



Smart Growth America

Making Neighborhoods Great Together

Testimony of The Honorable Parris N. Glendinging
President, Smart Growth America's Leadership Institute

to the

U.S. House Committee on Energy and Commerce
Subcommittee on Environment

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Chairman Shimkus and Ranking Member Tonko, and members of the Subcommittee, thank you for the opportunity to testify today. My name is Parris Glendinging, and I am the President of Smart Growth America's Leadership Institute. I was Governor of Maryland from 1995 to 2003. Smart Growth America is 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 that will accelerate cleanup and redevelopment of contaminated and abandoned land. The Coalition represents diverse economic, community, environmental, and development interests that share a common mission: promoting brownfield redevelopment as a core strategy for achieving job growth, community revitalization, and sustainable growth objectives.

I thank the Subcommittee for holding this hearing on to discuss the reauthorization of the Environmental Protection Agency (EPA) Brownfields Program.

Today it is estimated that more than 450,000 sites in the United States are contaminated and abandoned. Known as "brownfields," nearly every community in the country has at least one such site. These properties blight neighborhoods, breed disinvestment, and impose a cost on local governments and their taxpayers. Cleaning up these sites can be cost prohibitive for public agencies and private developers alike.

That is why today's discussion on the reauthorization of the EPA's Brownfields Program is so critical. As the Subcommittee considers ways to encourage brownfield redevelopment, I provide two key points to keep in mind. First, the changes in market demand has created favorable conditions for brownfield redevelopment. Second, brownfield redevelopment sparks public and private investment.

Changes in market demand have created favorable conditions for brownfield redevelopment

For decades, Americans and businesses moved away from downtowns to suburban and exurban markets. This led to low demand for infill development and even less private sector interest in investment in brownfield cleanup. Now the market has changed, and more Americans, specifically Millennials and Baby Boomers, and companies across the United States are moving to and reinvesting in these long-shunned city centers, urban downtowns, and town center areas. According to a recent National Association of Realtors survey, Americans favor walkable, mixed-use neighborhoods, with 56 percent of respondents preferring smart growth neighborhoods over neighborhoods that require more driving between home, work, and recreation.

In addition, as Smart Growth America detailed in our 2015 report, *Core Values: Why American Companies are Moving Downtown*, companies—from Fortune 500 titans to lean startups to independent manufacturers—are moving to communities with great quality of life for their employees. These companies want vibrant neighborhoods with affordable housing options, restaurants, nightlife, and other amenities in walking distance, and a range of transportation options for their employees, among other things. Many brownfield sites are located in key locations where people want to live.

Due to this demand, the private sector is using its capital for cleanup and redevelopment. To accelerate this private investment, we need to ensure we get the regulatory and financing framework right. The Discussion Draft is moving us in the right direction.

Specifically, the Discussion Draft recognizes that the cost of cleaning up past contamination is a barrier to bringing brownfield sites back into the market. I am pleased to see that the Discussion Draft increases the funding ceiling for remediation grants from \$200,000 to \$500,000 and allows EPA to waive that limit up to \$750,000 based on the level of contamination, the size, or the ownership status of the site. This will ensure more communities have the necessary funds to cleanup and turn more brownfields into the mix-use neighborhoods that Americans are demanding.

I am also pleased to see the Discussion Draft include a provision eliminating the prohibition on communities using grant funding to cover administrative costs. However, I would like to see the percentage used to pay administrative costs increased from 5 percent to 10 percent. This increase will reduce the administrative burden to distressed communities that do not have the capacity, such as rural communities as well as those that face financial difficulties.

Brownfields Redevelopment Sparks Public and Private Investment

Investing in existing communities keeps the cost of services down and revenues up for the municipality. Brownfield redevelopment brings greater economic growth by leveraging additional public and private investment to communities. The EPA estimates that every dollar of federal funding invested in brownfield redevelopment leverages \$18 in total investment. Many of these projects transform blighted sites into community assets. For example, 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. Due to cleanup, a developer

purchased the property and today the building is used for art and fashion shows, corporate meetings, other meetings, and special events. Due to the redevelopment work, the new Linen Building has sparked new 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.

Another example of an EPA Brownfields grant that sparked private investment is the Santa Fe Railyard in Santa Fe, New Mexico. Built in 1880, the Railyard was a hub of activity and a cultural center until it faced stiff competition from the interstate highway and air travel. By 1987, the Railyard fell into disrepair and was in need of redevelopment due to contamination from years of industrial use. In late 1980, the City of Santa Fe purchased the property which remained vacant until the City received an EPA brownfields assessment grant in 1998. Because of the EPA investment, the city was able to transform the Railyard site into an arts and culture center and leverage over \$125 million in additional public and private investment.

These projects can be complex and require the both nonprofit and private sector to be at the table stakeholders. As Governor of Maryland, non-profits and community based organizations played a critical role in brownfield projects across my state. The Discussion Draft rightly recognizes this by expanding eligibility for site assessment grants to nonprofit organizations. Expanding eligibility will better position communities since these nonprofits are often in the best position to identify or prioritize sites and initiate redevelopment.

In addition, I am pleased the discussion draft includes multipurpose grants. The redevelopment process is one connected effort that can include site inventory, characterization, assessment, planning, or remediation for one or more brownfield site through one grant. Allowing communities to secure upfront funding for the various phases of brownfield redevelopment—instead of having to seek funding for each of the different phases of the project—allows a community to work more closely with a developer to turn blighted properties into real economic and community assets.

Conclusion

Americans are demanding economically vibrant and fiscally responsible communities with a great sense of place. This makes brownfield redevelopment a win-win development strategy. Brownfield redevelopment saves taxpayer money while creating the type of development that market demands. 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. This Discussion Draft is one more big step forward.

Historically, the EPA Brownfields program has been a lifeline for communities that are struggling to overcome blight and contamination at abandoned industrial sites. The program has provided critical assistance, bringing states, communities and the private sector together to assess, clean up and turn brownfields into a variety of productive uses.

This discussion draft, if enacted into law, stands to benefit hundreds of communities—big and small, urban and rural—across the nation looking to transform their vacant properties to create new engines of economic growth.

In conclusion, let me reiterate my appreciation for the Subcommittee's support for brownfield 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.