



Statement of

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On behalf of the National League of Cities

Before the House Energy and Commerce Committee,
Subcommittee on Environment

"Discussion Draft: Brownfields Reauthorization"

April 4, 2017

Good morning, Mr. Chairman and Members of the Committee. I am Salvatore J. Panto, Jr., Mayor of Easton, Pennsylvania. I am here today on behalf of the National League of Cities, the oldest and largest organization representing local elected officials in America's cities and towns. NLC represents 19,000 cities and towns of all sizes across the country. I appreciate the opportunity to share the perspective of local elected officials on the importance of the U.S. Environmental Protection Agency's (EPA) Brownfields program and how the program contributes to the revitalization of communities to help inform the committee's work to reauthorize the program.

Local governments approach brownfields redevelopment as an economic development activity. However, strategically redeveloping these contaminated properties means much more than dollars and taxes. It means correcting the environmental injustices unduly thrown upon those living in our impoverished neighborhoods that are host to a disproportionate share of brownfields. It means protecting our first responders by eliminating contaminated enclaves of criminal activity and structures of high fire risk. It also means creating a more sustainable future

by promoting urban infill rather than urban sprawl and incorporating more environmentally-friendly design and building stock into our existing urban fabric.

The City of Easton, Pennsylvania is uniquely situated within 80 miles of New York City to the east and Philadelphia to the south. While we are a small city of 29,000, we are located in one of the most densely populated regions of the country, with more than 30 million people living within a 100 mile radius of the city. Easton is home to Crayola Crayons, Lafayette College, and World Heavyweight Boxing Champion Larry Holmes. Because of our strategic location along three waterways, the city has always been a logical place for industry. Our river banks were home to the start of the Industrial Revolution in America—the Dixie Cup was invented in Easton. Our legacy as a manufacturing and industrial city has presented the same challenges for our small city as it would for any other city across the country—vacant and abandoned properties that blight our community.

Brownfields sites threaten the health and well-being of communities and are a missed economic opportunity. Redevelopment of these unproductive properties allows local governments to attract jobs and investment to distressed communities while simultaneously addressing public health and safety concerns. The EPA Brownfields Program is vital for local governments in aiding their redevelopment efforts and supporting the productive reuse of property, which otherwise remains a blight on the community. Since its creation, the program has provided crucial assistance to local governments for reuse of hazardous, polluted and underutilized properties.

The Brownfields program has a proven track record of leveraging additional investments, creating new jobs, and redeveloping properties, while creating additional tax revenues. To date, there have been over 26,000 brownfields assessments and 1,200 brownfields cleanups nationally, which has led to over 123,000 jobs. Each of the \$22 billion federal dollars that has been invested since the program was established in 2002 has leveraged approximately \$16 in other investments—close to \$400 billion in total. It is estimated, however, that there are over 450,000 brownfields remaining in the United States. More must be done to make brownfields redevelopment a viable option for more communities.

Investment in and cleanup of the brownfields sites that are a blight on urban and rural communities across the country is an investment in our nation's civic infrastructure, and infrastructure investment is essential to moving America forward. President Trump has made reinvesting in America a key priority of his administration, and we believe the brownfields program is one avenue to making good on this promise. In Easton, our brownfields redevelopment will bring new life to the city, new opportunities for our residents, and new businesses. To build upon these past successes and assist in the cleanup, reuse and redevelopment of remaining sites, both in Easton and in cities and towns across the country, some key improvements to the program are needed, but importantly, we ask Congress to increase or maintain the current authorization level for the EPA brownfields program.

THE EASTON EXPERIENCE: SIMON SILK MILL REVITALIZATION

In 1883, the city began an economic development initiative by convincing R&H Simon, a successful manufacturer of silk in New Jersey, to build a mill in Easton on 15 acres of land along

the high-quality waters of the Bushkill Creek. By 1913, the Simon Silk Mill was heralded as the “largest individual silk ribbon and velvet manufacturer in the world.” The mill, which employed more than 2,000 workers, continued to be an economic powerhouse for our city and the region for almost a century into the 1970’s, when like many industries across the nation, it began to see a rapid decline in production.

After the mill closed, the property remained vacant for more than 30 years. In 2004, a study was done examining redevelopment opportunities for the mill and in 2006 the property was purchased by the Easton Redevelopment Authority with a grant from the State of Pennsylvania. One of the most difficult aspects of redeveloping this site, especially for a small city like Easton, was the cost of clean-up for a prospective developer. The Phase I and II environmental assessments and subsequent clean-up were done with the assistance of the State of Pennsylvania Department of Environmental Protection with funds from the federal EPA brownfields program. Without grant programs like the Brownfields programs to fill what developers call “gaps,” these properties would not get redeveloped and jobs would not be restored.

I took office in 2008 and started the cleanup and remediation of the silk mill site. The site was contaminated with asbestos, lead paint, contaminated sludge, and underground pipes that were contaminating the groundwater. Over 50 tractor trailers full of various contaminated debris was removed from the site. In addition, underground tunnels and tanks needed to be discarded or filled in place with clean soil because they were too large to be removed. Later, the federal brownfields cleanup grant helped us collect and test water samples to ensure the groundwater was safe.

Once the site was ready in 2014, the city requested redevelopment proposals with a creative arts concept. This mixed-use development, which has started to come online in the last six months, boasts 150 residential units, a fitness center, two breweries, a spa, a salon, an art gallery, and could eventually house a black box theatre, pub and event space. Most importantly it will increase our population, create more than 400 construction jobs and 95 permanent full time jobs, and add to the fabric of our community.

While this project has been a success that leveraged more than \$100 million in private sector investment, our work is certainly not done. Easton, five square miles in its geographic footprint, has another abandoned silk mill on its south side that also needs to be redeveloped. These projects, while small compared to those in larger cities, loom large to our residents. The site on our South Side has been abandoned for more than 30 years and sits across the street from an elementary school. Because the site is so costly to clean up, the current developer cannot bridge the “gap” of approximately \$2 million to start the project. So the site remains a vacant eyesore in the community.

Recently, a fire broke out at this abandoned silk mill. Our fire department responded and expended precious city resources to ensure it would not spread to the nearby neighborhood and school. This site is a public safety hazard and continues to put a strain on our resources without returning any tax funds back to us to cover these costs.

BROWNFIELDS REDEVELOPMENT CHALLENGES AND OPPORTUNITIES

Easton has had success in redeveloping one of our brownfields sites, but I come to you today with recommendations on how to strengthen the program to achieve a greater return on investment for cities and the economy.

Local governments need the support of Congress and our federal agencies to revitalize the abandoned properties and buildings that are a blight on our communities. These abandoned buildings cost cities millions by shrinking our tax base, undermining property values and increasing service costs. In addition to depressing the economic well-being of cities, a failure to act compromises the well-being of our residents.

Brownfields redevelopment is inherently a risk. Additionally, brownfields sites are at a competitive cost disadvantage compared to greenfields sites. From the development standpoint, uncertainty about long-term funding availability and the desire to see an instant return on investment, coupled with limited time and money to address brownfields issues, pushes many developers to choose to develop greenfield sites rather than brownfields sites. While greenfield development may be cheaper, it comes at a price to the environment and our cities, including increased urban sprawl, traffic congestion, and stormwater runoff.

Therefore, in order to address this market challenge and make the development of brownfields properties a more viable and attractive option for cities and developers, Congress must reauthorize the program and make key improvements. NLC urges Congress to increase or maintain the overall funding authorization level for the EPA Brownfields program, increase the

overall grant funding to allow communities to cleanup more difficult sites, and resolve the disincentives created by potential liability to facilitate reuse of brownfields properties.

Increase overall grant funding to allow communities to cleanup more difficult sites.

Although many brownfields sites have been redeveloped, what remains are brownfields sites that are more difficult to redevelop due to their level of contamination or marketplace conditions.

Expanding the EPA brownfields program would allow communities to address the cleanup challenges at these more complex sites.

We suggest the following:

- **Increase Cleanup Grant Amounts** – Congress should recognize the complexity of the cleanup process for larger or more complicated sites by increasing the funding limit for cleanup of a single site to \$1 million. Under special circumstances, EPA could waive the limit, up to \$2 million per site.
- **Establish Multi-Purpose Brownfields Grants** – Congress should allow local governments to have the option to apply for multi-purpose grants that can be used for the full range of brownfields-funded activities (assessment, cleanup, reuse planning, etc.) on a community-wide basis. Applicants should be required to demonstrate a plan and the capacity for using this multi-purpose funding within a set timeline in order to qualify for such funding.
- **Allow Funding for Reasonable Administrative Costs for Local Brownfields Programs** – Congress should allow brownfields grant recipients to use a small portion

(10 percent) of their grant to cover reasonable administrative costs such as rent, utilities and other costs necessary to carry out a brownfields project.

Resolve the disincentives created by potential liability to facilitate the reuse of brownfields properties.

The issue of municipal liability for cleanup costs is a concern for local governments, particularly if they were not involved in the contamination of the site. As a general rule, under current law, local governments have a disincentive to cleanup and develop brownfield properties because of the liability that they could face. Often, as involuntary owners of brownfields property, many local governments are wrongly designated potentially responsible parties and held liable for cleanup. The fear of such designation has led to municipalities choosing not to invest in the cleanup or development of land, not because they do not want to, but because they cannot afford the liability costs. Addressing the local liability issue does not constitute a rollback of environmental protections, but rather corrects a market challenge and further incentivizes the redevelopment of brownfields properties.

We encourage Congress to revise CERCLA to encourage and protect local communities who choose to take ownership of blighted properties for the purpose of brownfields redevelopment where the local government had no role in creating the contamination by providing a waiver, a definitive limitation, or elimination of liability for non-contributing local governments coming into title of previously contaminated properties involuntarily. These changes should include:

- **Clarify Eligibility of Publicly-Owned Sites Acquired Before 2002** – Congress should allow local governments to be eligible for grant funding for properties that were acquired prior to the January 11, 2002 enactment of the Brownfields Revitalization Act—when there was no required standard for “all appropriate inquiries”—provided that the applicant did not cause or contribute to the contamination and performed “appropriate care.” For these sites, applicants would not have to demonstrate that they performed all appropriate inquiry.
- **Remove Barriers to Local and State Governments in Addressing Mothballed Sites** – Congress should exempt local and state governments from CERCLA liability if the government unit (a) owns a brownfields property as defined by section 101(39); (b) did not cause or contribute to contamination on the property; and (c) exercises due care with regard to any known contamination at the site. We suggest language to amend section 101(20) (D) that clarifies that properties acquired through eminent domain qualify for the CERCLA exemption for local governments involved in “Involuntary Acquisitions.” Alternatively, we would suggest language that establishes a simplified and clear exemption from CERCLA liability for local governments that acquire brownfields sites.

In closing, Easton and cities across the country are investing in their downtowns, urban cores and neighborhoods to grow our local economies and create the kinds of communities where families want to live, work and play. Congress showed great leadership amending CERCLA in 2002 to create the federal Brownfields program. While progress has been made and beneficial relationships formed among local, state and federal entities, the federal brownfields program has not achieved its full potential. The Federal government must continue its commitment to the

brownfields program and to the cities protecting its citizens and the environment from the dangers these sites pose to reuse the properties for new economic opportunities.

On behalf of the National League of Cities and the City of Easton, I thank you for the opportunity to submit this testimony on a most timely issue. I look forward to your questions.