

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

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

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

<sup>2</sup> 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.