miles. With over 1,000 known contaminated Brownfields sites on our local EPA website, that gives us 21 sites per square mile. There is literally a Brownfield site for everyone that lives in Hudson County.

And the tragedy of Brownfields is, we are always learning more and more about sites every day. It is not like there is a definitive number that we can just go cleanup and then walk away and say, job well done. It is as we discover them we must take care of them.

In Hudson County, we were lucky enough to receive the first Brownfields grant back in 1998. And we had the opportunity at that time, being a not-for-profit and not a municipality, to go out to the municipalities and offer our help to clean up some sites at a time when people were not even speaking about Brownfields. We put together a Brownfields work force group. That group is still together today and still working toward Brownfield cleanup. It includes bankers, developers, educators, individuals who are just interested in Brownfields. And it is open to the public. We get every kind of person from every walk of life who wants to come and find out more about Brownfields funding, Brownfields sites and how to master the challenges that are Brownfields.

We have in fact mastered it to some degree, not as well as some other towns. But we have mastered it to the point that in Harrison, New Jersey, we put up a hotel, which was one of the first hotels in stagecoach days, a Hampton Inn and Suites. And the same time, there was no other Development going on in the town of Harrison. Since then, there has been a 257 redevelopment area of Harrison, New Jersey where many old factories lay abandoned for years, were now taken down, and Red Bull Stadium was put up, a soccer stadium that now attracts large numbers of people from all over the region to come and to watch games and to use it for open space.

The leveraging of funds for that stadium alone was \$200 million toward Development of that, private money. So the leveraging of funds against the Brownfields money is ten-fold. For every dollar spent, we end up receiving more money privately for the development of the area. In the area right now, we have housing going up. Jobs have been created at the hotel. There were 45 full-time jobs, full-time positions. That site laid fallow for over 30 years. So once where you had a fenced site on the waterfront you now have a hotel that is thriving and welcoming and has contributed tax rev-

enue as well as major jobs in an area that is so lacking in jobs at the moment.

We also had the opportunity to work with the town of Kearney to put up affordable senior housing. In that town, unfortunately, there was no opportunity for affordable senior housing. Now seniors do not have to leave the town that they love in order to live the rest of their lives. They now have a place where they can go and call their own that is an absolutely beautiful situation. It has a view, a vista of New York City. When you pass there at night, it is not uncommon to see many of the residents sitting out on what we term in Hudson County a stoop and having the camaraderie of friendship and knowing that they are safe in a good environment.

We were lucky enough to win the first ever Environmental Excellence award, Senator, and we won it for open and effective government. We won it because we are inclusive of the communities around us. We are very sensitive to the fact that the people in the town want to know what is going on. We host many open public meetings. That had been one of the suggestions in working with the EPA. They have locked step with us, been there every moment, encouraging, educating and helping us. It has been a wonderful collaboration.

The EPA has done more to help us find economic ground to stand on, and I say that in the best possible light. Because without those funds, all the mayors would be glad to say, there but for the funding from the EPA, many of the projects that you are hearing about would never have been done.

I thank you for your time.

[The prepared statement of Ms. Spinelli follows:]

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.

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.

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.

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.

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.

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.

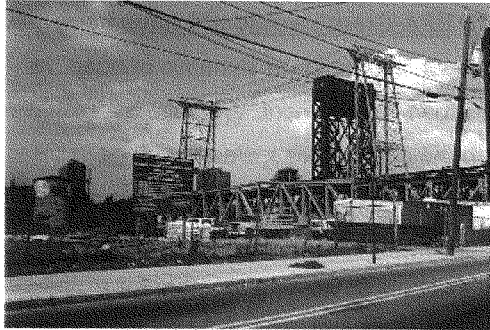
Town of Kearny has a 49-unit Affordable Senior Housing complex. It has added life to a section of town that was underutilized and an eyesore. On mild evenings seniors can be seen sitting on the front stoop enjoying the camaraderie of friends and the joy of living in a beautiful building. There are 2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

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



Affordable Senior Housing Kearny, NJ – Before



Affordable Senior Housing

After



Senator LAUTENBERG. Thanks very much, Ms. Spinelli. I hasten to point out the fact that in our densely populated State, one of the most densely populated counties is Hudson County. But it had a wonderful history and it was the beginning of economic development of New Jersey, and the east coast, the harbors, the transportation needs, et cetera, just created that place where lots of people wanted to live and work and so forth. And the problems became one of lots of abandoned sites, as a result of companies having been there so long and finding better or newer places to go.

So it is good to hear your report, Ms. Spinelli, and we welcome you.

Mr. Scheff, from the beautiful State of Idaho. It is hard to imagine Idaho, with its expansive mountains and forests, and the natural beauty, that there are brownfield sites there that need attention. Please, give us your testimony.

**STATEMENT OF AARON SCHEFF, BROWNFIELDS PROGRAM
MANAGER, IDAHO DEPARTMENT OF ENVIRONMENTAL
QUALITY**

Mr. SCHEFF. Chairman Lautenberg, Ranking Member Inhofe, and Senator Boozman, thank you very much for your invitation to speak here today. I am Aaron Scheff, I manage the State of Idaho's Brownfield Response program. And I truly do appreciate the opportunity to present a rural State's perspective on implementing the Brownfields program in small communities.

Since late 2003, our program conducted assessments and cleanups at over 100 properties in dozens of rural communities, making thousands of acres ready for redevelopment, ultimately leading to community revitalization and job creation. We helped rural communities turn landfills and abandoned mines into parks and trails, a wood mill into a water park, a historic grain silo into a performing arts theater, a historic laundry into an events center, and a methamphetamine lab in a former Methodist church into a children's arts academy, among many other projects.

These efforts led to job creation, community development and protection of human health and the environment. There are two main sources of EPA Brownfield funding available to Idaho stakeholders. Those are the EPA competitive grants and the EPA-funded State assistance grant, which funds our program.

There are also two worlds in brownfields programs. There are the rural communities and the metropolitan areas. In our experience, State assistance grants are of greater benefit and accessibility to rural communities seeking to assess and cleanup brownfield sites.

There are 39 metropolitan areas in the United States with populations greater than the State of Idaho. These areas, with their staff grant writers, grant managers, and environmental experts, are competing for EPA grants against rural communities without the same level of staffing or experience. Absent the State's help in applying for and implementing these competitive grants, small communities either don't apply for the grants or become completely over-burdened trying to manage them.

For rural States, the expertise needed to implement the Brownfield program truly does reside at the State level. However,

State programs are effectively losing Federal funding every year as more participants apply for the same source of funding. The statistics show that rural States and communities are being left out of the competitive grant award process. When you consider, of all EPA competitive grants awarded each year, approximately 50 percent of those awards are made in EPA Regions I and V alone, predominantly in metropolitan areas.

EPA Region X on average receives 4 percent of the competitive EPA grant awards annually, despite comprising over 25 percent of the United States' land mass. Rural communities need Brownfield funds, they just can't compete for them under the current system. Instead, rural communities turn to our State program for assistance. Our program is able to assess properties in approximately one-third the time and at one-third the cost when compared to an EPA competitive grant. We can remove environmental barriers to redevelopment with a total expenditure of generally under \$50,000, depending upon the site. These costs would largely be unattainable to most rural communities due to their limited resources, and most of the sites we address would not even be able to successfully compete in the EPA grant competition.

It generally takes two to 4 years to complete an EPA competitive grant project from application until final report, and at least 300 hours of staff time to manage. Our State Brownfields program completes brownfield assessment projects in under 6 months from the time we receive an application until we deliver a final report, with no burden on our local communities.

If you can imagine shepherding the exact same project through the EPA competitive grant process and Idaho's Brownfields program simultaneously, the result would be that our State-led project would reach completion before the competitive grant proposal was even selected for funding, if it were an EPA grant.

While the current allocation of Federal funding for State Brownfield programs remains static, the addition of new States and tribes receiving EPA assistance is increasing. The result is that our annual State assistance funding is being effectively reduced. This reduction is negatively impacting the amount of direct assessments and cleanups we perform for rural communities who are not able to compete for funds on the national level.

There is a solution to this dilemma without the need to appropriate additional funding at the Federal level. Funds can be moved from the EPA competitive grant program into the EPA-funded State assistance grants without a change in the Brownfields law or an increase in total appropriation. Utilizing some funds from the competitive grants to stabilize State assistance programs will ensure that we can effectively target and directly assist rural communities with assessments and cleanups.

Based on the current performance of Idaho's Brownfields program, such a shift in funds would be a bargain for taxpayers, given our performance to date, and would represent more Brownfield funds dedicated to redevelopment projects on the ground, rather than administrative costs.

This has been a great program. It has been a great program for Idaho, it has been a great program for Alaska, Washington and Oregon, states that I represent on the Oswomo.

[phonetic] Brownfields Task Force. It has been an excellent collaboration with EPA and our local communities, and I do think that there are some ways that we can tweak the law to increase the effectiveness and the efficiency of the program. I really look forward to seeing what the Committee comes up with during this re-authorization process.

Thank you, and I of course welcome any questions.
[The prepared statement of Mr. Scheff follows:]

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.

Idaho Brownfield Program Written Testimony for:
 US Senate Committee on Environment and Public Works:
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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	1,900,000	8	15	28
8	2,700,000		6	1,000,000	4	2,600,000	4	8	16
9	5,341,085		19	3,676,900	13	6,050,000	23	36	54
10	1,045,213		3	1,050,000	3	1,200,000	6	9	22
Total	\$78,721,964		241	\$37,109,133	112	\$73,888,495	190	302	584

EPA Region	2008 \$ Amount	2008 # of Applications	2008 # of Awards	2007 \$ Amount	2007 # of Applications	2007 # of Awards
1	11,317,250	53	60	18,764,700	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	868,450	15	5
9	6,300,000	61	25	2,228,723	36	17
10	1,247,900	21	7	2,112,254	27	11
Total	\$74,855,014	549	319	\$68,873,642	520	268

EPA Region	2006 \$ Amount	2006 # of Applications	2006 # of Awards	2005 \$ Amount	2005 # of Applications	2005 # of Awards
1	10,922,744	70	47	17,649,090	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	5,080,427	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
Total	\$69,939,919	437	292	\$74,267,310	446	292

EPA Region	2004 \$ Amount	2004 # of Applications	2004 # of Awards	Total Each Region	Total Region Awards
1	8,628,213	87	40	\$102,006,530	399
2	3,283,555	52	16	\$26,189,599	114
3	4,155,000	37	15	\$33,851,570	135
4	6,225,000	49	26	\$61,885,080	212
5	27,254,493	115	67	\$172,417,909	541
6	4,239,733	42	18	\$37,071,044	112
7	3,800,000	16	11	\$27,050,302	110
8	2,377,538	22	12	\$16,144,988	55
9	10,396,334	49	36	\$55,078,462	210
10	4,060,778	35	24	\$20,429,633	91
Total	\$74,451,634	504	265		1,979

Total Region Awards	States/Territories
399	CT, ME, MA, NH, RI, VT
114	NJ, NY, Puerto Rico
135	DE, MD, PA, VA, WV
212	AL, FL, GA, NC, SC, TN, KY, MS
541	IL, IN, MI, MN, OH, WI
112	AR, LA, OK, TX, NM
110	IA, MO, KS, NE
55	CO, MT, ND, SD, UT, WY
210	AZ, CA, HI, NV, US Territories
91	AK, ID, OR, WA

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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

This supplemental testimony for the October 19, 2011 US Senate Committee on Environment and Public Works Oversight Hearing on the Brownfields Program is submitted at the request of Committee Ranking Member Senator Inhofe.

Senator Inhofe asked how rural communities could obtain more access to brownfield program funding. Below are three options listed in order of preference, efficiency, ease of implementation, and overall benefit to rural communities. None of the options below represent an increase in overall funding for brownfields.

Stabilize EPA-funded state assistance grants for brownfields programs (called 128(a) grants) by moving funds from the EPA competitive grant program (called 104(k) grants) to state assistance grants (128(a)).

- Brownfield projects run by State 128(a) programs are faster and less expensive to taxpayers than EPA 104(k) grants. Missouri, Idaho, and Kansas have conducted cost and length of time analysis for state-led projects versus EPA-led projects and the statistics indicate that state led projects are both less expensive and require less time to implement.
- Additional funding to stabilize the state assistance grant program could, and should, be restricted to “on the ground” activities; not for additional state staff. This option would have an additional benefit in states like Idaho where we contract with private consultants to conduct assessment and field work, providing jobs to the private sector.
- EPA could require a “set aside” requiring state programs to spend a set amount of state grant funds in rural communities.
- The option of moving funds out of EPA 104(k) grants and into 128(a) state assistance grants would not require a change in the 2002 Small Business Relief and Brownfields Revitalization Act (Brownfields Law).
- The benefit to rural communities is that they could apply directly to state programs for assistance and minimize grant application efforts (2-page state application versus 18-page EPA grant application). Utilizing state programs would eliminate administrative costs to rural communities for complying with Federal procurement, Endangered Species Act, National Historic Preservation Act, and Davis-Bacon Act, and other requirements which would instead be completed by state programs already well versed in this process.
- Communities would benefit by reducing the time it takes to complete a brownfield project and clear a site for redevelopment. State-led projects are completed three to five times faster than EPA 104(k) projects. This is a much better fit for development projects since time is money for developers.
- Stakeholders in metropolitan areas may not like this approach because it will reduce the level of funding for EPA 104(k) grants.

Revise the EPA competitive grant guidelines which currently favor metropolitan areas.

- A revision of the EPA 104(k) guidelines could help to level the playing field for rural communities. The current version of the guidelines requires substantial effort from small communities to apply for EPA brownfield grants. The current guidelines also skew toward the favor of metropolitan areas. Rural communities rarely have community

based organizations which get involved in brownfield projects, yet the EPA grant guidelines require discussion about how these organizations will be involved in a brownfield project. The guidelines also require that applicants discuss things like health effects of brownfields on the community. Rural communities generally do not have health data registries, so it is largely impossible to speak with any conviction as to the actual health effects of brownfields on their residents. These are just a couple of examples from the current criteria in the EPA 104 (k) grant guidelines which cause rural communities' applications to score below applications from metropolitan areas.

- While changing the EPA 104(k) grant guidelines will not require a change in the Brownfield Law, the process for changing the guidelines would likely be long and contentious. It would also require a significant expenditure of EPA staff time and effort. The final outcome may or may not represent better opportunities for rural communities to compete against metropolitan areas.
- Even if the guidelines were changed to help rural communities compete in the EPA 104(k) grant program, all of the administrative requirements for implementing the grants would remain. Rural communities would still have to comply with all the state and federal requirements of procurement and grant management mentioned above.
- This change would not address either the cost or length of time associated with implementing an EPA 104(k) grant.

Create a "set aside" for rural communities in the EPA competitive grant program.

- Another way to potentially increase rural communities' access to brownfield funding could be to dedicate a certain percentage of brownfield funding specifically to rural communities.
- The term "rural community" would have to be defined and the dedicated funds would have to be tracked to make sure that they reached the rural communities.
- This option may require amending the Brownfields Law and would probably create an extra layer of work for EPA staff with respect to tracking the dedicated funds.
- While this option could lead to greater access to brownfield funds for rural communities, there is no guarantee that those funds would be equally or appropriately spread across the country. There could still be concentrations of successful EPA grant applicants in certain EPA Regions. Currently, EPA Regions I and V account for approximately 50% of EPA 104(k) grants awarded nationally but represent only 21% of the US population and less than 11% of the US land mass.
- If rural communities were to gain more access to brownfield funding through dedicated grant funds, they would still have to contend with the grant management and federal law compliance requirements previously discussed in my original testimony and in this supplemental testimony.
- This change would not address either the cost or length of time associated with implementing an EPA 104(k) grant.

Response to Ranking Member Senator Inhofe's Questions for Aaron Scheff, Idaho Brownfields Program:
 Additional Testimony for Senate Environment and Public Works Committee:
 Oversight Hearing on Brownfields Program (October 19, 2011)

**Environment and Public Works Committee Hearing
 October 19, 2011
 Follow-Up Questions for Written Submission**

Questions for Scheff

Questions from:

Senator James Inhofe

1. How can we facilitate greater access for small rural communities to the brownfields program?
2. In your written testimony, you mention the possibility of having to reduce or eliminate your state programs involvement in and oversight of EPA competitive grants awarded to Idaho applicants. What is the down-side of this possibility?
3. What is the success rate for EPA competitive grant proposals submitted by Idaho applicants if those applicants do not solicit your program's assistance with crafting the grant proposal? Potential follow up: Why do you think that is the case?
4. Why do you feel funds should be moved from the EPA competitive grant program and into the state assistance grant program?
5. Though you are not asking for an increase in appropriation, you are asking for a shift in funding to benefit state assistance grant programs. How would that funding be spent?

1. How can we facilitate greater access for small rural communities to the brownfields program?

Answer:

After working with small rural communities on brownfields projects for the State of Idaho over the past nine (9) years, in my opinion; the best way to facilitate greater access to brownfield funding for small communities is for EPA to stabilize the CERCLA Section 128(a) state assistance grant funding to state brownfield programs.

Attached is an Addendum to Response #1. This addendum discusses multiple options for increasing access for small rural communities along with pros and cons of each option. I chose to list the most effective option in this response. There are other potential options in the addendum.

2. In your written testimony, you mention the possibility of having to reduce or eliminate your state program's involvement in and oversight of EPA competitive grants awarded to Idaho applicants. What is the down-side of this possibility?

Answer:

Not only will Idaho grantees have to work harder to comply with all the EPA competitive grant requirements, but they will also have to utilize more EPA project officer time in order to successfully manage their grants. This will place an increased burden on both the grantee and EPA staff time.

A potentially serious downside is that grantees will end up with assessment reports they don't understand and which might not generate any follow up. It is our experience that not all EPA brownfield grant project officers have

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a technical background in environmental contaminant assessment and remediation. When they do, they aren't always up to speed with state regulations. Consequently, without state oversight, there may not be appropriate response to the results, conclusions, and recommendations of an assessment or cleanup report. This could open the grantees to liability and potentially lead to harm to human health and the environment.

3. What is the success rate for EPA competitive grant proposals submitted by Idaho applicants if those applicants do not solicit your program's assistance with crafting the grant proposal? Why do you think that is the case?

Answer:

No EPA grant proposals from Idaho applicants have been successful without substantial input from our state brownfields program.

The EPA brownfield grant guidelines are 54 pages long. The grant proposal ends up being at least sixteen (16) pages of single spaced text responding to very specific, complex, and technical questions and criteria. At the beginning of the process, Idaho grantees are not even familiar with half of the concepts they are expected to discuss or integrate into their project. They also don't understand what EPA reviewers are looking for, they don't know the technical jargon, and often have not thought about brownfields outside of the scope of their limited project. In short, Idaho applicants, specifically small rural communities, don't have the experience at writing these types of grant proposals. Idaho applicants are not brownfield experts or even brownfield novices and they have limited time and resources to craft a competitive grant.

4. Why do you feel funds should be moved from the EPA competitive grant program and into the state assistant grant program?

Answer:

The need in Idaho's communities, almost all of which are small rural communities, is for small scale rapid response assessments and cleanups. There is limited need for the large dollar and multi-year assessment grants represented by the EPA competitive grant program. However, there is great need in these communities for targeted brownfield assessments and cleanups which can be carried out by the state, start to finish in less than six (6) months. A project which may seem small on the national stage could easily be a signature project for a town of 3,000 – 5,000 people.

A recent example of such a project is a proposed geothermal recreation area in Cascade, Idaho on the site of a former Boise Cascade wood mill which closed in 2001. The closure meant the loss of 80 jobs in a town of 900 people. After a brownfield assessment on a portion of the property, a whitewater park and recreation center opened at the site, attracting numerous tourists and recreationists. Looking to build upon this success, the Southern Valley County Recreation District is seeking to purchase part of the former mill site and develop a year round geothermal aquatic center and recreation facility to employ more Cascade residents and draw more tourists to this area year-round. The Recreation District is ready to start construction in early 2012 after clearing some environmental hurdles. The EPA grant process is not structured to respond to this type of need in a timely manner. Our program expects to help the Recreation District clear environmental hurdles to redevelopment by February 2012 so they can begin construction by March.

Since small projects are significantly underrepresented in the national grant competition, our program steps in to fill that gap in one third (1/3) of the time and at one third (1/3) of the cost of implementing an EPA grant, on

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average. At the same time, funding to states is being reduced as more participants enter into the brownfield state assistance grant program. Having our funding reduced despite the fact that we are effective and efficient makes it seem like we are being punished for efficiently fulfilling an otherwise unmet need in our small rural communities.

5. Though you are not asking for an increase in appropriation, you are asking for a shift in funding to benefit state assistance grant programs. How would that funding be spent?

The Idaho Brownfields Program would dedicate any additional EPA state assistance grant funding to site specific assessments and/or limited cleanups in order to clear brownfield properties for redevelopment. This expenditure would have a multiplier effect since all of our site specific assessments and cleanups are conducted by environmental consulting firms under contract with the Idaho Department of Environmental Quality through a competitive technical assistance contract. These private, for profit consulting firms utilize the funding to finance site specific activities at our direction and further subcontract with analytical laboratories, drillers, field technicians, and equipment operators all working in the private sector.

We would not use the additional funding for administrative or personnel expenses. We simply want to assist our small rural communities with projects that either can't compete at the national level, or with projects that need to be resolved within a six (6) month time frame and therefore don't fit into the framework of the EPA grant process. Ultimately, site specific assessments and cleanups are what lead to property redevelopment and increased employment and economic activity in small communities. Site specific assessments and cleanups in rural communities are a priority for our program, but our ability to conduct these activities is threatened by continued funding reductions.

Response to Ranking Member Senator Inhofe's Questions for Aaron Scheff, Idaho Brownfields Program:
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Addendum to Response #1

This supplemental testimony for the October 19, 2011 US Senate Committee on Environment and Public Works Oversight Hearing on the Brownfields Program is submitted at the request of Committee Ranking Member Senator Inhofe.

Senator Inhofe asked how rural communities could obtain more access to brownfield program funding. Below are three options listed in order of preference, efficiency, ease of implementation, and overall benefit to rural communities. None of the options below represent an increase in overall funding for brownfields.

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- Brownfield projects run by State 128(a) programs are faster and less expensive to taxpayers than EPA 104(k) grants. Missouri, Idaho, and Kansas have conducted cost and length of time analysis for state-led projects versus EPA-led projects and the statistics indicate that state led projects are both less expensive and require less time to implement.
- Additional funding to stabilize the state assistance grant program could, and should, be restricted to "on the ground" activities; not for additional state staff. This option would have an additional benefit in states like Idaho where we contract with private consultants to conduct assessment and field work, providing jobs to the private sector.
- EPA could require a "set aside" requiring state programs to spend a set amount of state grant funds in rural communities.
- The option of moving funds out of EPA 104(k) grants and into 128(a) state assistance grants would not require a change in the 2002 Small Business Relief and Brownfields Revitalization Act (Brownfields Law).
- The benefit to rural communities is that they could apply directly to state programs for assistance and minimize grant application efforts (2-page state application versus 18-page EPA grant application). Utilizing state programs would eliminate administrative costs to rural communities for complying with Federal procurement, Endangered Species Act, National Historic Preservation Act, and Davis-Bacon Act, and other requirements which would instead be completed by state programs already well versed in this process.
- Communities would benefit by reducing the time it takes to complete a brownfield project and clear a site for redevelopment. State-led projects are completed three to five times faster than EPA 104(k) projects. This is a much better fit for development projects since time is money for developers.
- Stakeholders in metropolitan areas may not like this approach because it will reduce the level of funding for EPA 104(k) grants.

Revise the EPA competitive grant guidelines which currently favor metropolitan areas.

- A revision of the EPA 104(k) guidelines could help to level the playing field for rural communities. The current version of the guidelines requires substantial effort from small communities to apply for EPA brownfield grants. The current guidelines also skew toward the favor of metropolitan areas. Rural communities rarely have community based organizations which get involved in brownfield projects, yet the EPA grant guidelines require discussion about how these organizations will be involved in a brownfield project. The guidelines also require that applicants discuss things like health effects of brownfields on the community. Rural communities generally do not have

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health data registries, so it is largely impossible to speak with any conviction as to the actual health effects of brownfields on their residents. These are just a couple of examples from the current criteria in the EPA 104 (k) grant guidelines which cause rural communities' applications to score below applications from metropolitan areas.

- While changing the EPA 104(k) grant guidelines will not require a change in the Brownfield Law, the process for changing the guidelines would likely be long and contentious. It would also require a significant expenditure of EPA staff time and effort. The final outcome may or may not represent better opportunities for rural communities to compete against metropolitan areas.
- Even if the guidelines were changed to help rural communities compete in the EPA 104(k) grant program, all of the administrative requirements for implementing the grants would remain. Rural communities would still have to comply with all the state and federal requirements of procurement and grant management mentioned above.
- This change would not address either the cost or length of time associated with implementing an EPA 104(k) grant.

Create a "set aside" for rural communities in the EPA competitive grant program.

- Another way to potentially increase rural communities' access to brownfield funding could be to dedicate a certain percentage of brownfield funding specifically to rural communities.
- The term "rural community" would have to be defined and the dedicated funds would have to be tracked to make sure that they reached the rural communities.
- This option may require amending the Brownfields Law and would probably create an extra layer of work for EPA staff with respect to tracking the dedicated funds.
- While this option could lead to greater access to brownfield funds for rural communities, there is no guarantee that those funds would be equally or appropriately spread across the country. There could still be concentrations of successful EPA grant applicants in certain EPA Regions. Currently, EPA Regions I and V account for approximately 50% of EPA 104(k) grants awarded nationally but represent only 21% of the US population and less than 11% of the US land mass.
- If rural communities were to gain more access to brownfield funding through dedicated grant funds, they would still have to contend with the grant management and federal law compliance requirements previously discussed in my original testimony and in this supplemental testimony.
- This change would not address either the cost or length of time associated with implementing an EPA 104(k) grant.

Senator LAUTENBERG. Thank you.

Mr. Paull, we ask you now to give your testimony, please.

**STATEMENT OF E. EVANS PAULL, EXECUTIVE DIRECTOR,
NATIONAL BROWNFIELDS COALITION**

Mr. PAULL. Good morning, Mr. Chairman and members of the Committee. My name is Evans Paull, and I have the privilege of speaking to you today on behalf of the National Brownfields Coalition.

The National Brownfields Coalition represents national, State, local and public, private and non-profit organizations that share the common goal of promoting brownfields redevelopment as a means of achieving community economic revitalization, sustainable growth and development, and the environmental restoration of land. Some of our diverse national members include the U.S. Conference of Mayors, Smart Growth America, NAIOP, the Commercial Real Estate Development Association and the Trust for Public Land.

I wanted to call your attention to several Brownfields community turnaround projects that have been carried out in some of the States that are represented on the Committee today. There are two recurring themes that I want to stress. First, 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.

The payoffs from these modest investments in leveling the playing field are enormous, because it is not just about cleaning up and redeveloping X, Y and Z sites, it is also about enabling communities to reposition their economies, taking the failed industries of the past and restoring those sites to enable future growth and improved quality of life.

Second, I want to emphasize that it actually makes perfect sense for Brownfields investments in the middle of a real estate recession. Public expenditures and 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.

To illustrate, in Omaha, Nebraska, EPA site assessments of three key waterfront properties have 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 local populations to enjoy 64 miles of newly accessible riverfront property.

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

In New Orleans, Louisiana, 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. This pioneering investment helped lead to the revival of the Tulane Avenue Corridor as more redevelopment projects totaling 700 units took form between 2008 and 2010.

These are three examples where EPA investments have been instrumental in transformative redevelopment projects, helping communities achieve a new vision for outmoded industrial corridors. But as important as that point is, the takeaway I want to stress is that in case, the EPA funds were injected several years before the actual redevelopment. This reinforces the previous point that we have to keep making these investments, even in an economic slowdown. Then when the economy picks up, we will have development-ready sites and the reward will be community-altering projects like Heifer International, the Gallup headquarters, and the Falstaff Brewery.

These projects are just a few of the Brownfields investments that are replacing lost jobs and revenue with vibrant new uses onsite where closed industrial plants have left a legacy of blight and contamination. We strongly recommend that Congress reauthorize the program; however, reauthorization represents an opportunity for improvement. Many of the other panelists and Senator Lautenberg as well have mentioned some of those improvements and I won't repeat them here, since I am out of time.

We look forward to working with the Committee as we move forward with reauthorization.

[The prepared statement of Mr. Paull follows:]

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 Paull, 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.

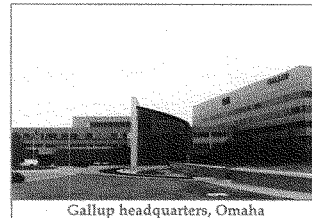
I wanted to start today by calling your attention to brownfields community turn-around projects that have been carried out in some of the states that are represented on this Committee. There is a recurring theme that I want to stress. EPA brownfields funds, although modest in the larger picture of multi-million 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

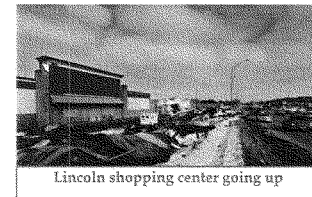
In *Omaha* EPA site assessment funding for three key waterfront properties has paved the way for 750 jobs and \$140 million in new investment, including: the Gallup Corporation's world operational headquarters; and a riverfront trail that will enable the local populations to enjoy 64 miles of newly-accessible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

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.

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



Gallup headquarters, Omaha

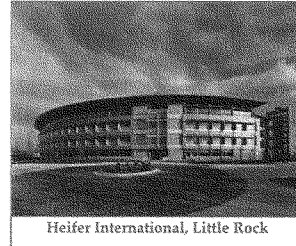


Lincoln shopping center going up

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.¹ 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.²

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

Environmental Benefits – Brownfields investments produce direct benefits by cleaning up contaminated land, thereby improving public health. EPA data⁴ 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.⁵ The previously cited NEMW impact report concluded that the pace of cleanups is addressing, at best, 1.4 percent of the sites, annually.

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

² See: <http://www.usmayors.org/pressreleases/uploads/November2010BFRreport.pdf>

³ See: http://epa.gov/brownfields/overview/brownfields_benefits_postcard.pdf

⁴ See: http://epa.gov/brownfields/overview/brownfields_benefits_postcard.pdf

⁵ 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

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.

Senator LAUTENBERG. Thank you very much.
And apologies, too, to Ms. Buckholtz. I mistook your first name for being Mary, but Marjorie sounds good with Buckholtz.

**STATEMENT OF MARJORIE WEIDENFELD BUCKHOLTZ,
PRESIDENT, ENVIRONMENTAL CONSULTING SOLUTIONS**

Ms. BUCKHOLTZ. Thank you. If we could get something going on reforming Brownfields, I will change my name to Mary.

[Laughter.]

Ms. BUCKHOLTZ. Good morning. Senator Lautenberg and members of the Committee, thank you for the opportunity to discuss EPA's Brownfields program. As one of its founders, it remains a subject close to my heart.

During a 25-year EPA career, I was lucky. I was often sent to communities where EPA had the opportunity to effect the most significant change. 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, and yet they were too polluted to attract investment. EPA needed a new approach, so we began thinking about tailoring a program that had assessment, cleanup and redevelopment elements to serve across a range of rural, urban and tribal communities. That was the start of the Brownfields program.

At its core was the emphasis that local solutions work best under local stewardship. 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 assessment solved that mystery. Eventually, one-third of the sites on the Superfund inventory were proven not to be contaminated at all and were ready for re-use.

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.

EPA's job training program in the Brownfields program, from the very earliest beginning, emphasized local employment. When the program began, I was shocked that communities needed to ship in workers because they lacked people with the proper training. In response, the Brownfields Job Training program was created, in concert with local community colleges and work force development groups. As you heard from David Lloyd, this successful program continues and thrives. This year, it has been expanded to cover many of EPA's cleanup programs. I respectfully urge the Committee to protect the viability of this program.

The Brownfields program has flourished in ways that would have been unimaginable to me 20 years ago. But there is still work to be done. To improve this program, I would respectfully recommend several things in addition to Brownfields job training. David Lloyd talked about area-wide planning, and I would like to emphasize its importance.

Non-profit eligibility for all types of Brownfields grants is also very important. Because in many communities, especially small towns and rural areas, non-profit development corporations and community development corporations drive the economy and carry out redevelopment.

EPA launched the Repowering America's Land program in September 2008 to encourage the siting of renewable energy facilities on current and former contaminated lands across the Country. I know that I am preaching to the choir, Senator Lautenberg, when I say that language for repowering on Brownfields sites is critical for reauthorization. Your forward-thinking proposal last year on the Energy Bill is exactly what is needed to jump start productive use of Brownfields as renewable energy facilities in the U.S.

My recent consulting work with Brownfields LLC, a Massachusetts solar firm, has focused on the conversion of community liabilities, like closed landfills, into assets. From this experience, I have seen that repowering works and needs to be emphasized and continued.

I would like to close with just a couple of lessons learned. The cooperation evidenced on this Committee is a heartening reminder of Brownfields' bipartisan popularity. This spirit will be the key to successful reauthorization and an effective program. Second, leveraging and partnerships are at the heart of this program. There have been attempts to make it a block grant program, which would have destroyed our efforts. It works because it provides technical support and leverages local resources.

And third, please remember, real people thrive or suffer as a result of our actions. Brownfields began to extend hope and prosperity to those unlucky enough to live and work near contaminated sites. Countless citizens of once-forgotten communities have benefited from these efforts. We must resolve not to forget them again.

Thank you.

[The prepared statement of Ms. Buckholtz follows:]

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

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 21st 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.

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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Senator LAUTENBERG. Thank you very much.

We hear a resounding round of applause and congratulations for the Brownfields program altogether. I thank you for your encouragement, because I believe it is so essential that we get on with doing what we can to make these sites available for community use and for the well-being and health of citizens in the area. So as Ms. Buckholtz said, Senator Inhofe, that this shows bipartisanship at its best. So I guess we ought to say there are other Brownfields beside those we heard about that we ought to be able to clean up and get going on with, too.

Senator INHOFE. Sure.

Senator LAUTENBERG. I ask the witnesses who are here today from across the political spectrum and from States and local governments, non-profits, private sector, and it is amazing when one hears the universality of interests in States that are highly populated to less populated, from the urban setting to the more rural kind of thing. And when we think of some of the most beautiful parts of our Country, we think always of the mountains and the lakes and the forests and all of those things. But their lies Brownfields sites that are problems and could be used effectively in all States, if we can make the program generally more available and with more funding.

Just going down the line, we will start with the Mayor, do you believe that, the question has almost been answered, about that EPA's Brownfields program has provided the kinds of benefits that really matter and ought to continue and be expanded if possible?

Mayor Cornett. Yes. It has made a remarkable difference in Oklahoma City. If you could see the Skirvin Hotel, which was built a 100 years ago this week, and shuttered for 20 years with really no hope of ever being able to be reopened without some level of government assistance, we used Brownfields money to get in there and help close that gap.

We had an environmental site along our river, which 60 years ago had been a city dump. We were able to address the environmental needs there, and currently Dell Computer has built a campus with 1,500 employees. And we have future needs down the line. So we have success stories to tell you about, but we also have a number of sites that we believe with some more additional help could really improve our Nation's economy.

Senator LAUTENBERG. Anybody disagree with that? No?

Ms. Spinelli, EPA estimates that Brownfields projects raise the value of surrounding properties by 2 to 3 percent. I think that is fairly marginal. Maybe by twice its value or three times its value as it sits there forlorn and abandoned. DO you agree with that, the value improvements?

Ms. SPINELLI. Totally, Senator. In Hudson County, and I am sure you know this, we saw sites that laid fallow for 30, 40 years. And with the EPA money being able to go in and do the assessments, we were able to attract developers to sites that they would have never considered in the past. So the moneys that have come in, the amount of money that has been leveraged between the Brownfields assessment moneys and the moneys that have come in from developers and putting these sites back to good, productive use is totally immeasurable.

But I do want to reiterate what Marjorie said. Lest we ever forget that there are people, citizens who are living around all parts of the Country, whether it be Hudson County or in the Midwest, people need to be thought of in this process. Because it is very important that our citizens be entitled to a healthy, safe environment to grow and to have their children grow up in. It is a scourge on our cities and our areas to have these brownfields sites be there just fenced in behind bars and not be put back to good, productive use. It is very important that the EPA continue to put these programs forward.

And we all realize, in these hard economic times, it is very difficult to sit here and say, don't give it more money. Give it all the money you can. Because this doesn't go to any one particular group. This goes to help strengthen America and bring our Country and all our communities back to good, productive use, bringing in jobs, making beautiful sites that were once wonderfully used back into good, productive use within the communities.

Senator LAUTENBERG. Thank you.

Ms. Buckholtz, in short form, how might current law be changed to better promote renewable Development?

Ms. BUCKHOLTZ. I have a lot of thoughts on that, but only 30 seconds. So I will tell you, the first thing that I would recommend is working closely with the Energy Committee to create a renewable portfolio standard that is consistent across the Country. That is the single most important thing that would drive redevelopment of solar onto Brownfields sites.

And the second thing, you mentioned in your bill last year triple credits. That would be a triple win. That would be more than enough to get people really investing in these sites.

The second thing is to press for extension of Section 1603 of the Energy Bill. But I would adjust it to be extended solely for those properties to incentivize utilities to work on contaminated lands. Thirty percent cash grant incentives for new repowering projects have a huge potential to drive re-use.

The last thing I would just say is that the EPA, in this economy, is not expecting a broad infusion of funds. The Brownfields program was built on doing more with less. A steady State budget that would emphasize leveraging and the new initiatives would build repowering to a new level without a major budget increase.

Senator LAUTENBERG. Thank you very much.

Senator Inhofe, I owe you a couple of minutes, Jim, which you can easily recapture.

Senator INHOFE. Thank you, Mr. Chairman. It is my hope that we don't turn this successful program around into a program to enhance green technology and all this stuff. It is working well now, let's don't mess around with it.

Let me ask you first of all, Mr. Scheff, you would be the one, I think, who would be responding to one of the concerns I mentioned in my opening statement, that is, Oklahoma has a lot of the small, rural communities. And have you, I had to leave during part of yours, but I did read your written statement. Do you have any comments on how we could enhance this program in terms of using a greater amount for the smaller, rural communities?

Mr. SCHEFF. Senator, yes, I do have some thoughts on that. For one thing, I need to point out that for every EPA competitive grant that is awarded to a small community, and it does seem to skew more toward metropolitan areas, but these rural communities don't have staff grant writers, they don't have grant managers, they don't have experts in Brownfields law or guidance.

They have to come up to speed very rapidly on all the different Federal requirements that are tagged under these grants, procurement, Endangered Species Act, National Historic Preservation Act compliance, a myriad of things that these folks have A, never heard about before and B, don't even know where to go to get assistance. They immediately go to the State, which is great, that is part of our role, is to assist these folks.

But for us, it makes a lot more sense, when we have the content and the field experts at the State level through our State assistance grant program, we can crank these things out and really get into the communities, do outreach, help them figure out the scope and nature of their programs and projects, and go in and quickly and efficiently remove the environmental barriers to their project.

Senator INHOFE. Can you not do that now?

Mr. SCHEFF. We can, Senator, but the problem is that year to year, additional States, additional tribes, additional territories, are asking for funding from the same pot that we get our funding from now. That funding source doesn't go up or down, it stays the same. So as more people come in, our funding is reduced.

To further complicate that, the amount of site-specific assessment work that we are able to do currently through our grant is limited to 50 percent of the grant itself. So as that expenditure shrinks, the amount of money that we can spend on the ground in these small communities shrinks as well.

Senator INHOFE. I appreciate that. And Mr. Chairman, I have nothing against professional grant writers. I am saying, when you go into one of my small communities in Oklahoma, and they talk about how do you do this and how do you put this together, yes, they do have access to the State. We are going to be working with them to try to get more help for them. But they will say, we are paying, and to them it is an astronomical amount of money you pay to someone to do this, and frankly, they don't have it.

So what I would like to have you do, for the record, is to write down some recommendations that you could make in this program that would allow easier access to the small communities. Why don't you do that just for the record for us?

And the rest of my time, Mayor Cornett, I just wish, Mr. Chairman, that you could come to Oklahoma, stay in the Skirvin Hotel. Now, New Jersey is not like Oklahoma. Something in Oklahoma that is 100 years old is ancient. In New Jersey, it is new.

Senator LAUTENBERG. Notice how he glances at me as he says that.

[Laughter.]

Senator INHOFE. But the Skirvin Hotel, I can remember when I was in the State legislature, that was many years ago, and it was a palace. Of course, it deteriorated over this period of time. And they did a masterful job of putting it back together the way it was

originally. We are doing the same thing in Tulsa with the Mayo Hotel.

And it is just really, when you see the things they have done in Oklahoma City, and that is what, I only wish that during your presentation we had some big pictures to hold up. That would better show the before and after contrast of what we have.

I guess I would like to ask you, is there anything that we would be able to do, when I pointed out the problem of the pre-2002 problem that we had, is there anything in your city, in Oklahoma City, that you would not be able to do with that restriction that is there?

Mayor Cornett. We do have a number of sites that were acquired prior to the 2002 legislation. I can think of one site specifically at Northeast 4th and Loddy, which would be an under-performing section of our city, that would fall into the category of a site that would need some assessing at the Environmental issues, and it is probably right for redevelopment if we had this type of enabling legislation to allow us to go in there and work on it.

Senator INHOFE. OK, that is good. I think, Mr. Chairman, we ought to really look seriously at that and see what obstacles are there to keep us from doing that and maybe correct it. I think the Director, who was on the first panel, would probably agree with that.

Last, in the time that I have, Mick, when you look at Dell City, Bricktown, the canal, the Skirvin Hotel, all these projects that you talked about that were so successful, have you put an employment figure down that would cover these as to how employment has been enhanced as a result of that? I have to say that we are fortunate in Oklahoma, our unemployment rate is 5.5 percent. We are very fortunate with that, I understand that. But how has this enhanced our employment situation?

Mayor Cornett. I don't have a number for you, and I have asked my staff to try and answer that question specifically. I can tell you that we have the lowest unemployment in the United States among large metros with the 5 percent flat.

Senator INHOFE. Why don't you do that, and send it for the record, in writing, so I can use that up here in trying to help sell this very successful program?

Mayor Cornett. I would be glad to, Senator.

Senator INHOFE. Thank you. Thank you, Mr. Chairman.

Senator LAUTENBERG. Thanks very much. Despite the fact that you have the good fortune to have that kind of unemployment rate, nevertheless, Mayor, you can use help in the Brownfields program and extend job opportunity and economic opportunity for your city and your State?

Mayor Cornett. Absolutely.

Senator LAUTENBERG. That is a noteworthy thing in this environment.

Senator Boozman?

Senator BOOZMAN. Thank you, Mr. Chairman, and we appreciate all of you all being here. The Federal and State Brownfields program really has been very successful. I think we all agree with that. We appreciate your being here to help us sort out some of the problems that we need to fix, perhaps in the future, as we reauthorize. The Arkansas Department of Environmental Quality ad-

ministers it in Arkansas. You mentioned the great job that they had done with the Heifer program in Little Rock. We have another, I think the most recent one that is going to come online is an area in downtown Hope, Arkansas, where they are going to very soon, I think within the next year or so, have a charitable clinic that will be at that site.

So there is really just a lot of positive stuff that is going on as a result of the program.

I would like to ask you, Mr. Scheff, why do you feel that funds should be moved from the EPA competitive grant program and into the State assistance grant programs?

Mr. SCHEFF. Senator, simply put, our smaller communities, and we are talking about communities largely under 10,000 people, simply they don't have the capacity to look at and understand the scope of the 53-page competitive grant guideline booklet. A lot of the concepts that are scored as part of the competitive grant systems, they don't necessarily understand how to answer. A lot of the things that are asked for, for instance, support from community-based organizations, information on disease registries, things like that, just do not exist in those small communities.

Additionally, a lot of the projects that they are involved in are fairly small projects. They may only yield one, two, three, four jobs. But 4 jobs in a town of 3,000 people is incredibly significant. I think a lot of times EPA grant reviewers are looking at projects in major cities of maybe a million and they say, oh, this is going to get us 50 jobs. But when you crunch the numbers, the 50 jobs in a 1 million person community is not nearly as significant as 5 jobs in a 2,000 or 3,000 person community.

Simply put, it really does come down to capacity. Most of the folks running these small governments actually have real jobs, jobs that they go to, Wal-Mart, mowing lawns, whatever. And then they come back to the city at night and they are the treasurer, they are the clerk, they are actually help perform the city functions while they are not working. They don't have the many, many, many hours that you have to put into applying for and managing these grants.

Senator BOOZMAN. I think you make a very good point. And that point is being made over and over again. I just want to kind of reiterate it.

Can you tell us perhaps if we did that, you are not asking for an increase in appropriation, you are just asking for the shift of funds, can you tell us specifically what kind of, you mentioned jobs, can you tell us some specific examples of what creates those five jobs that would come about as a result of doing that?

Mr. SCHEFF. Absolutely. I can give you a specific example on a project we just finished. It was a relatively inexpensive project, it only cost us \$30,000 to go in and assess and do a targeted cleanup at an old gas stationsite. The folks purchased the site, it was a site that had been abandoned for years, was no longer on the tax rolls, so it wasn't paying any property taxes, nobody was working there.

But some folks went in, they purchased the site and they opened it up as, it is kind of a funky place, but it is a combination bakery, cafe, plus photography studio. So you go there and people have their artwork out and every month it sort of circulates out, there

are different people who can come in and have their artwork purchased. There is someone working the counter, there are a couple cooks at the bakery, and then there is someone who is always in the photo shop part of the establishment, doing either digital or old school darkroom photography. But it works.

Senator BOOZMAN. Sounds like there is a little something for everybody there.

Mr. SCHEFF. Yes, Senator. And it is also in a community of 5,000 people where there is not a lot of opportunity for photography clubs and things of that nature. So it really has become an interesting kind of place for people to congregate. And total employment, five full-time employees work there.

Senator BOOZMAN. Very good.

Thank you, Mr. Chairman. I yield back.

Senator LAUTENBERG. Thank you all very much for your testimony. While we kind of joked for a couple minutes about the fact that we are agreeing, it shows you the power of the value of the Brownfields program.

Now we call on Senator Carper.

Senator CARPER. Thanks very much. Thanks for holding this hearing.

Mayor Cornett, could I ask you a question? Thinking of past mayors of larger cities in Oklahoma, have any of them ever turned out well? Can you think of any who ever amounted to much?

[Laughter.]

Mayor Cornett. I am fortunate to have a long string of promising mayors that preceded me, absolutely.

Senator CARPER. How about over in Tulsa?

Mayor Cornett. I can't remember Tulsa ever having specifically any good mayors.

[Laughter.]

Mayor Cornett. You will forgive me, that rivalry is extremely strong, Senator Inhofe.

Senator CARPER. Well, he has turned out OK here.

Mayor Cornett. He has done well for himself.

Senator INHOFE. Well, let me respond to that.

[Laughter.]

Senator INHOFE. During the time that I was Mayor of Tulsa, I was mayor for three terms. Three terms, four terms? It was a long time ago. But anyway, during that time, we put together programs that others didn't. In fact, it was back during the second Reagan administration. He used my low water dam, which we did with no public funds whatsoever, we did it through the private sector, this is Reagan speaking now, as the greatest single public project totally privately funded in America. My case rests.

[Laughter.]

Senator CARPER. My time is expired. Thank you, Mr. Chairman.

[Laughter.]

Senator CARPER. First question, if I could, of all the witnesses, talking about programs like the Brownfields program, but other Federal programs, I would like to find out and ask what is working well with respect to this program. I would also like to ask what could we do better, what could we change or tinker with in order

to get a better result. I like to say, everything I do I know I can do better. And I think that is true of Federal programs, too.

Let me just ask if you all can think of one or two things that might need some tweaking as we take up reauthorization of Brownfields.

Mayor Cornett. I can think of a couple of things. The \$200,000 limit on sites, it would be helpful if that can be increased. There are a number of sites that still don't quite work. And a lot of the easier to do sites have already been done.

Also, the length of time that it takes for the fund to actually arrive at the city level, it can sometimes be a year or more. Sometimes that development window can shut within that 1-year time period. You apply for the grant, it takes maybe 6 months to find out if you are going to receive the grant, then it takes another 6 months perhaps to receive the money. If that timeframe could somehow be shortened, I think that would be helpful.

Senator CARPER. Let me ask the other panelists, just by a show of hands, do any of you agree with what Mayor Cornett has just said? All right, two do and two are silent. OK, good. Do any disagree with what he said? All right, thank you. Let the record show nobody disagrees.

Ms. Spinelli, anything that you would bring to our attention that might need some improvement?

Ms. SPINELLI. I have to concur with what he said. But more importantly, if it is possible to raise that \$200,000, you can't get a gallon of gas for what you used to get a gallon of gas for 10 years ago. And we are looking at \$200,000 now in an economy where, to have an engineering firm come in to do the work, it is not costing the same now that it did for us when we first started this program.

Things do go up. It is just the way the economy works. I realize there is little money out there and it is very tough. But it has to be looked at objectively. Because it is loaves and fishes. And I wish we could say that we could take those loaves and fishes and do more with them. But with everyone asking for more on the other side of this equation and only that \$200,000 to work with, it becomes very difficult.

Senator CARPER. All right, thank you. Mr. Scheff? And I noticed you raised your hand to agree with Mayor Cornett.

Mr. SCHEFF. Yes, Senator, and so far I have agreed with everything that has been said so far on the panel.

Senator CARPER. That doesn't happen every day. Would you just say that again for us?

[Laughter.]

Senator CARPER. It warms up the room when you say that.

Mr. SCHEFF. Aside from the things that have already been mentioned outside of my testimony, I would highly recommend aligning the current eligibility for petroleum sites with hazardous substance sites. The two sites are treated completely differently. In order to be eligible to spend Brownfields funds on petroleum sites, an applicant has to be two owners removed from the last owner who dispensed petroleum at the site and therefore may be considered a responsible party. That is a really tough metric to hit, really tough. Especially in small communities where people tend to own land in

their families essentially forever. That is one that I would definitely focus hard on.

Senator CARPER. Before you move off of that one, anybody else on the panel concur with what Mr. Scheff has said? Yes, you do? All right.

Mr. PAULL. We get feedback on that specific issue all the time. Given that Congress designated 25 percent of the funding to go to petroleum sites, obviously Congress views that as an important part of the program. And we 100 percent agree. But we are also handicapping our communities in addressing petroleum sites because of these extra eligibility hurdles.

Senator CARPER. All right. Anybody else want to comment on this particular point? Yes, ma'am?

Ms. BUCKHOLTZ. Not speaking directly to petroleum sites, but I would like to be a little bit the devil's advocate and say that when we started this program, we intentionally did not fully fund the site assessment process or the cleanup process. What we were trying to do was put seed money in to leverage local communities to invest in themselves. I understand that the prices for everything are much higher than they were when we started the program.

Senator CARPER. Not for everything. Cell phones are a lot cheaper. There are some exceptions.

Ms. BUCKHOLTZ. That is a good point. And televisions.

[Laughter.]

Ms. BUCKHOLTZ. But the point is, I think that it is really important to, the Federal Government can't go in every community and fix everything. That is not an appropriate role. What they have to do is provide technical assistance, in my view, and the tools to get it done. I am not sure that raising the ceiling on the grants would get us where we want to be. And it is not in keeping with the original intent of the program.

Senator CARPER. OK, thank you. Let me come back to Mr. Scheff. You had another point you wanted to make as well.

Mr. SCHEFF. Yes, thank you, Senator. The other item I would look at is raising the limit that State-funded programs are under. Right now we are limited to only 50 percent of our grant which can go to on the ground, site specific projects. It would be nice to see that limit raised or potentially go away altogether.

What that effectively does is say that 50 percent of your grant now has to go to administrative or programmatic functions versus taking those funds and putting them directly on the ground, especially in rural communities where it is important. And I also would like to mention that in our program, those sites-specific activities generally take place through private contractors. So those funds that we do devote to on the ground projects are generally going straight into the private sector and are being administered by the private sector on the ground.

Senator CARPER. Thank you.

Mr. Paull, did you have another point you wanted to make on this question?

Mr. PAULL. Yes. A couple of the panelists had mentioned multi-purpose grants. I would like to put a little bit more meat on the bones of that. Multi-purpose grants would be a great tool to kind of expedite how things work in the Brownfields program. There are

two problems with the sort of boxing up of the three grant programs. We have site assessments, revolving loan fund and cleanup grants. And we are further bifurcated into hazardous substance and petroleum.

So oftentimes communities, as things change, they put in a grant application 1 year but a year or year and a half later, the No. 1 site that they are trying to move is not in the category that they originally applied for. It might need cleanup funds where the city has funding for site assessments. There is a great deal of lag time involved in this, if you have to do everything in order.

If you are putting in a site assessment application that involves a lag before you actually get the funding in, and then you are probably missing another round, because those funds come in late in the year and you have to get your application in short after your funding comes in, you are probably missing another year. So it is actually a 3-year process to get from site assessment through cleanup.

So if you had multi-purpose grants where you could move the funding back and forth between these three categories, it would be a huge advantage and would help expedite the process.

Senator CARPER. Good, thank you.

I think, Mayor Cornett, did you mention something about this in your testimony?

Mayor Cornett. Yes. We just had a number of success stories in that regard.

Senator CARPER. Anybody else want to comment for or against what Mr. Paull said? And I will wrap up at that point? Anybody want to say yea or nay? Yes, Mr. Scheff.

Mr. SCHEFF. Senator, I would agree with what Mr. Paull said and additionally add that it would also help in States like ours and areas like ours where our field season can be extremely limited. If we are in Sun Valley or north Idaho, when we are under two to three feet of snow, it is really hard to do site work during those periods of time. And literally, we can end up with only four or 5 months out of the year where we have a window to do appropriate field work.

So the multi-purpose grant would help to assist in moving those projects along without having a separate grant process in between.

Senator CARPER. Good. Thanks. And Mr. Chairman, thanks for giving me a few extra minutes. Thanks to the panel. You made some really good points. We love it when there is a convergence of views. This is very, very helpful. Thank you.

Senator LAUTENBERG. I add my thanks and make mention of the fact that the record will be kept open for some time, so you may get a letter request for questions that are raised. So we would ask you to answer promptly, please. And once again, thank you. It was so nice to have a panel that has bipartisan character and where people agree. I thought that wasn't allowed around here any more.

[Whereupon, at 11:32 a.m., the committees were adjourned.]