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# CLEANING UP AND RESTORING COMMUNITIES FOR ECONOMIC REVITALIZATION

## HEARING

BEFORE THE

SUBCOMMITTEE ON SUPERFUND, TOXICS AND ENVIRONMENTAL HEALTH

OF THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

JULY 24, 2013

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# CLEANING UP AND RESTORING COMMUNITIES FOR ECONOMIC REVITALIZATION

**WEDNESDAY, JULY 24, 2013**

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

The Subcommittee met, pursuant to notice, at 2 o'clock p.m. in room 406, Dirksen Senate Office Building, Hon. Tom Udall (chairman of the Subcommittee) presiding.

Present: Senators Udall, Crapo, and Hirono.

Also present: Senator Whitehouse.

## OPENING STATEMENT OF HON. TOM UDALL, U.S. SENATOR FROM THE STATE OF NEW MEXICO

Senator UDALL. The Subcommittee will come to order. We welcome you to today's meeting of the Subcommittee on Superfund, Toxics and Environmental Health. We are going to start off to just keep it rolling here. Senator Crapo will be here, I think, momentarily and then we will get into his opening also.

First, I would like to thank and welcome the witnesses who came to share their stories and provide their input on EPA's successful Brownfields Program. We are pleased to have the chief EPA official overseeing the Brownfields Program with us today, Mr. Mathy Stanislaus.

I would also like to extend a warm New Mexico welcome to Bernalillo County Commissioner Debbie O'Malley who has experience in redevelopment in brownfields in both the public and the private sectors.

Congress established the brownfields to provide financial incentives to clean up the thousands of brownfields sites throughout America. Since 2006, EPA has enrolled 42,000 properties, completed more than 68,800 cleanups and made over 644,000 acres ready for development.

These sites are underutilized areas that have been contaminated by environmental pollutants. They are often areas that no community, business or industry would develop because of environmental concerns or even just the perception of an environmental concern. They are, therefore, wasted space.

Without this type of assistance, many communities would be forced to rely entirely on their own public resources for cleanup, often when the previous occupant who contaminated the property

is gone. Redevelopment of brownfields sites ultimately spearheads community revitalization and economic development.

In New Mexico, we have had success in turning brownfields sites around. The historic Santa Fe Rail Yard was once a vibrant part of the community prior to World War II. It became a blighted area following suburban expansion and the opening of the interstate system. The area remained polluted and essentially vacant for decades.

With the help of the city of Santa Fe and money from the Brownfields Program, the rail yard has become a vibrant mixed use development with art galleries, museums, a farmers market, retail shops and office space. It is now an important contributor to Santa Fe's economy.

Another example, the historic La Posada Hotel, was once the tallest building in Albuquerque and the first with air conditioning in New Mexico. The hotel fell into disrepair until it was ultimately auctioned in 2005. After that, it went through a costly renovation. The new owners utilized brownfields loans to remove lead-based paint and asbestos. The hotel has reopened as the Hotel Andaluz and is the first LEED gold certified hotel in New Mexico, another great turnaround story.

One more example is the iconic Route 66. This highway was an important pathway for migration to the West, particularly in the 1930s. When Route 66 was bypassed by the interstate system, many of the service stations and old motels along the route became dormant. The underground fuel tanks leaked, causing contamination.

Brownfields grants have been used to clean up this contamination and a variety of mixed use redevelopment has occurred. Route 66 economic revitalization can give an economic boost to New Mexico's tourism economy. It is a great route to travel with families and to learn history.

Just yesterday, the EPA awarded the State of New Mexico another $350,000 for supplemental brownfields funding. I am optimistic that we will see future success stories if we keep this program strong.

Earlier this year, Senator Crapo and I joined Senator Inhofe and the late Senator Lautenberg to introduce the BUILD Act, which stands for the Brownfields Utilization Investment and Local Development Act. This bill would increase the limit for cleanup grants and expand eligibility for certain public-owned sites and nonprofit organizations. Additionally, the BUILD Act would reauthorize the program through fiscal year 2016.

I am proud to announce today that we have several new co-sponsors, including Senators Merkley, Senator Shoots and we also have Senator Whitehouse, Senator Hirono, Senator Merkley, Senator Brown. So, we have got a good group there.

And I now recognize Senator Crapo for any remarks that would like to make.

## OPENING STATEMENT OF HON. MIKE CRAPO, U.S. SENATOR FROM THE STATE OF IDAHO

Senator CRAPO. Thank you very much, Mr. Chairman, and before I make my remarks I ask unanimous consent that photos of some

brownfields sites in Idaho that we have be entered into the record and be in order for review during this hearing.

Senator UDALL. Without objection. And I would also, there are photos with Commissioner O'Malley which are of the same character and part of her testimony and I would ask unanimous that they be put into the record. Without objection.

Senator CRAPO. Thank you very much. Good afternoon. I appreciate Chairman Udall for your holding this hearing for EPA's Brownfields Program.

There have been a lot of fights in Congress over the past few months and frankly over the past few years over what the role of the EPA should be, how it goes about fulfilling its responsibilities and so on. And in fact, the EPA seems to be the one agency that Idahoans raise the most concerns about with me when they call or write or visit. However, the Brownfields Program has been a very bright exception to that rule.

The EPA initiated the Brownfields Program in 1993 to assist communities with the cleanup of low-risk sites that were not considered hazardous but in which cleanup was nonetheless needed in order to encourage economic development. Now, 20 years into the program's tenure, this is an ideal time to evaluate its track record thus far and look at ways to continue improving it. And what better way to do that than to hear from someone who runs a Brownfields Program.

On that note, I would like to welcome Dr. Kendra Kenyon who will testify as part of today's panel. Dr. Kenyon is responsible for overseeing all aspects of the Idaho Council of Governments serving 10 counties and 42 cities in Southwest Idaho. The council is the umbrella organization for the following Federal and State agencies: the Area Agency on Aging, Economic Development District, Regional Planning Agency, the EDA-RDA Brownfields Revolving Loan Funds and the Idaho Hunger Task Force.

Kendra has over 20 years of experience working with government agencies and has been involved with domestic and foreign policymakers as an active member of an international conflict management team working with members of Parliament and the former Soviet Union and Northern Ireland and heads of state in Cyprus.

Dr. Kenyon holds a Ph.D. specializing in Organizational and Leadership Development, a Master's in Psychological Counseling and a Bachelor's Degree in Communications. Kendra's academic research has been used in a Harvard study and her work has been published in a number of professional journals.

Dr. Kenyon has been nominated for many awards including Senior Fulbright Award, Ambassador Rotarian Award, and she was selected for the Who's Who of American Women in 2000. As her visual aids will attest to, Kendra is an avid outdoorswoman, enjoying whitewater rafting, fishing, reading and international travel.

In her testimony, Dr. Kenyon will discuss the success that we in Idaho have had with our Brownfields Program and will also discuss the critical partnership between the Federal, State and local governments that must exist for the program to be successful.

Thank you, Dr. Kenyon, for being here today.

I think the Subcommittee will find particularly interesting Idaho's perspective on the challenges for small rural communities fac-

ing not only the gargantuan paperwork requirements that can accompany Federal programs but also the challenges of competing with non-rural communities for Federal funding which generally have more resources to work with. This is a reality that often goes unnoticed, and I am glad that Dr. Kenyon is going to speak to that in her testimony.

To briefly note how important the Brownfields Program is for Idaho, I would like to provide an example of the good work the program is doing there.

For years, the Linen Building at the northwest corner of 14th and Grove Streets in Boise was vacant due to concerns about contamination stemming from its historic uses involving commercial laundry fuel storage and cleaning solvent storage. This historic property in the heart of Boise's downtown was cleaned up, redeveloped and now houses businesses, an event center, an art gallery and a parking area.

The Environmental Council of the States reported that development of the Linen Building led to the purchase and development of more than 60 percent of the buildings, most of which were formerly vacant, in this area, and the formation of a six-block Linen District.

There are currently 224 brownfields eligible sites in Idaho alone. The Brownfields Program is an example of a program that EPA administers that increases economic activity while bettering the environment. Successful brownfields projects are truly win-win for the economy and the environment.

Since the program began, the Brownfields Program has been credited with assessing more than 20,000 properties and creating more than 86,000 jobs nationwide. That is why I join with the late Senator Frank Lautenberg and with Senator Jim Inhofe and our Chairman today, Tom Udall, in introducing bipartisan legislation to modernize and improve key elements of the EPA's Brownfields Program.

As the Chairman already mentioned, the Brownfields Utilization Investment and Local Development Act, or the BUILD Act, would improve the existing grant process by increasing the limit for cleanup grants and expanding grant eligibility for certain publicly owned sites and nonprofit organizations.

The bill would authorize the EPA to make multipurpose grants which provide more certainty for long-term financing. In addition, the legislation identifies opportunities for waterfront properties and brownfields sites appropriate for clean energy development, allows grand recipients to collect administrative costs and provides technical assistance to small, rural and disadvantaged communities. Finally, the bill would reauthorize the program at current levels through fiscal year 2106.

Thank you again very much, Mr. Chairman, for holding this hearing.

Senator UDALL. Thank you, Senator Crapo.

Senator Hirono, you are recognized for your opening.

**OPENING STATEMENT OF MAZIE K. HIRONO, U.S. SENATOR FROM THE STATE OF HAWAII**

Senator HIRONO. Thank you very much, Chairman Udall and Ranking Member Crapo, for scheduling today's hearing.

The Brownfields Program definitely does have bipartisan support, not only the existing program but amendments to improve the program. That is really good news.

Each of comes from a State with unique and beautiful natural resources, rivers, forests, mountains, the ocean. These features have served as the foundation of our economies and shaped the different histories of our communities. Part of that history is the story of how our predecessors made use of the land to support their livelihoods and prosper. In a perfect world, industrial activity would balance perfectly with the need to conserve and protect these treasures for future generations. As we all know, that has not always been the case.

However, as Americans we believe in second chances and renewal. Those are critical themes in our economic history for both individuals and communities. That is what makes a program like the EPA's Brownfields Program so important. It affords us the opportunity to restore contaminated lands and create new opportunities for sustainable economic growth.

Like many States across the Country, Hawaii has made use of brownfields funds to clean up and redevelop valuable land across the State. Examples. Brownfields funds have supported the development of the University of Hawaii's Medical School Campus and the Kakaako Waterfront Park in Honolulu, a park that is used by hundreds and hundreds of people.

More recently, the Department of Hawaiian Homelands received a $200,000 brownfields grant to remediate the site of a 2,000 household development for Native Hawaiians in Kapolei, Oahu. And of course, Hawaii is a place where we certainly need to create affordable housing.

These projects not only improve our environment but also serve as a boon to our local economy. According to the Hawaii State Planning Office, it is estimated that every $1 of Federal funds invested in brownfields redevelopment leverage to $18 in total investment. And redeveloping one acre of contaminated land creates an average of 10 jobs.

In Hawaii it is clear. The Brownfields Program is good for our environment, good for our communities and good for our economy. In these difficult budgetary times, we should be looking to bolster programs that meet so many key objectives. That is why I am proud to be a sponsor of the BUILD Act that the Chairman referred to. This Act would make multiple improvements to the Brownfields Program by expanding grant eligibility, increasing grant limits and other positive changes.

The Hawaii State Planning Office wrote me in support of the BUILD Act and I ask unanimous consent that their letter be included in today's hearing record.

Senator UDALL. Without objection.

Senator HIRONO. I thank the Chair and Ranking Member again for holding this hearing.

[The referenced letter follows:]

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**STATE OF HAWAII**

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Ref. No. P-13928

March 21, 2013

RECEIVED APR 03 2013

The Honorable Mazie K. Hirono
United States Senate
B-40E Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Hirono:

I am writing to express my strong support for S. 491, the Brownfields Utilization, Investment, and Local Development (BUILD) Act of 2013, which would amend and reauthorize the brownfields funding authority for federal brownfields grant programs.

The BUILD Act would help communities clean up and redevelop land that today sits contaminated and abandoned. These sites, known as "brownfields," are in nearly every community across the country.

In Hawaii, "[t]he state Department of Health has investigated more than 1,700 sites of potential contamination, nearly half of which merited further action," as reported by *Hawaii Business Magazine*, in an interview with the State Department of Health in 2011. See "Toxic Waste in Hawaii: How brownfields and contaminated sites affect development," *Hawaii Business Magazine*, June 2011, available at http://www.hawaiibusiness.com/Hawaii-Business/June-2011/Toxic-Waste-in-Hawaii/. The Department of Health program that conducts these investigations and oversees the State's brownfields program is largely funded by a U.S. Environmental Protection Agency (EPA) State Response Program grant, which is included for reauthorization under the BUILD Act.

Hawaii has benefitted directly from several brownfields grants under prior federal brownfields authorization acts. U.S. EPA brownfields funds were instrumental in clearing the way for the development of the John A. Burns School of Medicine, Kakaako Waterfront Park, and the Hawaii Children's Discovery Center in Kakaako. U.S. EPA brownfields grant funds have been the primary source of funds for the site investigation studies and site remediation activities underway in conjunction with the Department of Hawaiian Home Lands' (DHHL) East Kapolei II master-planned community, which when complete will be home to almost 2,000 households of DHHL beneficiaries.

Cleaning up brownfield sites is incredibly beneficial to both local economies and the environment. Every $1 of federal funds invested in brownfields redevelopment leverages $18 in total investment, and redeveloping one acre of contaminated land creates an average of 10 jobs.

Cleanup and redevelopment can increase surrounding property values by as much as 15 percent—and on Oahu, we have seen much higher increases in assessed values as a result of brownfields redevelopment. Redeveloping a one-acre brownfield site is also estimated to conserve 4.5 acres of undeveloped green space.

Brownfields redevelopment can be complicated and expensive; however, that is why communities need the BUILD Act. The Act would help communities overcome the initial hurdles to brownfield redevelopment and allow them to create lasting economic engines for decades to come.

Brownfield redevelopment benefits communities and provides excellent return on taxpayer investment, which is why I strongly urge you to support the BUILD Act of 2013.

Thank you for your time and consideration.

Sincerely,

Jesse K. Souki
Director

c: The Honorable Neil Abercrombie, Governor
Mr. Alex Dodds, Smart Growth America

[The prepared statement of Senator Hirono follows:]

STATEMENT OF HON. MAZIE K. HIRONO,
U.S. SENATOR FROM THE STATE OF HAWAII

Chairman Udall, Ranking Member Crapo, thank you for scheduling today's hearing.

Each of us comes from a State with unique and beautiful natural resources. Rivers, forests, valleys, mountains, the ocean—these features have served as the foundation of our economies and shaped the different histories of our communities.

Part of that history is the story of how our predecessors made use of the land to support their livelihoods and prosper.

In a perfect world, industrial activity would balance perfectly with the need to conserve and protect these treasures for future generations. As we all know, that has not always been the case.

However, as Americans we believe in second chances and renewal—those are critical themes in our economic history for both individuals and communities.

That is what makes a program like the EPA's Brownfield program so important. It affords us the opportunity to restore contaminated lands and create new opportunities for sustainable economic growth.

Like many States across the country, Hawaii has made use of Brownfield funds to clean up and redevelop valuable land across the State. Brownfield funds have supported the development of the University of Hawaii's medical school campus and the Kakaako Waterfront Park in Honolulu.

More recently, the Department of Hawaiian Home Lands received a $200,000 Brownfield grant to remediate the site of a 2,000 household development for Native Hawaiians in Kapolei, Oahu.

These projects not only improve our environment, but also serve as a boon to our local economy. According to the Hawaii State Planning Office, it is estimated every $1 of Federal funds invested in brownfield redevelopment leverages $18 in total investment, and redeveloping one acre of contaminated land creates an average of 10 jobs. In Hawaii it is clear—the Brownfield program is good for our environment, good for our communities, and good for our economy.

In these difficult budgetary times we should be looking to bolster programs that meet so many key objectives.

That is why I am proud to become a cosponsor of the BUILD Act. The BUILD Act would make multiple improvements to the Brownfield program by expanding grant eligibility, increasing grant limits, and other changes. The Hawaii State Planning Office wrote me in support of the BUILD Act and I ask unanimous consent that their letter be included in today's hearing record.

I thank the Chair and Ranking Member for holding this hearing, and I look forward to working with all of you to advance this bill.

Senator UDALL. Thank you very much.

Senator Whitehouse.

## OPENING STATEMENT OF HON. SHELDON WHITEHOUSE, U.S. SENATOR FROM THE STATE OF RHODE ISLAND

Senator WHITEHOUSE. Thank you, Chairman, and I want to thank both you and the Ranking Member for your leadership on the BUILD Act issue. This is indeed a place where we can come together because this has been such a successful program.

For every dollar of Federal funds invested in brownfields redevelopment it has leveraged an average of $18 dollars in total investment. That helps increase surrounding property values, it helps with employment opportunities, and it helps rebuild our communities at a time when they really need it.

Rhode Island has received more than $15 million through the program that has supported dozens of redevelopment projects some of them, well, I am going to mention two. The Woonsocket Middle School, a project that transformed a 20-acre, hundred-year-old industrial site into an environmental justice area and it became the largest middle school campus in New England, again with a lot of

players coming together, but with these funds from the Brownfields Program being instrumental.

There is a wonderful program in Rhode Island called the Steel Yard which is a community-based nonprofit that takes kids who do not have a lot of options and helps train them in arts and particularly metalworking, metal arts, and that has created 30 new jobs in a blighted neighborhood out of what was abandoned and contaminated industrial lots.

Just this Monday, I was at an event where the Waterfire Program, which is a wonderful thing that we do in Rhode Island, Providence has a river that goes right through the middle of it and we light fires and braziers out in the middle of the river and restaurants open up along the edges, people come from not just around the region but from around the Country to participate in it. There is music playing, people are really, really enjoying it. Waterfire has taken over an old industrial site, a former Uniroyal Rubber Plant on Valley Street and that was where the event was and they got a $600,000 grant to help move that forward.

Another group, the West Broadway Neighborhood Association, which I worked with very closely when I was Attorney General, working on the nuisance properties in that area with a nuisance task force that we set up, they continue to be a wonderful organization that works very hard for their community and they have received $200,000 to help remediate a former service station on Westminster Street that they are going to be able to put to use. So right now, right here, this is working in Rhode Island.

And to Senators Udall and Crapo, thank you for your leadership to strengthen and to simplify this terrific program. I look forward to working with you and I am proud to be a cosponsor.

Senator UDALL. Thank you very much, Senator Whitehouse.

Now we will hear from our first witness, Mr. Stanislaus, Assistant Administrator of the U.S. Environment Protection Agency.

You have 5 minutes for your oral statement. Your written statement, full statement, will be put in the record.

Please proceed.

**STATEMENT OF MATHY STANISLAUS, ASSISTANT ADMINISTRATOR, U.S. ENVIRONMENTAL PROTECTION AGENCY OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE**

Mr. STANISLAUS. Thank you. Good afternoon Mr. Chairman and members of the Subcommittee, Ranking Member Crapo, Senator Hirono and Senator Whitehouse, who just left. I was going to say the Waterfire sounds pretty cool. I have to attend that.

Senator UDALL. It does, doesn't it?

Mr. STANISLAUS. I am the Assistant Administrator for the U.S. Environmental Protection Agency's Office of Solid Waste and Emergency Response which has responsibility for the Brownfields Program. I am not sure I can actually talk about the Brownfields Program the way that you all just did, but I will give it a shot.

Now we all recognize that there are many communities facing significant challenges today as they work to rebuild their economies and support economic recovery. Reclaiming vacant properties and repurposing brownfields are the heart of EPA's Brownfields Program. Cleaning up and repurposing land can be the impetus for

spurring economic revitalization and job creation and a healthy environment for families and for workers. EPA's assistance in funding to support redevelopment and economic recovery is helping communities to rebuild and revitalize rural and urban downtowns and neighborhoods throughout the Country.

Brownfields are found all around us in the smallest towns and villages to the largest of cities. These are properties where real or potential environmental concerns pose a barrier to reuse. Although these sites blight neighborhoods and reduce property values in very visible ways they can, when addressed, become valuable assets providing economic, social and environmental benefits for communities. Working together, our efforts show that environmental health and economic health go hand in hand.

Recent research completed by my office concludes that brownfields cleanup leads to increases in nearby surrounding housing values, and prices on the average are between 5.1 to 12.8 percent higher. This also results in increased property tax revenue.

Since the Brownfields Program inception in 1995 and through the June of fiscal year 2013, EPA has provided funding to Brownfields Program grantees to assess more than 21,000 properties, more than 41,000 ready for reuse, leveraging more than 93,000 jobs for cleanup and redevelopment activities, and leveraged more than $20.8 billion in economic development.

Based on historical data, as you all have noted, every dollar of EPA brownfields resource leverages between $17 to $18 of other kinds of investment. I would argue it is probably one of the best uses of Government resources in terms of the great leveraging it does.

Successful reuse of brownfields properties includes wide-scale waterfront development, manufacturing, a key focus of the Administration to create jobs, and in-sourcing clean energy production and component part manufacturing for this very important industry, housing and recreation, essentially the reuses that make a community vibrant.

Brownfields revitalization also produces long-term sustainability benefits. For example, every acre of brownfields reused saves 4.5 acres of green space. This saves those properties for recreation and farming. Studies show between a 32 to 57 percent reduction in vehicle miles traveled, thus reducing air pollution emissions, including greenhouse gases. These same studies show an estimated 47 to 62 percent reduction of stormwater runoff. So essentially, this demonstrates the win-win of the Brownfields Program.

The EPA's Brownfields Program provides direct funding for brownfields assessment, cleanup, revolving loans, research, technical assistance, area-wide planning and environmental job training. The Brownfields Program funding is largely distributed by a statutory national competition process. This competition directly is linked to the success of the program.

Essentially, we are looking at the strength of each application and score each of the applications based on their strengths, based on the partnerships, based on leveraging, based on the ability to implement projects in the shorter term. And we believe maintaining this national competition is really critical for continuing the success of the Brownfields Program.

There continues to be unmet need for brownfields funding. Every year, we fund approximately one-fourth of the requests that we get. So, that is an indication of the tremendous demand out there. But we are trying to maximize the use of that money.

In fiscal year 2013, more than 56 percent of our grants went to communities with fewer than 100,000 people, and of those, 40 percent went to micro-communities, or communities with a population of less than 10,000 people. So essentially we demonstrate not only are brownfields a problem in many communities spread throughout the Country, but also we are meeting that need by providing resources throughout the spread or the size of the communities.

Separate from the grant competition, we also provide technical assistance which is critically important to enable particularly smaller communities to compete for Government resources, but also to provide assistance to enable transactions to move forward in a timely basis.

And I see my time is up. But I will close by stating that not only is the Brownfields Program providing tools for local communities, it is premised on the basic paradigm of providing tools for local leadership to lead and not have the Government dictate to them. One of the successes of this program is tools identified by local communities, providing tools for local communities to lead, and I believe that is a critical part of the success of the program.

A recent innovation that we are really pushing through is how do we maximize the implementation resources for the program? And every brownfields project, the implementation resource like transportation resources, like housing resources, so one of the things that this Administration is trying to do is to link transportation resources and link housing resources in a more aligned way through the HUD-DOT-EPA Sustainability Partnership.

With that, I could go on because I love the Brownfields Program, but I will close and take your questions.

[The prepared statement of Mr. Stanislaus follows:]

**STATEMENT OF**
**MATHY STANISLAUS**
**ASSISTANT ADMINISTRATOR**
**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**

**July 24, 2013**

Good afternoon, Mr. Chairman, and members of the Subcommittee. I am Mathy Stanislaus, Assistant Administrator for the U.S. Environmental Protection Agency's (EPA) Office of Solid Waste and Emergency Response (OSWER). Thank you for the opportunity to testify today on the EPA's Brownfields Program.

As our country continues its recovery from the greatest economic downturn since the Great Depression, if there was ever a time to emphasize repurposing land and strengthening local economies it is now. There are many communities facing significant challenges as they work to rebuild their economies and support economic recovery. Reclaiming vacant properties and repurposing brownfields, is at the heart of the EPA's brownfields and land revitalization programs.

Cleaning up and repurposing land can be the impetus for spurring community revitalization and job creation. The EPA's assistance and funding to support redevelopment and economic recovery is helping communities, on the ground, to rebuild and revitalize rural and urban

downtowns and neighborhoods throughout the country. Working together, our efforts show that environmental health and economic health go hand in hand.

Brownfields are found 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 most often are located in downtown areas or city centers where they are very visible, but also located in areas where the properties benefit from the co-location 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. Although these sites blight neighborhoods and reduce property values in very visible ways, they can, when addressed, become valuable assets, providing economic, social and environmental benefits for communities.

Since the Brownfields program's inception in 1995 and through June of fiscal year 2013, the EPA has provided tools to communities and tribes to assist them in addressing brownfields sites. Brownfields Program funding has been used by grantees to assess more than 21,470 properties, make more than 41,550 acres ready for reuse, leverage more than 93,100 jobs for cleanup and redevelopment activities, and leverage more than $20.8 billion in economic development. Based on historical data and grantee reporting, every $1 of the EPA brownfields funding leverages between $17 and $18 in other public and private funding to advance cleanup and development of

these properties.1 Brownfields revitalization also produces long-term sustainability benefits. For example, every acre of brownfields reused saves 4.5 acres of greenspace.2

Working with communities, states, tribes and other federal agencies, the EPA Brownfields Program has supported a coordinated national effort, successfully leveraging public and private sector partnerships, to help link environmental protection and public health with economic development and community revitalization. The EPA's brownfields program continues to play a key role in national and local efforts to advance manufacturing activities and increase manufacturing investment. In many communities, the best places to attract new production facilities are those sites which have hosted manufacturing before – where road, water, and energy infrastructure is in place, and a skilled and trainable workforce is nearby. Reuse of brownfields and industrial legacy sites also discourages sprawl and makes more efficient use of a range of economic development resources.

Since we last appeared before the Committee in 2011 to present Brownfields program testimony, the EPA has focused its efforts on streamlining the grants application process, strengthening and expanding technical assistance resources that we provide to applicants and communities, improving outreach to small and rural communities, strengthening our state and tribal response programs, piloting multi-purpose grants, promoting greener and more sustainable property clean up and reuse, supporting area-wide planning, and expanding land revitalization efforts across all of the EPA's land cleanup programs.

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1 Based upon data from EPA's Assessment Cleanup and Redevelopment Exchange System database collected from Brownfields program grantees.
2 Based upon data from EPA's Assessment Cleanup and Redevelopment Exchange System database collected from Brownfields program grantees.

**Brownfields Grants**

The EPA's Brownfields Program provides direct funding for brownfields assessment, cleanup, revolving loans, research, technical assistance, area-wide planning, and environmental job training. The unmet need for brownfields funding for local communities to address abandoned, underutilized, and contaminated sites continues to rise. This demand for brownfields funding far exceeds Brownfields Program funding levels and is exacerbated by increasing assessment and cleanup costs. The EPA is currently only able to fund approximately one-fourth of the competitive grant 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. Grants that fund site assessments provide a key tool in reducing uncertainty about site conditions and help set the groundwork for economic development and reuse. In fact, data provided by the EPA funded site assessments indicates that about 20 percent of the properties assessed show little or no contamination, thus making these sites available for development and reuse after a relatively small public investment. Since the program's inception, the EPA has awarded 2,286 assessment grants to small and large communities, usually for $200,000 each, for a total of $548.4 million.

In many communities, the EPA's brownfield assessment and cleanup programs have made us "step one" in the economic redevelopment process. For example, Alma, Michigan used

brownfield assessment funding to start the redevelopment of a former truck and vehicle parts manufacturing facility into a new renewable energy systems components and metal fabricating facility -- leveraging $11 million in private investment and creating 111 jobs in the process.

In another example, the Devon Energy Center Development is the new national headquarters for the energy company-built on an old brownfield site in downtown Oklahoma City. The site used to be the former OKC trolley hub, automobile hotel, and then a parking garage. Once the land was remediated, a 50-story Gold LEED certified building was constructed. Devon was entitled to benefit from an urban renewal Tax Increment Financing (TIF) district but instead, Devon wanted to use the funds to improve the streets in downtown Oklahoma City. Devon partnered with city groups to create a tax increment financing district to fund "Project 180," a city project to transform 180 acres of downtown with improved roads, landscaping and lighting. Project 180 is nearing completion; the revitalized Myriad Botanical Gardens are now used by the public more than ever, and downtown streets are freshly paved and lined with trees and flowers. The new center serves as a cornerstone of the city's downtown redevelopment project, linking business, entertainment and recreation districts together for Oklahoma City residents and visitors to enjoy for many years to come. The site now employs more than 2,400 workers and contractors and provides hundreds of jobs related to services for the facility. It also employed more than 9,400 construction workers.

The 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, the EPA has awarded 993 cleanup grants totaling $188.4million.

The Mayo Hotel, located in downtown Tulsa, Oklahoma, had interior spaces contaminated from a ruptured heating oil tank. This project is an example of the benefits associated with the brownfields cleanup grant program. The hotel first appeared on the National Register of Historic Places in 1980. It hosted many of Tulsa's most notable 20th Century visitors, including President John F. Kennedy, Bob Hope, Charles Lindbergh, Babe Ruth, and Charlie Chaplin. A failed renovation attempt in the early 1980's resulted in the building being unoccupied and abandoned. After 20 years of neglect, the Mayo seemed destined for the wrecking ball until June 2001, when a new owner purchased the hotel. Around the same time, the Oklahoma Corporation Commission (OCC) was creating its brownfields program through funding from the U.S. EPA. The Mayo Hotel was the first project funded by the OCC program. Nearly ten years later, the property has been restored with 102 guest rooms and 76 loft apartments. Funding for the restoration came through a combination of private and public funds, including $4.9 million approved as part of the Tulsa County-wide development package and federal tax credits through the National Park Services.

The Brownfields Program also supports property cleanup 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, the EPA has awarded 318 RLF grants totaling $308.4 million. In January 2013, the Great Falls Montana Development Authority provided Easter-Seals Goodwill with $350,000 to clean up the historic First Interstate Bank Building property. Following asbestos and lead-based paint cleanup, the building will be renovated and

used as the new regional headquarters for Easter Seals-Goodwill, which serves 4,000 physically and developmentally disabled individuals in Montana, Idaho, Wyoming and Utah. The EPA also recently announced that the Great Falls Development Authority is the recipient of an additional $300,000 in supplemental grant funds that will replenish its depleted loan fund for future downtown redevelopment.

In addition to its grant programs, the 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. The EPA has allocated $57 million for TBA support in fiscal years 2003 through 2013, including $9.4 million in Recovery Act funding. To date, the EPA has conducted TBAs at 2,500 properties. In fiscal year 2010, the EPA also piloted a program that provided research and technical assistance support for brownfields area-wide planning.

Brownfield area-wide planning helps communities use site cleanup and reuse activities to drive larger community revitalization efforts. The EPA initiated this grant program to help communities address multiple brownfield sites that are connected to each other through location, infrastructure, and economic conditions. It can support the market studies, evaluation of environmental conditions, infrastructure analyses, and financial strategies needed to generate new economic vibrancy in areas characterized by abandoned and underutilized brownfield properties. The program also helps communities identify resources and leverage opportunities needed to help implement the projects identified in the plans, and to attract the public and private sector investments needed to help with cleanup and area revitalization, in a more systematic and

resource-effective manner. For example, Goshen, Indiana is using an area-wide approach to create business and light industrial job opportunities, while enhancing transportation systems within its target area, an existing industrial corridor near downtown.

Twenty-three recipients, including several small rural communities, were selected to receive the EPA grant funding to pilot this approach. Recipients conducted research and outreach activities such as community engagement sessions to identify community priorities and opportunities to meet those priorities through the cleanup and reuse of brownfield sites; conduct market analyses and feasibility studies; review existing environmental conditions; and conduct infrastructure analysis. Recipients synthesized this information to develop an area-wide plan for community brownfields revitalization, and, identify the next steps for implementation. For example, the EPA funded a project in Kalispell, Montana, where the City worked with the community to develop a revitalization plan to cleanup and develop brownfields properties focusing on Kalispell's core downtown area.

Building upon initial successes and lessons learned from the pilot round, the EPA recently announced the selection of twenty new recipients to receive Brownfields Area-Wide Planning grant funds. The EPA's staff members are working closely with the new recipients as their grants get underway, and will continue to provide technical assistance as the grants continue through 2015. One of the new recipients in New York's Hudson Valley is working with the Lawrence Street neighborhood community to examine whether vacant brownfield properties may be used for the first phase of a multi-use pathway, which will provide a direct subway link to help provide access to jobs in New York City.

The Brownfields Program also participates in a joint effort with the Department of Housing and Urban Development (HUD) and Department of Transportation (DOT) under the Partnership for Sustainable Communities to help 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. Coordinating and leveraging 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. 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. The EPA continues to work with HUD and DOT and anticipates that improved coordination will help leverage implementation resources for brownfields redevelopment projects for years to come.

In addition to funding brownfields assessment and cleanup, the EPA also funds brownfields training, research, and technical assistance. As communities clean up brownfields and other contaminated sites, they need a trained workforce with environmental cleanup skills. The EPA's brownfields environmental workforce development and job training (EWDJT) grants are linked directly to brownfields sites in communities in order to train local residents, and connect

graduates to firms that will create jobs and hire locally to get these sites cleaned and back into productive reuse.

The brownfields EWDJT grants form the basis for effective partnerships with local businesses and directly impact local economies. Grant funds are often provided to applicants that obtain commitments from employers to hire graduates from their programs. Local businesses provide input to training curriculums and in turn put graduates to work in the local community. Graduates of brownfields funded workforce develop programs are placed in local jobs conducting site assessments, cleanup activities, wastewater management, underground storage tank removals, mold and asbestos removal, construction and demolition debris recycling and other environmental services related jobs. To date, the EPA has funded 206 job training grants totaling more than $45 million. As of March 2013, approximately 11,500 individuals have completed training, of which, approximately 8,200 have obtained employment in the environmental field with an average starting hourly wage of $14.12. This equates to a cumulative placement rate of approximately 71% since the program was created in 1998.

For example, a Santa Fe Community College (SFCC) EWDJT Grant of $300,000 was awarded by the EPA in January 2012. Four SFCC Brownfields Job Training sessions were held on campus to train students to become environmental technicians by June 2013. The SFCC focused on Native Americans from 22 tribes located over northern New Mexico and a total of 57 students graduated by June 30, 2013. A unique component of SFCC's environmental training also included training in the remediation of contaminated land and ecological restoration as a result of forest fires in New Mexico.

In reviewing proposals and awarding grants, the 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. Many brownfields are located in small and rural communities. In fact, in fiscal year 2013, more than 56 percent of our grants went to communities with fewer than 100,000 people, and of those grants, 40 percent went to micro-communities with populations of 10,000 or less. The EPA will announce a new competition for brownfields assessment, revolving loan fund (RLF) and cleanup grant awardees later this summer.

**State and Tribal Programs**

Under the Brownfields Law, EPA provides non-competitive grant assistance to build capacity and establish state and tribal response programs so that brownfield sites in communities can be cleaned up and reused. States and tribes are at the forefront of brownfields cleanup 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 and tribes to build capacity and strengthen state and tribal environmental response programs. State and tribal programs have proven to be effective partners by using this grant funding to address site assessments and cleanups. In fact, since 2006, CERCLA 128(a) grantees reported that nearly 40,400 properties were enrolled in state and tribal response programs and more than 744,875 acres were made ready for reuse. Additionally, since 2006, state and tribal response programs provided technical assistance at more than 17,000 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 help ensure the successful implementation of the national brownfields program. Providing financial assistance to states and tribes increases their capacity to meet brownfields cleanup and reuse challenges.

In fiscal year 2013, the EPA's brownfields appropriation included $46.7 million for states, tribes and U.S. territories, to meet nearly $55 million in funding requests. The EPA anticipates that the demand for these funds from states and tribes to establish and enhance their programs will continue to increase.

The EPA awards funds to states and tribes through a national allocation process where the EPA makes individual cooperative agreement funding decisions based on remaining balances available from state and tribal prior years' grant awards, activities that help 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. Some states, such as

Colorado, use the funds to support cleanup revolving loan funds, while others, such as Wisconsin, use the funds to maintain a "one clean up" approach to assessment and cleanup. Many use a portion of the funds to conduct site specific activities, such as the assessment and cleanup of brownfields sites. Since fiscal year 2003, states and tribes have reported the completion of more than 2,100 site assessments on brownfields properties.

**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 range of stakeholders, the 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 comfort and certainty and advance brownfields cleanup and redevelopment, the EPA has issued guidance and enforcement discretion policies clarifying the steps that prospective purchasers, including local governments, can take to qualify for these liability protections.

**Conclusion**

The 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. The EPA will continue to implement the Brownfields Program to protect human health and the environment, enhance public participation in local decision making, help support safe and sustainable communities through public and private partnerships, and demonstrate that environmental cleanup can be accomplished in a way that promotes economic redevelopment.

Senator UDALL. Thank you very much for your testimony, and we will give you a chance to speak further because we are going to go into a round of 5-minute questioning here. So, we appreciate your testimony.

One of the issues that seems to me to be an intriguing one is using these sites for renewable energy, potential renewable energy development. For example, there is a Superfund site in New Mexico where Chevron has installed a large concentrated solar power system on a mine tailings landfill, which is, this project has been a great success.

Do you see potential in developing these areas for renewable energy development and what kind of assistance can EPA provide?

Mr. STANISLAUS. Well, I see tremendous potential in that and we have recently, over the last few years, we have partnered with the Department of Energy, worked with energy developers and worked with the finance community to provide a set of tools to really tap the potential of siting renewable energy on contaminated property. And we think it is a win-win.

We have done mapping of these sites which shows the subset of contaminated properties were in proximity to transmission corridors and where there are capacity gaps, to be able to site renewable energy on certain properties and tap into the transmission corridors. We have also developed a set of tools for local leaders to analyze which of the contaminated properties best fits different kinds of renewable energy.

Senator UDALL. Thank you. Now, the Brownfields Program has been a tremendous success because it seems that most of the brownfields grants have gone to urban areas. In a rural State like New Mexico, how can we provide better access to brownfields grants in rural areas?

Mr. STANISLAUS. Yes, let me just pull back my numbers. Last year's competition, 56 percent of our grants went to communities less than 100,000 and 40 percent of those went to even smaller than 10,000. But I think there is more to do on that. I received letters from probably the largest set of States with rural communities, about 6 or 7 months ago, and I have committed myself to really engaging representatives of the rural communities to figure out how can we better touch and provide resources to rural communities.

And I have held a series of conversations at a stakeholder meeting recently with representatives from rural communities in Nebraska and Western Iowa. So, the plan is to figure out how can we best deliver, in some cases technical assistance, direct and indirect, and in some cases tailoring our grant competition so that we can ensure that all the communities that have a need get a fair percentage of the grant resources.

Senator UDALL. You know, for that 40 percent number for less than 10,000, that is a pretty good number I would think.

Mr. STANISLAUS. It is. And we have placed a great emphasis on not only making sure that our criteria is fair to ensure that communities can compete fairly, but do some upfront technical assistance.

The critical, our studies show that the critical aspect of getting awards is getting successful applications. And clearly smaller communities need more capacity assistance than the larger commu-

nities. We made a conscious effort in both direct technical assistance but also funding technical assistance organizations around the Country to work with local communities.

Recently, we had discussions with the rural cooperatives to also partner with them to engage rural communities in our technical assistance.

Senator UDALL. How has sequestration impacted the Brownfields Program?

Mr. STANISLAUS. Well, I think sequestration, like all, you know, Government funding has had an impact. In terms of the specifics, I do not have that information in front of me. But I can get that to you.

Senator UDALL. OK. We could appreciate that.

[The referenced information follows:]

**Question from Senator Udall: How has sequestration impacted the Brownfields program?**

**Response:** Reductions in funding due to the budget sequestration have impacted the Brownfields Program in several ways. The associated staffing furloughs have generally slowed progress on the timeliness of our grant competitions and grant awards, and in our ability to assist and respond to grantee needs. In addition, EPA has needed to reduce funding to the mission support contracts that our Brownfields staff use to help manage the grant competitions and to support outreach and technical assistance to brownfield communities and grantees. Further, funding rescissions related to the budget sequestration reduced by several million dollars the funding available to communities for targeted brownfields assessments, which are very useful to small and rural communities that have not received brownfields grants. Finally, a reduction was required in Program funding provided to state and tribal response programs under CERCLA 128(a), which resulting in fewer brownfield sites being overseen and supervised by state cleanup programs, which has a direct impact on the pace and progress of brownfields cleanup and redevelopment.

Senator UDALL. Senator Crapo.

Senator CRAPO. Thank you very much.

Just following on the same question about sequestration, from an overall program perspective, Mr. Stanislaus, can you tell me how the current economic climate over the past few years has impacted the Brownfields Program?

Mr. STANISLAUS. I think what I will say is that the Brownfields Program is affected by the real estate market in ways that other programs are not. But I think when you talk to local leaders, they actually see that this is the time, and we have seen this in the last few years, to begin the planning, begin the assessments, so as the real estate market begins to move, beginning movement there, that those properties are well-positioned to redevelop.

So, actually we are seeing significant interest in brownfields properties because of the inherent advantages. So brownfields properties, approximate existing infrastructure, approximate population centers, so there is some inherent advantage of that. And recently we had our National Brownfields Conference and I held a roundtable with a number of mayors from around the Country and they all believe that brownfields are the key aspect of revitalizing their communities and creating jobs locally.

Senator CRAPO. Thank you. And moving to the statistics that you gave us, 56 percent of the grants, I believe it was, went to communities with less than 100,000 and 40 percent less than 10,000. Is that in total numbers of grants or is that in total numbers of dollars?

Mr. STANISLAUS. I believe it is total number of grants. Let me get back to you. It is the applications.

Senator CRAPO. That is in terms of the applications. Do you have with you, or can you get for us, the breakdown in terms of total numbers of dollars?

Mr. STANISLAUS. I can get you that. I do not have that with me.

[The referenced information follows:]

**Question from Senator Crapo: The statistics you mentioned, 56% of grants went to communities of less than 100K and 40% to under 10K. Is that total number of grants or dollars?**

**Response:** These percentages relate to grants selected for award. In FY 2013, 56% (134 out of 240) of the competitive ARC grants went to non-urban communities (applicants with less than 100,000 in population). Of the 134 grants awarded to non-urban communities, 40% (54 of the 134) were to "micro-communities" with populations of 10,000 or less. The total dollars of the grants to non-urban communities was $31.5 million out of $62.5 million (or 50.4% of the total funding). Micro communities received $16.2 million or 26% of the total funding.

Senator CRAPO. All right. And you indicated that the rural communities or, I guess, probably any community, needs to have successful applications in order to be successful in accessing these grant dollars and that one of the key factors is the quality of the grant applications. I think we are going to hear testimony about the question of how rural communities can compete with urban communities on that level. Could you just discuss that a little further?

Mr. STANISLAUS. Sure. The thing that I heard in discussions with rural stakeholders is precisely the point that you make which is that rural communities do not have the same capacity to put together applications that larger communities have. So one, to streamline the application process, two, to provide, I would say a more modular way of approving applications, three, providing earlier technical assistance. So, doing all of those so that they can, again, be able to compete in a more fair way. We are also taking a look at should we look at the competition, the grant competition, differently.

And separate from that, and one of the things that I have heard from a lot of rural communities, is they want to get one or two key projects moving. So, they put on the table maybe there is a contract-based mechanism to advancing those projects as opposed to a grant mechanism. So, we have a contract-based mechanism to go in and do a site assessment.

And the reason they put that on the table is because they, some communities do not want to have the burden of managing a grant and oversight of the grant. So, they prefer more getting into the community, doing the assessment as opposed to managing a grant.

Senator CRAPO. OK. Thank you very much. And I appreciate the fact that the EPA is aware of this issue with regard to the disadvantage that small communities face in competing for these grants and I would appreciate the attention that you could give in the future to making sure that the agency helps the smaller communities to overcome that disadvantage.

Mr. STANISLAUS. Absolutely.

Senator CRAPO. Thank you, Mr. Chairman.

Senator UDALL. Mr. Stanislaus, thank you very much. We really appreciate you coming and we are going to move on to our second panel now.

Mr. STANISLAUS. Senator, would you mind?

Senator UDALL. Please, please go ahead.

Mr. STANISLAUS. The one thing I ask you to think about is, again, we are significantly oversubscribed in our grant program. One of the reasons I believe the grant program is so successful is we have this national scoring competition that really looks at those communities that can put together the strength of local partnership. And if we up front divide that money, my concern is the potential of unintended consequence of impacting that success.

So clearly we should look at rural communities and being able to get those resources. But if we up front divide it among end uses, I am a bit concerned that may have the unintended consequence of dampening what I believe is the success of the national competition process.

So, I would ask you all to kind of think about that.

Senator CRAPO. Thank you. Mr. Stanislaus, in that context, a question that comes to my mind is in the process of setting the priorities for the competition for the grants. Are you sure that the factors that are utilized there are properly balanced between rural and urban issues?

Mr. STANISLAUS. Well, I think we try to and in fact this week we are going to have another stakeholder conversation. So, I believe we do. But I think we could always learn more and are always open to, maybe we can score things differently. I would be open to looking at that.

Senator CRAPO. OK. Thank you very much.

Mr. STANISLAUS. You are welcome. Thank you.

Senator UDALL. Do you, are you capable of giving out to non-governmental and nonprofits? I mean, would you have that capability?

Mr. STANISLAUS. Well, that is very restrictive right now.

Senator UDALL. Do you think it would——

Mr. STANISLAUS. I do. I believe a subset of not for profits would be very helpful. Because when you talk to local government leaders around the Country, not for profits, whether it be community development corporations or all of the kinds of not for profit organizations that play a role in redevelopment, are a key extension of local government. So, they are, in many communities, the implementers of project development. So, I think providing not for profits eligibility, I think, would be really helpful.

Senator UDALL. Thank you very much for your testimony. We will work closely with you on the reauthorization and look forward to many productive years ahead. Thank you.

And we would call up, at this point, the second panel.

Mr. STANISLAUS. Thank you. I appreciate your time.

Senator UDALL. You bet.

I want to welcome our second panel. We have Commissioner O'Malley, Dr. Kenyon and Mr. Anderson. And it is wonderful to have you all here. You will each have 5 minutes for an oral statement and your full statement will be included in the record. And following that, as you just observed, we will have a time of questions and answers.

So, Commissioner O'Malley, we will start with you and then proceed down the line here with Dr. Kenyon and then Mr. Anderson. Please.

## STATEMENT OF DEBBIE O'MALLEY, COMMISSIONER, BERNALILLO COUNTY COMMISSION, NEW MEXICO

Ms. O'MALLEY. Good afternoon, Chairman Udall and Ranking Member Crapo.

My name is Debbie O'Malley and I am Vice Chair of the Bernalillo County Commission representing the residents of District 1. Bernalillo County is the most heavily populated county in the State of New Mexico. Eighty-two percent of the county's residents reside within the city of Albuquerque. For 9 years prior to my recent election to the County Commission, I was an Albuquerque City Councilor.

I am honored to be here today to speak in support of EPA's Brownfields Program. As many have testified, the Brownfields Pro-

gram has had a profound effect on the quality of life in communities throughout our Country.

In Bernalillo County, this program has been instrumental in the cleanup of industrial sites and landfills and the creation of more open space, much-needed regional parks, affordable housing and mixed use developments. All of these projects were in established areas and in some cases historical neighborhoods and as a result did not contribute to the problems related to urban sprawl. For example, in 2001 the county partnered with the city of Albuquerque to create a million dollar revolving loan fund that was used to clean up and remodel a historic hotel, trading post and school library.

I was asked to testify today, however, because of my direct role in one of the most successful neighborhood redevelopment efforts in the State. It is an effort that I helped lead prior to my becoming an elected official. It involved over 35 acres in the historical heart of Albuquerque.

It is the story of the Sawmill Redevelopment Project, a community-driven and community-owned multi-million dollar, award winning redevelopment initiative that transformed two contaminated industrial sites into mixed use development that includes high-quality, permanently affordable single-family, multi-family and senior housing.

It is also the story of personal commitment and perseverance by residents of a predominantly Hispanic, historic, low-income neighborhood which had experienced decline for decades. Today, it is the story of true and lasting community empowerment.

My involvement in this project came over 20 years ago when I received a flier on my doorstep encouraging residents in our neighborhood to come to an important meeting. My husband and I had bought our first home in this area, an area where my family has a long history. It was an old adobe, mud brick, house that needed a lot of work but that was affordable to us at the time. We were busy raising our two daughters and remodeling our small home. Until I received that flier, I had never been to a neighborhood meeting or participate in any civic action.

I went to that meeting and I discovered that a few determined neighbors, led by Max Ramirez, a retired house painter, were organizing to stop a nearby particle board manufacturing company from polluting our neighborhood. They had discovered that the company had been dumping its industrial wastewater containing formaldehyde, benzene and other toxic chemicals into unlined pits.

This activity had resulted in a contaminated plume, a contaminated groundwater plume, a quarter of a mile long. My neighbors were also concerned about the health effects of toxic emissions that were being released from the plant, particularly at night.

I was shocked to learn about these problems. Because my husband and I made the commitment to raise our family in this neighborhood, I decided I would do my part. Thus began my education in community organizing. Working side to side with my neighbors, a small group with few resources, and going to what seemed like countless meetings, we began to see that our actions were having an impact.

We were able to pressure the company to address the contaminated groundwater through a cleanup agreement with the State, the first of its kind in New Mexico. We were also successful in getting the City to cite the company for illegally emitting toxic particulates at night.

In 1992, things took a dramatic turn and much to our surprise 27 acres of industrial land next to the particle board manufacturing plant when up for sale. We heard that the plant was considering acquiring the land and expanding its facility and we began another organizing effort.

Having no experience in community planning, we found ourselves on a steep learning curve. We familiarized ourselves with such new terms as smart growth, sustainable development and neo-traditional neighborhoods. Ultimately, we were able to convince the city of Albuquerque to acquire the 27 acres and commit to a contract, another first of its kind in the State, to allow the community to plan and develop this property.

In order to carry out the planning and development, we first formed a community development corporation and later a community land trust. It is important to us that the housing we developed be affordable for future generations. I was hired as the Executive Director and our first task was to master plan this site.

The award-winning master plan, which we named Arbolera de Vida, which is Orchard of Life, was based on neo-traditional neighborhood design, homes with front porches, safes areas for play, community gardens, places that encourage multi-generational interaction.

In early 2000, after removing truckloads of contaminated soil, we began construction of the first phase. We did not use the Brownfields Program for this initial cleanup. The program was used, however, later during the subsequent phases of this project.

In an ironic twist of fate, the Sawmill Community Land Trust was able to purchase the former particle board manufacturing facility. The company had gone out of business and the land was put up for sale. The site, as you can imagine, required extensive environmental remediation.

In 2009, the Sawmill Community Land Trust applied for and was awarded $225,000 through the State's Brownfields Funds Program for cleanup of the particle board manufacturing company's site. Additionally, we received $500,000 from the Enterprise Foundation in the form of a loan to also help with that.

I brought photographs with me that illustrate the transformation of this area. And this one over here to the left is fairly new, it is the senior housing, and it is based on a really environmentally sound model. We cannot see the catch basins for rainwater but very well thought out and we have got a lot of very happy seniors living in this development. It is one of the nicest ones, I think, in the city.

And the other photographs show just what kind of a mess that we encountered on that particular site. That was the particle board manufacturing company's site and you can see that we did a lot of cleanup there. That was where the $225,000 was used.

As you might imagine, millions of dollars in public and private financing have gone into the Sawmill effort over the last 20 years,

resulting in hundreds of local construction-related jobs. Most important, however, the project has created social and economic wealth in a community that was suffering from disinvestment and neglect.

It was through the efforts of committed and determined residents that the neighborhood was turned around. It is through resources such as those provided by the Brownfields Program that these projects become a reality.

I would like to thank you, Senator Udall, for inviting me to speak before this Committee today. I am happy to answer any questions.

[The prepared statement of Ms. O'Malley follows:]

Testimony of Bernalillo County Commissioner Debbie O'Malley

to the

Senate Subcommittee on Superfund, Toxics and Environmental Health

July 24, 2013

Good afternoon, Chairman Udall, Ranking Member Crapo and Members of the Committee.

My name is Debbie O'Malley, and I sit on the Bernalillo County Commission, representing the residents of District 1. Bernalillo County is the most heavily populated County in the State of New Mexico. Eighty-two percent of the county's residents reside within the City of Albuquerque.

For the nine years prior to my recent election to the County Commission, I was an Albuquerque City Councilor, also an elected position.

I'm honored to be here to today to speak in support of EPA's Brownsfields Program. As others testified, the Brownfields program has had a profound impact on the quality of life in communities throughout our county. In Bernalillo County, this program has been instrumental in the clean-up of industrial sites and landfills, and the creation of more open space, much-needed regional parks, affordable housing and mixed use developments. All of these projects were in established, and in some cases, historic neighborhoods, and as a result did not contribute to the problems related to urban sprawl.

For example, in 2003, the County partnered with the City of Albuquerque to create a million dollar revolving loan fund that was used to clean-up and remodel an historic hotel, trading post and school library.

I was asked to testify today, however, because of my direct role in one of the most successful neighborhood redevelopment efforts in the State. It's an effort that I helped lead, prior to my becoming an elected official. It involved over 35 acres in the historic heart of Albuquerque.

It's the story of the Sawmill Redevelopment Project--a community driven and community-owned, multi-million dollar, award-winning redevelopment initiative that transformed two contaminated industrial sites into a mixed-use development that includes high quality, permanently affordable single-family, multi-family and senior housing. It's also the story of personal commitment and perseverance by residents of a predominantly Hispanic, historic, low income neighborhood which had experienced decline for decades. Today, it's the story of true and lasting community empowerment.

My involvement in this project began over 20 years ago when I received a flier on my doorstep encouraging residents in our neighborhood to come to an important meeting. My husband and I had bought our first home in the historic Sawmill/Old Town neighborhood—an area where my family had a long history. It was an old adobe (mud brick) house that needed a lot of work, but that was affordable to us at the time. We were busy raising our two daughters and remodeling our small home. Until I received that flier, I had never been to a neighborhood meeting or participated in any civic action.

I went to that meeting and I discovered that a few determined neighbors, led by Max Ramirez, a retired housepainter, were organizing to stop a nearby particle board manufacturing company from polluting our neighborhood. They had discovered that the company had been dumping its industrial wastewater, containing formaldehyde, benzene and other toxic chemicals, into unlined pits. This activity had resulted in a contaminated plume a quarter of a mile long. My neighbors were also concerned about the health effects of toxic emissions that were being released from the plant, particularly at night.

I was shocked to learn about these problems, but because my husband and I had made the commitment to raise our family in the Sawmill neighborhood, I decided I would do my part. Thus began my education in community organizing. Working side-by-side with my neighbors—a small group with few resources— and going to what seemed like countless meetings, we began to see that our actions were having an impact. We were able to pressure the company to address the contaminated groundwater through a clean-up agreement with the State, the first of its kind in New Mexico. We were also successful in getting the City to cite the company for "illegally" emitting toxic particulates at night.

In 1992, things took a dramatic turn, and much to our surprise, 27 acres of industrial land next to the particle board manufacturing plant went up for sale. We heard that the plant was considering acquiring the land and expanding its facility, and we began another organizing effort.

Having no experience in community planning, we found ourselves on a steep learning curve. We familiarized ourselves with such new terms such as Smart Growth, Sustainable Development and Neo-traditional neighborhoods.

Ultimately, we were able to convince the City of Albuquerque to acquire the 27 acres and commit through a contract—the first of its kind in the State—to allow the community to plan and develop this property.

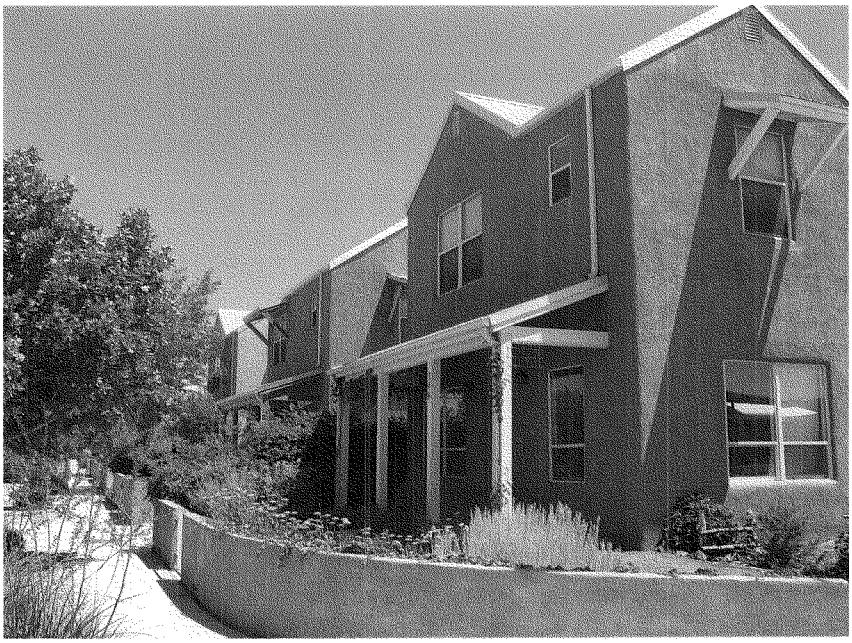
In order to carry out the planning and development, we first formed a community development corporation and later a community land trust. It was important to us that the housing we

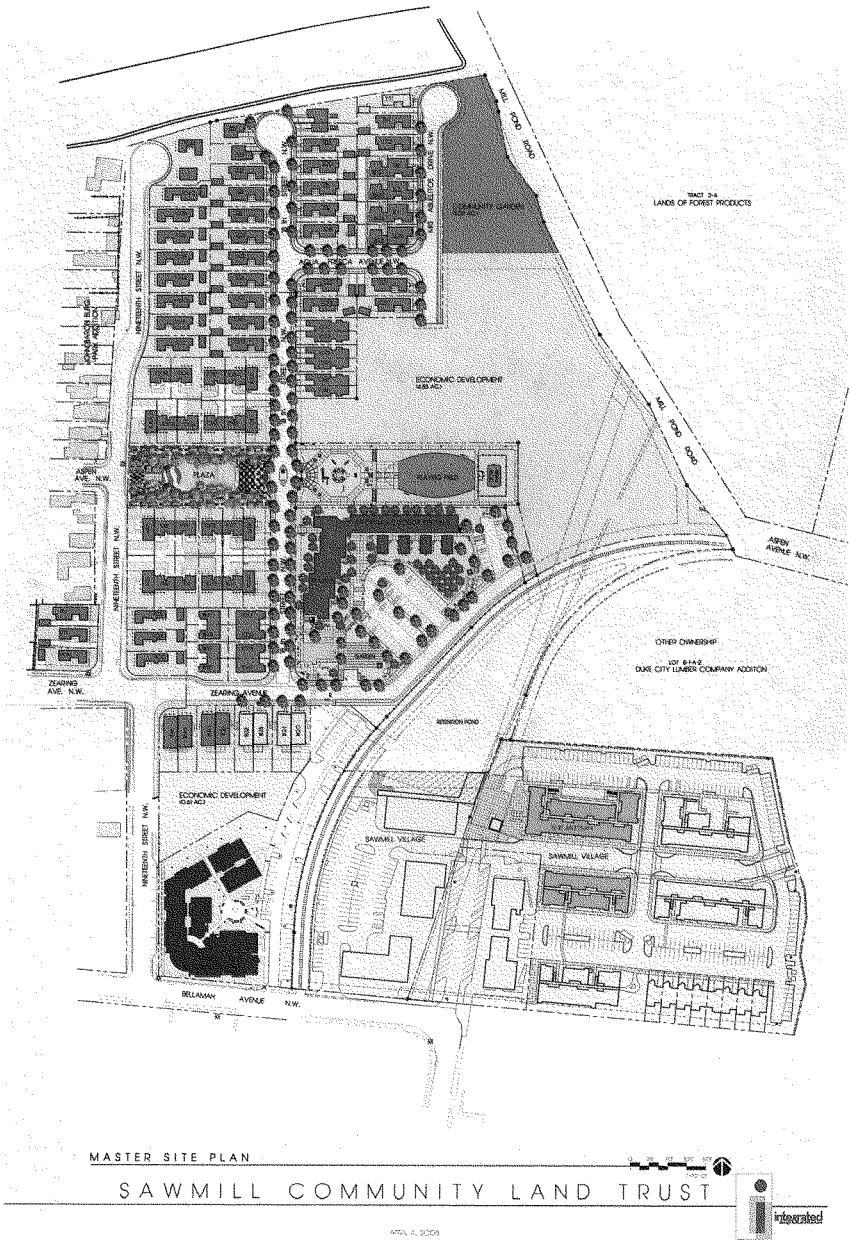
developed be affordable for future generations. I was hired as the Executive Director, and our first task was to master plan this site.

The award-winning master plan, which we name Arbolera de Vida (Orchard of Life) was based on neo-traditional neighborhood design: homes with front porches; safe areas for play; community gardens; places that encourage safe, multi-generational interaction.

In early 2000, after removing truckloads of contaminated soil, we began construction of the first phase of "Arbolera de Vida." We did not use the Brownfields program for this initial clean-up. The program was used, however, years later during subsequent phases of the project. In an ironic twist of fate, the Sawmill Community Land Trust was able to purchase the former particle board manufacturing facility. The company had gone out of business and the land was put up for sale. The site, as you can imagine, required extensive environmental remediation. In 2009, the Sawmill Community Land Trust applied for and was awarded $225 thousand through the State's Brownfields Fund Program for clean-up of the particle board manufacturing company's site.

I brought photographs with me that illustrate the transformation of this area:





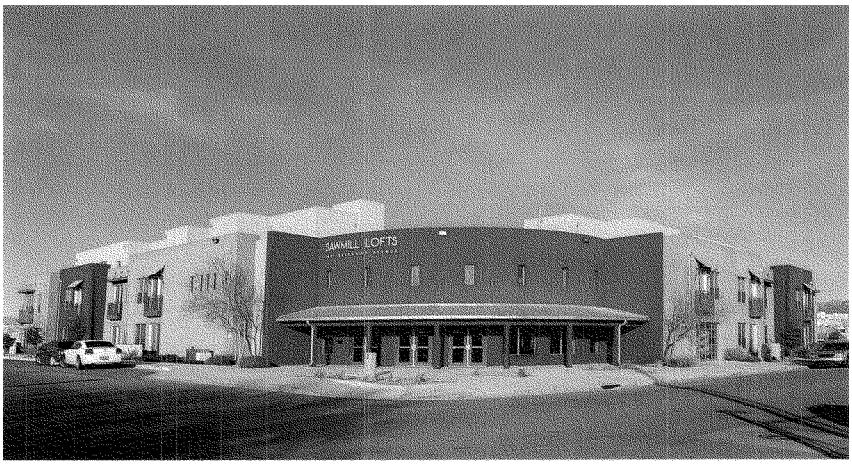

MASTER SITE PLAN

SAWMILL COMMUNITY LAND TRUST

integrated

APRIL 2, 2009

CAT


SAWMILL LOFTS

As you might imagine, millions of dollars in public and private funding have gone into the Sawmill effort over the last 20 years, resulting in hundreds of local construction-related jobs. More important, however, this project has created social and economic wealth in a community that was suffering from disinvestment and neglect.

It was through the efforts of committed and determined residents that this neighborhood was turned around. It's through resources such as those provided by the Brownfields Program that these projects become a reality.

I would like to thank Senator Tom Udall for inviting me to speak before this committee today.

I am happy to answer any questions.

Senator UDALL. Thank you, Commissioner.

Dr. Kenyon, please proceed.

**STATEMENT OF KENDRA KENYON, PRESIDENT, IDAHO COUNCIL OF GOVERNMENTS**

Ms. KENYON. Chairman Udall, Majority, Ranking Member Crapo, thank you for having me here today.

My name is Dr. Kendra Kenyon. I am the President of the Idaho Council of Governments and we serve 10 counties and 42 cities in Idaho which represents about 55 percent of the entire population. I am here today to discuss the Brownfields Revolving Loan Program and the benefits that we have had here in Idaho.

Idaho has thousands of brownfields sites. These often-abandoned sites can create safety and health risks for surrounding residents, they can blight an area, increase unemployment and are frequently tax delinquent. On the other hand, brownfields represent a tremendous opportunity for developers, investors and lenders to complete very profitable projects in prime locations.

Since forming a coalition in 2004, we have partnered with our rural communities to turn landfills and abandoned mine sites into parks and trails, abandoned wood mills into visitors 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 art academy, among many other projects which has led to job creation, community development and the protection of human health and the environment.

These efforts have cleaned up thousands of acres for redevelopment at over 100 properties in Idaho, removing the stigma of environmental contamination and blight from rural communities, ultimately leading to improved economic and environment conditions.

The Loan Fund fills crucial gaps in funding by providing loan dollars to private developers and low-interest loans and subgrants to communities, thereby providing public-private partnerships that further catalyze the cleanup of contaminated properties, incenting redevelopment over new development, creating and retaining jobs, conserving green space and reducing commuter miles.

As a predominantly rural State, most communities in Idaho do not have the capacity to undertake a remediation project without significant technical, administrative and funding support. In rural areas, often our program can remove environmental barriers to development with a total expenditure of $15,000 to $50,000. While this dollar amount may sound small, these amounts are significant and difficult to come by for most rural communities in Idaho. Without EPA funding, there would be far fewer cleanup projects completed in Idaho, if any.

To date, Idaho has put millions of dollars to work resulting in hundreds of jobs being created and retained. These revitalized properties have increased tax revenues for counties and have created safe havens and safe neighborhoods in our beautiful State, and all with an impressive loan default rate of 0 percent.

Here are some noteworthy projects.

Kelly's Whitewater Park. In Cascade, a small rural community, Kelly's Whitewater Park was developed on an old landfill. The University of Idaho recently released a report entitled 2011 Economic Impact of Kelly's Whitewater Park in Cascade, Idaho. They concluded the following. Kelly's economic impact on Valley County in 2011 was approximately $600,000 and provided 7.5 jobs. Kelly's attracted over 40,000 visitors, 15,000 of who were first time visitors to Valley County. And just a few weeks ago, Kelly's hosted the first annual Payette River Games, attracting over 9,000 visitors.

Kelly's is turning Cascade into a competitive destination, and over time Kelly's will naturally attract more and more tourists to Valley County. As the university points out in their study, Kelly's is creating spending potential for the community by bringing in tourists who could have chosen another destination or just passed through to other points of interest.

The economic stimulus key is key in converting these opportunities into realities. By giving tourists and visitors reasons to spend money in Cascade, this is good for Cascade, good for the county and the State of Idaho as a whole.

Another project is Lakeshore Market, which is a convenience store and a gas station. It is the site of an active petroleum contamination cleanup project financed by the Loan Fund of $385,000. Petroleum contamination was identified after the Idaho Department of Environmental Quality was notified that ice from a dispenser in the convenience store tasted and smelled like gasoline and a neighboring property owner reported that the domestic well water smelled like gasoline.

The financing provided the capital required to undertake the remediation and keep the business viable which retained six important jobs in this rural community in addition to solving a health hazard and potentially saving lives.

Another project is Mahaffey Oil with a $200,000 loan. In Canyon County, the county acquired a former bulk petroleum facility through delinquent taxes. But they did not have sufficient funds to complete remediation. Through assistance from the program, Canyon County is in the process of completing the cleanup of the property. When the project is complete, the county has plans to sell the property as a useful commercial industrial site that is ideally located in the center of the community's industrial zone.

And here is my favorite, TRICA, Treasure Valley Institute for Children's Arts. In the heart of Boise's desirable north end residential neighborhood, an abandoned church in the Hyde Park District has finally been restored and removed from the list of Idaho's top five endangered historic properties. For years, the neglected and contaminated church was a site for the production of methamphetamines. The Idaho Brownfields Revolving Loan Fund played a pivotal role in financing this project.

The restored, beautiful stone church now serves as a safe community arts space for children which includes music, dance, a recording studio, a children's library, a museum and a full theatrical stage. And this is where Casey's supposed to have puppets come up from the picture, but he forgot those. So, he did not have a picture that blew up that large.

The center now employs 32 staff and teachers and provides education for hundreds of children per year. This is an excellent example of the often-overlooked social benefits that also come with brownfields cleanup projects in addition to protecting our children from dangerous and unhealthy situations.

Our brownfields lending program has established excellent working relationships with all of the Federal, State and local entities needed to be successful. This allows us to drive the process at the local level working to identify and execute projects while having minimal administrative impact on our rural communities.

We save our communities precious time and resources so they can devote their efforts to revitalizing these properties and creating needed jobs. These collaborative efforts have strengthened Federal and local relationships here in Idaho.

In conclusion, Idaho's EPA-funded Brownfields Program has a very successful track record of promoting, funding and implementing brownfields revitalization projects which has ultimately led to job creation, reduction of environmental contamination and community renewal.

We are grateful for the opportunities the fund has provided us and look forward to having the ability to continue to do good work that results from cleaning up the environment.

Thank you, and I will stand for questions.

[The prepared statement of Ms. Kenyon follows:]

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July 24, 2013

RE: Oral Testimony for U.S. Senate Committee on Environment and Public Works Subcommittee on Superfund, Toxics and Environmental Health
July 24, 2013 Brownfields Program Hearing

Statement of Dr. Kendra Kenyon, President, Idaho Council of Governments.

Chairman Udall, and Ranking Member Crapo, thank you for the invitation to speak here today. My name is Dr. Kendra Kenyon. I serve as President of the Idaho Council of Governments, which oversees the administration of the Idaho Brownfields Revolving Loan Fund. I am here today to discuss the benefits of Brownfields Revolving Loan Fund in the state of Idaho.

Idaho has thousands of Brownfield sites. These often-abandoned sites can create safety and health risks for surrounding residents, they can blight an area, increase unemployment, and are frequently tax delinquent. On the other hand, Brownfields present a tremendous opportunity for developers, investors, and lenders to complete very profitable projects often in prime locations.

Since forming a coalition in 2004, we have 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 has led to job creation, community development, and the protection of human health and the environment.

These efforts have cleaned up thousands of acres for redevelopment, at over one hundred properties, removing the stigma of environmental contamination and blight from rural communities, ultimately leading to improved economic and environmental conditions.

The Loan Fund fills crucial gaps in funding by providing loan dollars to private developers and low interest loans and subgrants to communities thereby promoting public/private partnerships that further catalyze the cleanup of contaminated properties; incenting redevelopment over new development, creating and retaining jobs, conserving greenspace and reducing commuter miles.

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As a predominantly rural state, most communities in Idaho do not have the capacity to undertake a remediation project without significant technical, administrative and funding support. In rural areas, often our program can remove environmental barriers to development with a total expenditure of $15,000 to $50,000. While this dollar amount may sound small, these amounts are significant and difficult to come by for most rural communities in Idaho. Without EPA funding, there would be far fewer cleanup projects completed in the Idaho, if any.

To date, Idaho has put millions of dollars to work, resulting in hundreds of jobs being created and retained. These revitalized properties have increased tax revenues for counties and have created safe havens and safe neighborhoods in our beautiful state, all with an impressive loan default rate of 0%.

Some noteworthy projects are as follows:

Kelly's Whitewater Park
In Cascade, a small rural community, Kelly's Whitewater Park was developed on an old landfill. The University of Idaho recently released a report entitled "2011 Economic Impact of Kelly's Whitewater Park in Cascade, Idaho". They concluded the following: Kelly's economic impact on Valley County in 2011 was approximately $600,000 and provided 7.5 jobs. Kelly's attracted over 40,000 visitors, 15,000 of whom were first time visitors to Valley County. A few ago, Kelly's hosted the first annual Payette River Games attracting over 9,000 visitors.

Kelly's is turning Cascade into a competitive destination. Over time, Kelly's will naturally attract more and more tourists to Valley County. As U I points out in their study, Kelly's is creating "spending potential" for the community by bringing in tourists who could have chosen another destination or just passed through to other points of interest. The economic stimulus key is converting these opportunities in to realities. By giving tourists and visitors reasons to spend money in Cascade is good for Cascade and good for the county, and the State of Idaho, as a whole.

Lakeshore Market
The Lakeshore Market convenience store and gas station is the site of an active petroleum contamination cleanup project financed by the loan fund. Petroleum contamination was identified after the Idaho Department of Environmental Quality (IDEQ) was notified that ice from a dispenser in the convenience store tasted and smelled like gasoline and a neighboring property owner reported that their domestic well-water smelled like gasoline. The financing provided the capital required to undertake the remediation and keep the business viable, which retained six important jobs in this rural community, in addition to solving a health hazard and potentially saving lives.

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Mahaffey Oil
In Canyon County, the county acquired a former bulk petroleum facility through delinquent taxes, but did not have sufficient funds to complete remediation. Through assistance from the program, Canyon County is in the process of completing the cleanup of the property. When the project is complete, the county has plans to sell the property as a useful commercial/industrial site that is ideally located in the center of the community's industrial zone.

Treasure Valley Institute for Children's Arts
In the heart of Boise's desirable north-end residential neighborhood, an abandoned church in the Hyde Park District has finally been restored and removed from the list of Idaho's top five endangered historic properties. For years the neglected and contaminated church was a site for the production of methamphetamines. The Idaho Brownfields Revolving Loan Fund played a pivotal role in financing this project. The restored beautiful stone church now serves as a safe community arts space for children, which includes music, dance, a recording studios, a children's library a museum, and a full theatrical stage. The center now employs 32 staff and teachers, and provides education for hundreds of children per year. This is an excellent example of the often-overlooked social benefits that come with Brownfields cleanup projects in addition to protecting our children from dangerous and unhealthy situations.

Our Brownfields lending program has established excellent working relationships with all of the federal, state, and local entities needed to be successful. This allows us to drive the process at the local level working to identify and execute projects with having minimal administrative impact on our rural communities. We save our communities precious time and resources so they can devote their efforts to revitalizing these properties and creating needed jobs. These collaborative efforts have strengthened federal and local governments relations here in Idaho.

In Conclusion, Idaho`s EPA funded Brownfields program has a very successful track record of promoting, funding, and implementing brownfield revitalization projects, which has ultimately led to job creation, reduction of environmental contamination, and community renewal. We are grateful for the opportunities the Fund has provided us and look forward to having the ability to continue doing the good work that results from cleaning up our environment.

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ADDENDUM TO KENDRA KENYON'S ORAL TESTIMONY

RE: Written Testimony for U.S. Senate Committee on Environment and Public Works
Subcommittee on Superfund, Toxics and Environmental Health
July 24, 2013 Brownfields Program Hearing

Statement of Dr. Kendra Kenyon, President, Idaho Council of Governments.

Idaho has thousands of Brownfield sites. These often-abandoned sites can create safety and health risks for surrounding residents, they can blight an area, increase unemployment, and are frequently tax delinquent. At the same time, Brownfields present a tremendous opportunity for developers, investors, and lenders to develop very profitable projects in prime locations.

The Fund helps qualified borrowers finance the cleanup phase of projects where expansion, redevelopment, or reuse is complicated by the presence or *perceived* presence of a hazardous substance, pollutant, or contaminant. Examples include abandoned gas stations, dry cleaners, landfills, illegal drug labs, and old industrial, mining, or mill sites. Funded by a grant from the U.S. Environmental Protection Agency, the fund is a collaborative project of the Reuse Idaho Brownfields Coalition, consisting today of Idaho's' six Economic Development Districts and the Idaho Department of Environmental Quality.

For years, the Brownfields program has enjoyed great successes in Idaho especially in our rural communities where trust in and acceptance of government programs and regulations is often difficult to earn. Since 2003, the coalition 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 has led to job creation, community development, and most important, the protection of human health and the environment.

Since the program`s inception, we have used federal Brownfields funding to conduct assessments and cleanups at over one hundred properties in dozens of rural communities around Idaho. These efforts have cleaned up thousands of acres for redevelopment, removing the stigma of environmental contamination and blight from rural communities, ultimately leading to improved economic and environmental conditions.

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The Loan Fund has filled crucial gaps in the funding and has unique advantages that promote successful remediation projects by providing loan dollars to private developers and low interest loans and subgrant funding to communities. This flexibility promotes public/private partnerships further catalyzing the cleanup of contaminated properties, which incent redevelopment options over new development, creating and retaining jobs, conserving greenspace and reducing commuter miles driven. In addition, the state of Idaho offer tax incentives for Brownfields redevelopment, further enhancing the program.

As a predominantly rural state, most communities in Idaho do not have the capacity to undertake a remediation project without significant technical, administrative and funding support. Through the Fund, the Idaho Council of Government's Economic Development District, has assisted numerous communities in securing assessment and cleanup funding, and have managed projects, thus alleviating the administrative burden associated with Brownfields projects.

In rural Idaho, often our program can remove environmental barriers to development with a total expenditure of $15,000 to $50,000. While this dollar amount may sound small, these amounts are significant and difficult to come by for most rural communities in Idaho. Without EPA funding, there would be far fewer cleanup projects completed in the Idaho, if any.

To date, Idaho has put millions of dollars to work, resulting in hundreds of jobs being created and retained. These revitalized properties have increased tax revenues for counties and have created safe havens and safe neighborhoods in our beautiful state, all with an impressive loan default rate of 0%.

Some of Idaho's current projects are as follows:

Kelly's Whitewater Park
In Cascade, a small rural community, Kelly's Whitewater Park was developed on an old landfill. The University of Idaho recently released a report entitled "2011 Economic Impact of Kelly's Whitewater Park in Cascade, Idaho". They concluded the following: Kelly's economic impact on Valley County in 2011 was approximately $600,000 and provided 7.5 jobs. Kelly's attracted over 40,000 visitors, 15,000 of whom were first time visitors to Valley County. A few ago, Kelly's hosted the first annual Payette River Games attracting over 9,000 visitors.

Kelly's is turning Cascade into a competitive destination. Over time, Kelly's will naturally attract more and more tourists to Valley County. As U I points out in their study, Kelly's is creating "spending potential" for the community by bringing in tourists who could have chosen another destination or just passed through to other points of interest. The economic stimulus key is

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converting these opportunities in to realities. By giving tourists and visitors reasons to spend money in Cascade is good for Cascade and good for the county, and the State of Idaho, as a whole.

Lakeshore Market
The Lakeshore Market convenience store and gas station is the site of an active petroleum contamination cleanup project financed by the Loan Fund. Groundwater petroleum contamination was identified after the Idaho Department of Environmental Quality (IDEQ) was notified that ice from a dispenser in the convenience store tasted and smelled like gasoline and a neighboring property owner reported that their domestic well-water smelled like gasoline. The Lakeshore Market owner entered the IDEQ Voluntary Cleanup Program to address the groundwater contamination.

Lakeshore secured a loan from the Fund to finance the cleanup process, which consists of injecting ozone into groundwater beneath the property to oxidize the existing petroleum hydrocarbons and convert the contamination into harmless compounds. The cleanup project is currently active and projected to be complete by January 2014. The RLF financing provided the capital required to undertake the remediation and keep the business viable, which retained six important jobs in this rural community, in addition to solving a health hazard and potentially saving lives.

Priest River
In Priest River, the old dump was assessed and the site was found to have contaminants that posed a threat to human health. The Idaho Fund provided a subgrant to restore the Priest River landfill from a contaminated lot filled with scrap metal into a beautiful green space and public access through a nature park to the Priest River.

Mahaffey Oil
In Canyon County, the county acquired a former bulk petroleum facility through delinquent taxes, but did not have sufficient funds to complete remediation. Through assistance from the program, Canyon County is in the process of completing the cleanup of the property. When the project is complete, the county has plans to sell the property as a useful commercial/industrial site that is ideally located in the center of the community's industrial zone.

Treasure Valley Institute for Children's Arts
In the heart of Boise's desirable north-end residential neighborhood, an abandoned church in the Hyde Park District has finally been restored and removed from the list of Idaho's top five endangered historic properties. For years the neglected and contaminated church was a site for the production of methamphetamines. The Idaho Brownfields Revolving Loan Fund played a

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pivotal role in financing this project. The restored beautiful stone church now serves as a safe community arts space for children, which includes music, dance, a recording studios, a children's library a museum, and a full theatrical stage. The center now employs 32 staff and teachers, and provides education for hundreds of children per year. This is an excellent example of the often-overlooked social benefits that come with Brownfields cleanup projects in addition to protecting our children from dangerous and unhealthy situations.

Our Brownfields lending program has established excellent working relationships with all of the federal, state, and local entities needed to be successful. This allows us to drive the process at the local level working to identify and execute projects with having minimal administrative impact on our rural communities. Our partners include the Idaho Association of Counties, the Association of Idaho Cities, The Economic Development Districts of Idaho, The Department of Commerce, Idaho DEQ, the EPA, and the Idaho Council of Governments Board of Directors.

In Idaho, developers, property owners, contractors, and the general public tend to become skeptical with projects tied to the federal government. We play an important role in building these relationships because our program directly assists rural communities and private entities with their projects, resulting in the removal of environmental barriers that negatively impact their economic development efforts. In essence, we save our communities precious time and resources so they can devote their efforts to revitalizing these properties and creating needed jobs. These collaborative efforts have strengthened federal and local governments relations here in Idaho.

As good as the program is, there are always ways to improve. One opportunity 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.

We also need to stabilize brownfield funding. Without a stabilized funding source, our ability to implement the brownfield program is being compromised. Organizations like ours cannot maintain appropriate staff with the constant ambiguity surrounding funding.

In metropolitan areas, they have staff grant writers, grant managers and environmental experts; while small, rural communities do not. Rural communities also do not have the means and resources to navigate the cumbersome process. Therefore maintaining adequate staff on the EPA and Fund administration local level becomes even more important for the rural areas to succeed.

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Finally, the current cleanup funding cap of only $200,000 often leaves communities with a substantial expense to fund the project that can far exceed the 20% match typically required for grants.

In Conclusion, even with the challenges mentioned, Idaho`s EPA funded Brownfields program has a very successful track record of promoting, funding and implementing brownfield revitalization which has ultimately led to job creation, reduction of environmental contamination, and community renewal. We are grateful for the opportunities the Fund has provided us and look forward to having the ability to continue doing the good work that results from cleaning up our environment.

**Additional Brownfields Projects In Idaho**

| Location | Brownfield Site |
|---|---|
| Albion | Albion Normal School<br>After assessments were conducted, cleanup is complete. The property has been purchased and is open for business. The site currently hosts family reunions. |
| Boise | American Linen Property<br>An assessment was conducted at the site, and it was concluded that there is no unacceptable risk to human health and the environment. The site has been purchased and redevelopment is moving ahead. |
| Burley | Ray's Car Care<br>An assessment revealed only a stigma of contamination and no contaminants. The property was sold and is now a car dealership. |
| Cascade | Boise Cascade Mill, South 40 Acre Log Yard<br>An environmental site assessment was conducted and soil samples collected. Cleanup, which began in late 2004, is complete. A portion of the site was redeveloped to provide access to the adjacent Ray Neef Whitewater Park as well as day use for recreationists. Other recreational and redevelopment plans are being considered for the site. |
| Custer County | Bayhorse Mining District<br>Based on the assessment reports for the site, it was concluded that additional risk evaluation efforts were needed to make a final determination regarding the risks associated with the site. The Idaho Department of Parks and Recreation purchased the properties to develop Idaho's newest state park. Some of the sites have been redeveloped and are open for public use. Two others will begin cleanup during the 2012 field season. |
| Emmett | Jim's Amoco Service |

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| | A ground penetrating radar (GPR) survey and a site assessment were conducted, followed by additional sampling and development of a risk assessment. The site is currently for sale. |
| Idaho Falls | Snake River Animal Shelter<br>A limited environmental assessment was conducted and the results were favorable. Development of the animal shelter facility will begin in 2013. |
| McCall | McCall Riverside Park<br>Assessments were conducted at the site and no contamination was discovered. The site is ready for redevelopment. |
| Meridian | Meridian Creamery<br>A site assessment was conducted and results confirmed that the property was ready for revitalization. Demolition of the creamery was completed in November 2006, and the site was redeveloped into Meridian City Hall – a $25 million LEED certified building complex. |
| Nampa | Lakeshore Market<br>Site assessments were conducted and results revealed ground water petroleum contamination. A remediation plan was approved in May 2011, and improvements were made to the building and property. |
| New Plymouth | Rural Fire Board Station<br>Assessments were conducted at the site and no contamination was discovered. The Rural Fire Board completed construction of a 6,500 square foot fire station in 2012. |
| Parma | Bruce and Rod's Tire Factory/Dean's Tires<br>An assessment was conducted at the site, which revealed soil and ground water petroleum contamination. The contaminated soils were removed, eliminating the source of ground water contamination. The site has been purchased and is operating five commercial businesses on the property. |
| Pocatello | Pocatello Bikes and Community Garden<br>Site assessments were completed. Cleanup was completed in 2009, and the site operates as a community garden, bike shop/non-profit that donates bikes to the community, and also serves as a residence for folks involved with the garden and bike shop. |
| Priest River | Former City Dump<br>Site assessments were conducted, and the site may have potential human health and environmental impacts. The restoration project was complete in August 2011, and the next phase could be Priest River waterfront access through a nature park. |
| Salmon | Former River City Auto/Beasley's |

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|---|---|
| | Ground water and soil samples were collected, a risk assessment was performed, and results are pending. Cleanup, which began in late 2006, is complete, and a report should be finalized in early 2012. After the site poses no risk to human health or the environment, it will be redeveloped into a Town Square Park, office buildings, and tentatively, a library. |
| Sandpoint | Sandpoint Charter High School<br>An assessment revealed that site conditions were suitable for the construction of the high school. The new school opened in September 2010, and was awarded LEED Silver certification in February 2011. |
| Smelterville | USTfields Pilot Project<br>As a predecessor to Brownfields, EPA's USTfields Initiative funded states and tribes to conduct pilot projects in Brownfields communities to assess and clean up petroleum contamination from underground storage tanks (USTs) at abandoned commercial properties. The City of Smelterville Pilot Project is Idaho's only UST field. |
| St. Anthony | Cougar Corner<br>Site assessments were completed. The site does not need cleanup, but does have a deed restriction to prevent ground water extraction. |
| Twin Falls | Mr. A's Dry Cleaners<br>After site assessments cleanup is underway. The property has been purchased, redeveloped, and Don Aslett's Cleaning Center is open for business. |
| Twin Falls | Super Quik Gas Station<br>After many assessments since 1995, cleanup is underway and consists of removing free product and treating contaminated ground water via chemical oxidation. |
| Weiser | Mike's Cleaners<br>An investigation of the soil and ground water contamination was conducted. Soil vapor samples were also collected. After receiving results of the soil vapor sampling a risk assessment was conducted and concluded that contamination was degraded to the point where it did not pose unacceptable risk to human health. The site has been purchased. |
| Weiser | Weiser Livestock Sale Yard<br>Site assessments were conducted at the site, and concentrations of contaminants were too low to require cleanup or land use restrictions. The site is being considered as part of a community development project titled Bridge-to-Bridge. |

Source: Idaho DEQ, 2013

Senator UDALL. Thank you, Dr. Kenyon.

Mr. Anderson, please proceed.

**STATEMENT OF GEOFF ANDERSON, PRESIDENT AND CEO, SMART GROWTH AMERICA**

Mr. ANDERSON. Thank you Chairman Udall and Ranking Member Crapo.

My name is Geoff Anderson. I am the President and CEO of Smart Growth America, a national nonprofit organization dedicated to helping communities across the Country implement better development patterns.

Smart Growth America is also the host of the National Brownfields Coalition which supports Federal policies that accelerate brownfields redevelopment and includes the U.S. Conference of Mayors, the National Association of Development Organizations, the Trust for Public Land and many others.

I would like to thank the Subcommittee for holding this hearing and I would also like to thank you both for joining your colleagues, Senator Inhofe and the late Senator Lautenberg, in sponsoring and introducing the BUILD Act.

As the Subcommittee considers ways to encourage brownfields development, I would like to provide three points to keep in mind.

First, the market demand has created favorable conditions for brownfields redevelopment in existing communities. There was a time not long ago when there was little demand for development in the kinds of communities that brownfields are typically found in. Now, more and more millenials and boomers are choosing to live in cities, suburban downtowns and rural town centers and businesses are following.

According to the U.S. Census Bureau, between 2000 and 2010, metro areas experienced double digit population growth in their downtown areas. And as a result, the private sector, I think, is now more ready than ever to put its capital behind cleanup and redevelopment. This is a unique opportunity, but it needs help in the form of Government financing and creating a conductive market and regulatory environment.

Second point is that brownfields redevelopment makes economic and fiscal sense because it helps communities leverage private sector investment and improves local government budgets. I think you have heard some great examples of that already. And you cannot help but know now that the EPA has estimated that for every dollar, Federal dollar, that goes in, you are looking about an $18 return on that investment.

With respect to local governments' budgets, though, blighted properties are bad taxpayers themselves, and they also reduce property values around them, reducing local government revenues. The good news is that this can work in the other direction, too. Redevelopment not only improves the brownfields property value, but it can increase property values within a three-quarter-mile radius of the site by as much as 5 to 15 percent. So, it has got a very positive impact there.

That is just part of the picture. A review of the studies in the field and Smart Growth America's own research has found smart growth development which often includes redevelopment of

brownfields sites costs one-third less in upfront infrastructure costs, saves an average of 10 percent on ongoing service requirement costs, and generates as much as 10 times the tax revenue per acre compared to more conventional development.

The BUILD Act provides several key changes which will help local governments capitalize on these economic and fiscal benefits. The Act expands the types of properties for which local governments can apply for a site assessment grant. The BUILD Act expands the eligibility for site assessment to include nonprofit organizations and, as has been noted earlier, these are often the folks who are best positioned to take the lead on some of these properties.

And it eliminates the prohibition against using grant funds to cover administrative costs which I think is especially important in smaller communities that do not have a lot of capacity. So, I think that is a key piece of this.

These changes are going to help nonprofits and local governments greatly. But as I pointed out at the start, there is new interest in these sites from the private sector and that leads me to my third point, and that is to realize the fiscal and economic benefits that I think we all recognize, we must have the private sector help meet the demand for brownfields redevelopment.

With more than 450,000 unremediated brownfields sites across the Country, local government, State government, Federal Government by itself is not going to get it done. We have got to have the private sector capital engage on this more deeply. And I think there are two important steps the BUILD Act is taking to make that happen.

We know that the costs of cleanup is a barrier to bringing sites back into the market, and the BUILD Act increases the maximum remediation grant from $200,000 to $500,000. And that brings the assistance more in line with what the Northeast Midwest Institute has calculated as the average cost of a cleanup, which is around $602,000.

The BUILD Act's authorization of multipurpose grants is another step in the right direction, I think. Securing upfront funding for various phases of brownfields redevelopment, instead of having to piecemeal those funding sources together, allows communities to work more closely with the developer to turn blighted properties into productive community assets.

To conclude, brownfields redevelopment benefits local economies, the municipal budgets, creates jobs, spurs private sector investment in blighted communities, protects public health and the environment and is responsive to market demand.

The BUILD Act contains important improvements that will help to realize these benefits. As the Subcommittee considers reauthorization of the EPA's Brownfields Program, Smart Growth America and the National Brownfields Coalition stand ready to help in any way that we can.

And I just want to thank you again for the opportunity to testify today.

[The prepared statement of Mr. Anderson follows:]

Testimony of Geoff Anderson
President and CEO, Smart Growth America

to the

U.S. Senate Committee on Environment on Public Works
Subcommittee on Superfund, Toxics and Environmental Health

July 24, 2013

Testimony of Geoff Anderson
President and CEO, Smart Growth America
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U.S. Senate Committee on Environment and Public Works
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Chairman Udall, Ranking Member Crapo, and members of the Subcommittee, thank you for the opportunity to testify. My name is Geoff Anderson, I am the President and CEO of Smart Growth America, a national non-profit organization dedicated to researching, advocating and bringing better development strategies to communities across the country. Smart Growth America also runs the National Brownfields Coalition, which supports federal policies to accelerate the cleanup and redevelopment of contaminated and abandoned land.

I would like to thank the Subcommittee for holding this hearing on "Cleaning Up and Restoring Communities for Economic Revitalization". This hearing is an opportunity to highlight the benefits of the Environmental Protection Agency's (EPA) Brownfields Program and the economic benefits brownfields redevelopment can create. Brownfields are underused or abandoned properties whose redevelopment, reuse or expansion is complicated by the presence or potential presence of hazardous substances, pollutants or contaminants.

I would like to thank you both for joining Senator Inhofe and the late Senator Lautenberg in introducing S. 491, the Brownfields Utilization, Investment and Local Development Act (BUILD) Act. The legislation reauthorizes the EPA's successful Brownfields Program but also updates it to meet the current demands of brownfields redevelopment. As the Subcommittee considers ways to encourage brownfields redevelopment, I would like to provide three key points to keep in mind. First, we are at a unique point in time where changing market demand has created favorable conditions for brownfields redevelopment in existing communities. Second, brownfields redevelopment makes economic and fiscal

sense. Third, to realize the fiscal and economic benefits of brownfields redevelopment we must help the private sector meet the demand for brownfields redevelopment.

**Market demand has created favorable conditions for brownfields redevelopment in existing communities**

There was a time not long ago when there was little market demand for in-town living and businesses were consistently moving out of city centers. In this context, even if you provided money for brownfield clean up and allayed concerns about liability, it was difficult if not impossible to leverage private sector development money for clean up and redevelopment. Now the market context is vastly changed. Millenials and Boomers, our two biggest population cohorts, are moving to cities, suburban downtowns, and town centers. Businesses are following this trend to access talent in the knowledge economy. According the U.S. Census Bureau, between the 2000 and 2010 censuses, metro areas with 5 million or more people experienced double-digit population growth rates within their downtown areas. A recent study by the National Association of Realtors revealed that approximately half of Americans prefer walkable communities with easy access to jobs, shops, restaurants and local businesses. The places where people are increasingly choosing to live are where many brownfields are located. As a consequence, the private sector is now more ready than ever to put its capital behind clean up and redevelopment --if the government can get the financing, market, and regulatory framework right. By these standards the BUILD Act is moving us in the right direction.

For example, we know that the cost of cleaning up past contamination is a barrier to bringing these sites back into the market.

I am pleased to see the BUILD Act addressing this issue by increasing the maximum remediation grant from $200,000 to $500,000. This increase brings the assistance provided by the EPA to communities more in line with brownfield cleanup's average cost of $602,000. This will help more communities to turn brownfields into the mixed-use neighborhood where their residents want to work and live. And this is a win, win, win. You

address an environmental hazard and meet market demand all in a way that makes economic sense.

**Brownfields redevelopment makes economic and fiscal sense**

Brownfields redevelopment makes economic sense for several reasons. First and foremost is that this strategy leverages private investment into communities. The EPA estimates that every dollar of federal funding invested in brownfields redevelopment leverages $18 in total investment. Many of these projects transform blighted sites into community assets.

In some cases the return on investment can be far greater. Just a decade ago, the Linen Building in downtown Boise, Idaho was a vacant and blighted former laundry facility that posed an environmental threat to the surrounding community due to environmental contamination. With the help of a brownfields assessment grant, Boise was able to remove contaminated soil from the site and redevelop the building. A developer purchased the property and today the building is used for art and fashion shows, concerts, weddings, receptions, corporate meetings, proms and many other meetings. The new Linen Building is no longer a drain on the surrounding neighborhood. Instead, it has spurred a more diverse mix of businesses to open. An analysis of the property concluded that every dollar of federal brownfields funds leveraged $48 in total investment in the surrounding area.[1] The Linen Building is a great example of just how much private sector investment can be leveraged from brownfields funding.

Another great example of an EPA brownfields grant leveraging public and private sector investment is the Santa Fe Railyard in Santa Fe, New Mexico. Built in 1880, the railroad connected New Mexico's rugged desertscapes to the country's westward expansion. The Railyard became a hub of activity and a cultural center. But as interstate highway and air travel became popular, the Railyard began to fall into obsolescence and disrepair. By

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1 Newsnet. From Rubble to Riches: Western Communities Capitalize on Cleanups. Retrieved July 17, 2013 from http://newwest.net/magazine/article/from_rubble_to_riches_western_communities_capitalize_on_cleanups/C555/L555/.

1987, the Railyard was a blighted site in need of redevelopment, and contaminated from years of industrial use. The City of Santa Fe purchased the property in the late 1980's hoping to revitalize the historic depot into a cultural district with ample green space for public recreation. An EPA brownfields assessment grant in 1998 made it possible for the city to begin redevelopment, including determining the site's contamination levels and cleanup alternatives, organizing neighborhood partnerships and conducting community outreach. Today, the Railyard site has been transformed into an arts and culture center. The Santa Fe Railyard is exemplary of the potential benefits of Brownfields redevelopment. Since the EPA's initial investment of $200,000, more than $125 million has been leveraged for the Railyard from other public and private sources.

There are other reasons why brownfields redevelopment makes economic sense. For instance, it can provide a big boost to local government budgets. Blighted properties are bad tax generators themselves but they can also reduce property values around them. That is the bad news. The good news is that this works the other way too. A study by the Northeast Midwest Institute estimates that the cleanup and redevelopment of brownfields can increase property values within ¾ mile of the site by as much as 5 to 15 percent.[2]

It helps local budgets in another way too. Redeveloping in existing neighborhoods can help local governments keep cost of services down and revenues up. Smart growth development is proven to reduce costs and increase revenue for municipalities. Research conducted by Smart Growth America has found that smart growth development—walkable communities, town centers -- costs one-third less for upfront infrastructure, saves an average of 10 percent on ongoing delivery of services and generates 10 times more tax revenue per acre that conventional suburban development. If you want to see a great example of this in action, visit Nashville-Davidson County, TN, where The Gulch, a 76-acre infill project on a former brownfield site, generates twice as much revenue per unit

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2 Northeast Midwest Institute. (2008, July). The Environmental and Economic Impacts of Brownfields Redevelopment. Retrieved July 15, 2013 from http://www.developinspokane.org/docs/Target_Areas/Brownfields/Environ%20Impacts%20Redev.pdf.

— and 42 times as much revenue per acre — as a conventional suburban development in a greenfield location. The Gulch generated a surplus 7.8 times higher than other recent development in the county, and 19 percent less in costs.

We should help local governments capitalize on this opportunity as much as possible and so I am pleased to see the BUILD Act expands the properties for which local governments can apply for a site assessment grant. Specifically, important is the provision allowing local governments to apply for site assessment grants for properties that were acquired prior to the enactment of the Brownfields Program, even if the local government did not make all necessary inquiries prior to acquiring the site. This provision of the BUILD Act will allow for more brownfields to be evaluated for contamination without eliminating the local government's liability to cleanup the site.

I am also pleased to see the BUILD Act includes a provision eliminating the prohibition on communities using grant funding to cover administrative costs. Allowing grant recipients to use up to eight percent of their grant to cover administrative costs will reduce the administrative burden to communities that do not have the capacity, such as rural communities as well as those that face financial difficulties. This provision brings the Brownfields Program in line with other federal programs. Expanded site eligibility and administrative infrastructure are key to helping localities realize the benefits of brownfields redevelopment.

But local governments do not have to be the ones taking action to reap the benefits. The BUILD Act recognizes this by expanding eligibility for site assessment grants to non-profit organizations, another provision that I strongly support. Under the current EPA Brownfields Program, non-profits and community-based organizations are eligible for cleanup grants but not assessment grants. We know that non-profits would add tremendous value if they could use these funds, particularly because community-based organizations are often in the best position to identify or prioritize sites and initiate redevelopment

Several states already allow non-profits to qualify for assessment grants. The North Shore Community Development Corporation in Massachusetts, for example, is using a Mass Development grant to assess lead in the soil of the Salem Point neighborhood. This investigation is necessary to preserve 77 workforce housing units in the heart of Salem, adjacent to jobs and the waterfront.

**Help the private sector meet the demand for brownfields redevelopment**

As noted earlier in this testimony, there are tremendous benefits to municipalities and local economies in cleaning up brownfield sites. I want to stress again that it is imperative that the private sector engage. The EPA estimates there are currently more than 450,000 unremediated brownfield sites across the country. The scale of this challenge is more than governments can address, it needs the private sector and power of the capital that represents.

These projects remain challenging for the private sector, however. Remediation projects are complex and can be unpredictable. The BUILD Act's authorization of multipurpose grants is a positive step since it recognizes that the redevelopment process is one connected effort that can include site inventory, characterization, assessment, planning, or remediation for one or more brownfields site through one grant. Securing upfront funding for the various phases of brownfields redevelopment—instead of having to seek funding for the different phases of the project—allows a community to work more closely with a developer to turn blighted properties into community assets.

The City of Missoula, Montana is a good example of how multipurpose grants can see a project through from start to finish. Missoula received a $279,000 grant as part of the EPA pilot program to both assess and remove asbestos from the Missoula County Courthouse. The project resulted in new spaces for the justice and district court house, sheriff's office, a 9-1-1 dispatching center, public meeting rooms, and a clerk and recorder services. Without a multi-purpose grant, Missoula would not have had the funding certainty to move the project forward as quickly as it did.

**Conclusion**

Brownfield redevelopment benefits local economies and municipal budgets, spurs private investment in blighted communities, protects public health and the environment, and helps meet rising demand for homes and offices in walkable neighborhoods.

The EPA's Brownfields Program is the single most important federal program advancing this issue. The program has provided critical assistance, allowing to states, communities and the private sector to come together to assess, clean up and turn brownfields into a variety of productive uses.

In conclusion, let me reiterate my appreciation for the Subcommittee's support for brownfields redevelopment. As the Subcommittee considers reauthorization of the EPA's brownfields program, Smart Growth America stands ready to help communities and the private sector realize the potential of the program to repurpose brownfields to be an asset in communities and the country.

Senator UDALL. Thank you for that excellent testimony.

Commissioner O'Malley, one of the things I think we would like to do is improve the work community-driven organizations like Sawmill have done to redevelop these areas and you have seen both sides of this from a nonprofit developer and as a local elected official.

Would it have been helpful for Sawmill to have directly applied for the grant? Was the process cumbersome or not? Could you comment on those issues?

Ms. O'MALLEY. Senator, I think that the, I think it would, it is a benefit for nonprofits to be able to apply directly for Federal funding. And, you know, it depends on the process, I guess, and I am assuming, you know, that it is streamlined and that it does not require sort of the technical assistance that other folks have mentioned in terms of making something cumbersome to qualify for, I think it would be a good thing.

Senator UDALL. And do you have an estimate on how many jobs the brownfields environmental remediation created?

Ms. O'MALLEY. Hundreds.

Senator UDALL. Hundreds. There you go. That is good.

Ms. O'MALLEY. Yes. I mean, you can imagine and, you know, as pointed out, the type of private investment that these kinds of projects attract. There was very little interest in investment in that area prior to the efforts of the community to, basically to make that, build that economic value, if you will. And as a result, there is a lot of interest. There is more, there is a hotel that has expanded, for example. The place just looks so much nicer as a result.

Senator UDALL. No doubt about it. In your testimony, you mentioned urban sprawl. Can you expand a little on how incentives like brownfields grants and others help alleviate the many problems associated with urban sprawl?

Ms. O'MALLEY. Yes. I mean, as was mentioned by one of the speakers regarding the problems with sprawl is that we have limited capacity. We have limited resources. And, you know, we can take areas that have existing infrastructure and we can start to revitalize those communities. That makes a big difference. And we start to spur reinvestment in those areas.

It is very costly to build out. That is something that we grapple with as a community in terms of, you know, resources for fire, resources for police, not to mention extension of water lines. Those things, to maintain get very costly.

And a lot of times, it is unfortunate for the areas that do not receive that kind of benefit. I mean, we have people who have paid taxes for decades in the interior of the city and they are waiting for their roads to be repaired. But a lot of times, our money ends up going out to these other areas. So, I think it really is really a matter of, you know, resources and how we use those resources.

Senator UDALL. Is Bernalillo County looking at other brownfields projects? I mean, is this something that you think could be applied in a number of other areas?

Ms. O'MALLEY. Yes. One of the things that we are focused on, like a lot of counties and cities throughout, is, of course, job creation in the county. And we are fortunate that we have a, especially in unincorporated areas, there is a really strong local agricul-

tural activity there. And one of the things that we want to do is promote local agriculture.

We are looking at a distribution center and that would probably likely take place in one of the older areas within the center of the city and it may very likely, it would probably require some remediation. So, there is an opportunity there that we would be looking at.

Senator UDALL. OK. Thank you.

Senator Crapo.

Senator CRAPO. Thank you, Mr. Chairman. And I am going to direct my questions primarily to you, Dr. Kenyon.

First of all, we appreciate all of the work you do in Idaho and your making the effort to come here and help us in Congress to understand the importance and also maybe ways to improve this important program.

One of my first questions is how can we facilitate greater access for small rural communities to the Brownfields Program?

Ms. KENYON. Very good question. Idaho is mostly rural and this has been a barrier that we have been up against with the Brownfields Program and I think having better access there are a couple of things that we could do. This is strictly a business decision for these communities, for the county commissioners if you will. And there needs to probably be more flexibility in the payback term. It is 5 years now. And I think if we could have some flexibility, maybe move that out to 10 years, that would pencil out for some of these communities.

Also the match, even though it is 20 percent. It seems like very little. We know we want some skin in the game, so to speak, for these communities, but some of the distressed communities, it would nice if we could have less of a match and I think that they could look at participating at that point.

And also changing the twice removed properties. There is the twice removed rule and oftentimes that is very, very difficult to overcome, especially in real life. People tend to hang on to their properties and they do not turn over as fast as they do in the urban areas.

So, I think a few things like that would help with access.

Senator CRAPO. Well, thank you. I can identify with that a little bit. In previous years, we have worked on trying to help our small communities deal with their water infrastructure systems and one of the things we found was some of the communities face such significant burdens with such a small population base that if you put much of a match requirement in place, they simply cannot participate in the programs.

And it is something that we really need to pay attention to as we try to allow our smaller communities to access some of these more important environmental remediation programs in addition to the other things you pointed out, I appreciate that, and maybe we can work on putting some of those improvements in our legislation as we move forward to help these small communities.

Let me ask, what is the success rate for EPA competitive grant proposals that you work on submitted by Idaho applicants if those applicants do not solicit your program's assistance with crafting their applications?

Ms. KENYON. I do not know the exact numbers but I do know that most of the communities do not even try, the smaller rural communities. They do not even try. It is just too difficult for them. EPA, or not EPA but the Idaho Department of Environmental Quality, really does help a lot with those as well as the Council of Governments.

I would say they probably would not have much a chance at all without our help. One of the problems that we are facing, I would think the biggest barrier in Idaho is, to run the Revolving Loan Fund Program, we only have a budget that accommodates one full-time employee. And we have 10 counties and 42 cities.

Senator CRAPO. Wow.

Ms. KENYON. So, that one employee does all the marketing, all the public relations, all of the education, they do the grant writing, they have to coordinate EPA, DEQ, the contractors and the owners. They have to be the project manager and they have to oversee the work and then report to DEQ and EPA. And then we have to make sure we act as bank and so we need to look at whether the person can pay back the money and we have to do our due diligence on the lending side as well as writing all of the reports and the compliance aspects. That is one FTE for 10 counties. That is a big challenge.

Senator CRAPO. Well, you make your point very well. I have got one more question for Dr. Kenyon. I do not mean to ignore you, Mr. Anderson. We really appreciate Smart Growth America but we have limited time here.

But before we do that, I want to ask a special request of the Chairman and that is we have a number of students from Idaho who are here from the TRiO Program observing Congress in action and I was wondering if we could allow Casey, our assistant here, to show them these pictures of what the Brownfields Program is doing in Idaho because I do not think they can see it in the audience. So, if he could show those pictures to the audience while I am asking my last question I would really appreciate it.

Senator UDALL. That would be fine. Without objection. Please.

Senator CRAPO. Just stand right there, if you would, and turn them around.

Senator UDALL. Turn them around.

Senator CRAPO. I did not want our kids from Idaho to miss the opportunity to see some of beautiful Idaho as we have portrayed it in this hearing.

And my last question to you, Dr. Kenyon, oh, by the way, we are going to have a picture with these students out in the hallway which I hope that you will join us for, Dr. Kenyon.

Ms. KENYON. Absolutely.

Senator CRAPO. And you are welcome, too, Mr. Chairman. I do not mean to interrupt your schedule.

My last question is with regard to the economic and employment impacts, I think it was one of the projects that you showed a picture of, your favorite, you said, of the Treasure Valley Institute for Children's Art in the city of Boise. Do you have any estimate of the economic and employment aspects that project has had?

Ms. KENYON. Yes. And it is quite amazing. We lent the nonprofit, an organization, $250,000 on the Revolving Loan Fund and with

that, they set a goal of raising $2.7 million to help restore the church. And in less than 2 years, they have raised $2.4 million and they are $300,000 short. So, in approximately 500 days that is a return on investment of 356 percent. That is pretty outstanding.

And I think if we look further than just a mere dollar on dollar return on investment, if you look at what an institution like this can do, this was a meth lab. And so, you think about these children being exposed to drug dealers in the neighborhood. Now, they are exposed to arts education. And No Child Left Behind shows that arts get equal billing with math, reading and science in terms of performance metrics in school.

So, these kids now have an opportunity to learn more, improve their education and in addition, there is research that shows that SAT scores, there is a direct correlation between the more art classes you take, the higher SAT score you get.

So, I think we need to look at a bigger picture.

Senator CRAPO. Can I interrupt you for a second and just let the audience know this is the former meth lab that Dr. Kenyon is taking about.

Ms. KENYON. It was a mess.

Senator CRAPO. Go ahead. I did not mean to interrupt.

Ms. KENYON. No, that was all. I grew up in this neighborhood in the north end, so this is near and dear to me and it was not only, you can see, a blight, really an environmental hazard, but you can imagine drug dealers in the middle of the night going in and out with children around. This was not a good situation.

So this, I think, really speaks volumes for the program again above and beyond the dollar for dollar investment.

Senator CRAPO. Thank you. I know I went over in my time, Mr. Chairman.

Senator UDALL. No, no, no. Thank you.

Mr. Anderson, you talked a little bit about leveraging and I think you used the number for every Federal dollar bringing in $18. Could you talk a little bit about how that works and do you see any way that we can increase that leveraging? I mean, it is pretty doggone good leveraging from what we see there, but could you give us an example, concrete examples, of what happens in this leveraging process?

Mr. ANDERSON. Absolutely. And I think the leverage ranges from the kind of situation that was just described by Dr. Kenyon to, you know, pretty large-scale real estate redevelopment projects. One I worked on personally was one called Atlantic Station, redeveloping an old steel mill in downtown Atlanta, or actually mid-town Atlanta.

It was a 138-acre site, lots of contamination from almost a century of industrial use. You know, not a great tax base. As the steel industry was having more trouble, less and less activity was happening at the plant. It occupied sort of a key location is mid-town Atlanta.

And the net result after, you know, and for really economic and market reasons, a developer came in and eventually came in and eventually put in about a $4 billion redevelopment of that project, 10 million square feet of commercial and retail, I believe 6,000 housing units, bringing tax base, bringing jobs, bringing, you know,

terrific environmental benefits in terms of shorter car trips, in terms of taking better care of the water runoff from those places.

But really an economic driver and that is, you know, bringing the private sector dollars to leverage the kind of cleanup and redevelopment that we are looking for.

Senator UDALL. In your testimony, you highlight a recent study by the National Association of Realtors that revealed that approximately half of Americans prefer walkable communities with easy access to jobs, to parks and entertainment.

Could you expand on ways we can work in public-private partnerships to make this happen through the Brownfields Program?

Mr. ANDERSON. Yes, and that is a trend. The realtors study really verifies, I think, what many other studies are finding and what we are observing in the market itself. And if you talk to any of the developers, if you go to the International Council of Shopping Centers meeting or the Urban Land Institute, you find there is a clear recognition that the market is different and particularly different in the wake of the real estate bust.

And what I think the opportunities for the Brownfields Program are to really try to match up in intelligent ways the brownfields opportunities with broader redevelopment plans. I mean, I think that is where you really get the bang for the buck is when you can look at a place that might be sort of at the edge of market viability and use specific investments on the Government's part to catalyze a tipping point in the market and take advantage of the market demand that it out there to bring all of that force to bear not only for the specific site but for broader neighborhood revitalization.

It also means in many cases coordinating it closely with your capital and infrastructures and investments and thinking about it not just as a site but as a neighborhood effort that you are trying to bring the whole neighborhood up and using that as a catalytic investment.

Senator UDALL. The EPA has said it supports the Brownfields Program because of its dual land use benefits. Can you expand on the dual land use as you see it from a smart growth perspective of brownfields redevelopment and how does brownfields redevelopment protect open space?

Mr. ANDERSON. You heard Assistant Administrator Stanislaus cite the statistic that came from an EPA study that for every acre of brownfields redeveloped, you are basically saving 4.5 acres of green space. So, that is not only green space that is out there doing its watershed functions, it is also green space that you are not running police and fire service to, that you are not building extra utilities to, that you are not trying to service with all of the amenities and all of the urban services that those kinds of places require.

So, it is a win-win in that sense from a local government fiscal standpoint, from bringing tax base from something that, as I said, is not generally doing a great job in paying taxes, often tax delinquent properties, instead making them good taxpayers and that has an effect, as the church I am sure did, on the surrounding property values.

So, you not only get the improved property value and property revenues from that property, but everything around it sees an improvement and, whether you are talking about large-scale devel-

opers or individual homeowners and neighbors in that area, it changes the investment environment and it changes the way people invest in their property and in their real estate.

Senator UDALL. Great. Thank you. Thank you very much.

Do you have additional questions?

Senator CRAPO. I have none.

Senator UDALL. OK. I think that this has been very helpful and I think it is going to help the two of us work with the other Senators you have heard about earlier that have signed on to this reauthorization as to how do we move this forward and make it a better program for both rural and urban areas.

I just want to thank all of you again for joining us here today. We will keep the record open for 14 days and we will submit any further questions in writing to our witnesses.

With that, we will be adjourned.

[Whereupon, at 3:12 p.m., the Subcommittee was adjourned.]