

# ECONOMIC DEVELOPMENT DISTRICT-REGION III

## *Serving Southwest Idaho*

125 E. 50TH STREET | GARDEN CITY, ID 83714 | P (208) 322-7033 | (800) 859-0321 | F (208)322-3569

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
	<u>Albion Normal School</u>
Albion	After assessments were conducted, cleanup is complete. The property has been purchased and is open for business. The site currently hosts family reunions.
	<u>American Linen Property</u>
Boise	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.
	<u>Ray's Car Care</u>
Burley	An assessment revealed only a stigma of contamination and no contaminants. The property was sold and is now a car dealership.
	<u>Boise Cascade Mill, South 40 Acre Log Yard</u>
Cascade	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.
	<u>Bayhorse Mining District</u>
Custer County	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	<u>Jim's Amoco Service</u>

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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.

## Snake River Animal Shelter

Idaho Falls A limited environmental assessment was conducted and the results were favorable. Development of the animal shelter facility will begin in 2013.

## McCall Riverside Park

McCall Assessments were conducted at the site and no contamination was discovered. The site is ready for redevelopment.

## Meridian Creamery

Meridian 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.

## Lakeshore Market

Nampa 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.

## Rural Fire Board Station

New Plymouth 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.

## Bruce and Rod's Tire Factory/Dean's Tires

Parma 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 Bikes and Community Garden

Pocatello 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.

## Former City Dump

Priest River 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 Charter High School

Sandpoint 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.

## USTfields Pilot Project

Smelterville 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.

## Cougar Corner

St. Anthony Site assessments were completed. The site does not need cleanup, but does have a deed restriction to prevent ground water extraction.

## Mr. A's Dry Cleaners

Twin Falls After site assessments cleanup is underway. The property has been purchased, redeveloped, and Don Aslett's Cleaning Center is open for business.

## Super Quik Gas Station

Twin Falls After many assessments since 1995, cleanup is underway and consists of removing free product and treating contaminated ground water via chemical oxidation.

## Mike's Cleaners

Weiser 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 Livestock Sale Yard

Weiser 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