

Attachment—Additional Questions for the Record

**Subcommittee on Environment and Climate Change
Hearing on
“Back from the Brink: Restoring Brownfield Sites to Economic Engines”
February 15, 2022**

The Honorable J. Christian Bollwage, Mayor, City of Elizabeth, New Jersey, On behalf of the
U.S. Conference of Mayors and The National League of Cities

The Honorable Debbie Dingell (D-MI)

1. Cleaning up contaminated brownfield sites is only half the battle. Finding a productive use for these sites after they are cleaned up is the other half. These sites could be ideal locations for clean energy development, including solar farms. This would not only restore the former brownfield property to beneficial environmental and economic use, but it would also leave greenfield property available for farming and other best uses.
 - a. Would you agree that solar farms would be a good use for brownfield properties?

RESPONSE:

Solar farms would be a good use for certain brownfield properties depending upon the city, the site and when circumstances permit. This decision depends entirely upon an individual city’s need and their land use issues. Many utilities are looking for very large areas of land to put solar farms on and so for certain cities with large areas of land or areas that need to be capped, solar panels may be a great option. However, in urban, population dense centers such as the City of Elizabeth, they pose challenges. Although solar farms would result in energy cost savings, they would not result in an increase in community services, improve access to tangible resources, or contribute to the municipality’s tax base, which are important quality of life and financial considerations. In theory, solar farms would produce energy cost savings for the municipality, which would translate into additional funds available to increase services and support improvements for taxpayers. However, space is valuable and prime real estate, when developed with the community in mind, can be transformative. This consideration holds particular importance in dense urban communities, where developable land is limited, while population needs continue to grow. Supermarkets in a food desert, affordable housing to increase opportunities for individuals who are being priced-out of their communities, or a health clinic to provide COVID-19 vaccinations, boosters and additional life-saving inoculations for the community, are just a few examples of the potential future an underutilized or vacant property, once properly remediated, may hold.

The City of Elizabeth has been proactive in the installation of solar panels on several public buildings to defray energy costs as well as support the municipality's *Go Green* initiatives. In addition, many of the city's residents and businesses, including The Mills at Jersey Gardens, which is our municipality's most successful brownfield initiative, continue to enjoy the benefits of solar panels on their rooftops, while contributing to the reduction of our carbon footprint.

- b. What policies would be necessary to encourage this practice, particularly if there are additional costs involved compared to locating on a greenfield property?

RESPONSE:

Neighborhoods where you can live, work and play are not only more sustainable, but also more friendly to the environment as they relate to climate change. You recycle land that was previously used, taking advantage of already existing infrastructure such as roads and pipes. Ideally, reutilizing your existing building portfolio prevents new construction which also reduces additional greenhouse gas emissions. Furthermore, by reutilizing land, it hopefully prevents or at least slows down the development of new greenfield sites, which includes valuable farmland. This also reduces vehicle miles traveled and car emissions. All these activities can have a tremendous impact on reducing greenhouse gas emissions. The reality is that density and multi-family living, almost by definition, uses less energy.

For communities that want to put solar farms on their brownfield sites, there are usually additional infrastructure needs that must be met, particularly infrastructure to connect to the utility grid. The committee should consider how to provide those infrastructure opportunities or additional incentives to assist with this. In addition, many utilities are not moving quickly enough to diversify their energy portfolios to renewable energy sources and so additional incentives in this area would also be valuable to redevelop more brownfield properties into sources of solar and other renewable power.

But besides large solar farms, many cities have brownfields that could be turned into renewable energy microgrids that would assist in making cities more energy redundant and efficient. Also, while keeping existing buildings is more sustainable than knocking them down and building new, we would be remiss in not pointing out that existing buildings are not as energy efficient as new buildings. It would behoove the Committee to consider how to provide incentives and tax breaks to encourage these properties to be retrofitted and implement energy conservation measures and to install rooftop solar where appropriate. These buildings use large amounts of energy that could be greatly improved to help our climate mitigation goals. One such tool is to provide additional funding for the Energy Efficiency and Conservation Block Grant (EECBG) which provides communities with the opportunity to provide technical assistance, tools, and incentives for both solar farms, microgrids, and building retrofits.

The Honorable Cathy McMorris Rodgers (R-WA)

1. Please discuss the importance of recapturing the lost, local tax base from abandoned and idled sites – and the impact of restored revenues in meeting your city’s needs.

RESPONSE:

When brownfield sites are not remediated, often due to lack of available funding and issues of liability, they contribute significantly less to the local tax base as well as pose challenges for comprehensive, neighborhood revitalization efforts. Therefore, recapturing the lost, local tax base from these sites is imperative to the sustainability and success of municipalities. Within our current economic climate, where inflation costs are impacting a large majority of goods and services, and recovery from the pandemic is ongoing, restoring revenues to municipalities is vital. As population increases, so does the demand for housing, services and employment opportunities, particularly within dense, urban communities. However, meeting those needs within the confines of a municipality, where there is limited, available land for development and/or re-purposing, can be difficult and requires the ability to think outside the box – including the examination of abandoned, idled sites. Accessibility, along with real estate and its corresponding potential for transformation, is valuable and most municipalities continue to seek funding assistance and apply innovative approaches to address growing community needs.

2. Please state how Brownfields grants and resultant development leads to new tax revenues that empower local budgets and governments.

RESPONSE:

Abandoned idled sites become eyesores, which do not contribute to tax revenues and often have adverse impacts on surrounding properties, as the appeal for additional development is severely diminished. Prior to development, the site where The Mills at Jersey Gardens Mall now thrives, was one such location. The nearly 170-acre former brownfield, which lay dormant for nearly two decades, was a municipal dump and turning this “trash into cash,” has proven successful for the City of Elizabeth. Prior to development, the brownfield site generated less than \$100,000 for the municipality. Total annual revenues generated for The Mills at Jersey Gardens Mall include \$1,900,000 in annual land taxes and \$7,000,000 in annual franchise fees.

As an urban area, this former brownfield was among few properties that the City could utilize to create new economic development. Remediating this brownfield has improved the quality of life, preserved this parcel as an open space and revitalized the city. In addition to elevating our tourism visibility, the Mills at Jersey Gardens has also acted as a catalyst for business attraction and employment opportunities, contributing significantly to our tax revenues, local budgets as well as marketability for successful large-scale, internationally recognized projects.

Glimcher Developers constructed the formerly named Jersey Gardens Mall, which opened in the City of Elizabeth in October of 1999, on a remediated brownfields site. The Mills at Jersey Gardens Mall, which was once a 166-acre municipal landfill between Kapkowski Road and

Newark Bay, is conveniently located off Exit 13A of the New Jersey Turnpike. The \$320 million project created an estimated 1,700 construction jobs and over 4,000 permanent jobs. The Mills at Jersey Gardens also contributes to easing the long-term tax burden on the average homeowner by generating additional revenues to the city each year. Furthermore, the Mall project continues to have a significant positive impact on Elizabeth and the region, in that it demonstrates how job creation, environmental cleanup and natural habitat restoration can occur simultaneously, in one of New Jersey's oldest urban industrial areas.

Elizabeth has worked to remediate other brownfields sites such as the IKEA complex, which is North America's best performing IKEA. The City of Elizabeth has utilized new energy to build partnerships at every level to address challenges and redevelop several very large brownfields - and our successes have been monumental. Brownfields are becoming an integral part of redevelopment projects and they provide the potential for new services and additional benefits, from new parks to new jobs as well as tax ratables and revenues.

Needs assessment is key when considering participating in any economic development project. For the City of Elizabeth, there was an obvious environmental component that needed to be addressed as well as how it would directly benefit the community. The Retail Skills Center was developed within the formerly known as Jersey Gardens Mall, to provide free industry training and assistance with job placement. Potential employees had the unique opportunity of being trained in areas such as customer service and inventory to better prepare for jobs within the mall. The Retail Skills Center, which is now known as the Workforce Innovation Business Center and has relocated to Union County College in Elizabeth, continues to provide individuals seeking jobs with valuable training. Furthermore, the Center serves as a resource for employers, who can access a pool of talent to meet their employment needs through job fairs, job postings and referral services.

The success of the current Mills at Jersey Gardens Mall can be measured in the over fifteen million people who visit the Mall each year, as well as the services that are now provided only minutes away from Elizabeth's neighborhoods. In addition, thousands of new employment opportunities were created and offered first to Elizabeth residents. The 1.7 million square foot complex is home to over two hundred stores and restaurants. Financially speaking, Jersey Gardens Mall experienced increased holiday sales over the first year and continues to generate significant revenue for the City of Elizabeth. Furthermore, with the creation of new employment opportunities, The Mills at Jersey Gardens has directly contributed to the reduction of the City of Elizabeth's unemployment rate.

Aside from jobs and revenue, The Mills at Jersey Gardens Mall has made the City of Elizabeth a destination of choice. As the largest outlet mall on the East Coast, redeveloping the former brownfield has sparked economic development initiatives in adjacent remediated lots. Constructed behind Jersey Gardens Mall in August of 2001, the City of Elizabeth welcomed a twenty-screen AMC Jersey Gardens 20 Theater, which was the first new theater in over a decade within the city. Residents and travelers now can enjoy entertainment and shopping at one location.

In addition, restaurants as well as a Marriott Courtyard, Marriott Residence Inn as well as a Country Inn and Suites hotel are located across from the Jersey Gardens complex. This site has also welcomed an Extended Stay America hotel. These hotels not only provide lodging

services to travelers and visitors, but also aid the community in the creation of additional employment opportunities as well as through the availability of large conference rooms for meetings and events. Serving as a destination venue attracts visitors into the City of Elizabeth, which positively impacts the local economy, including \$800,000 in annual land taxes.

The Mills at Jersey Gardens Mall also lies within the City of Elizabeth's Urban Enterprise Zone. Glimcher Realty chose the City of Elizabeth because of its strong Urban Enterprise Zone (UEZ) program and visible potential. The UEZ designation enables Mall stores to charge a reduced sales tax rate, which is half of the State of New Jersey's sales tax. Reduced sales tax provides yet another service to shoppers who visit The Mills at Jersey Gardens.

3. Your written testimony opens the door to more heavily contaminated brownfield sites getting grant funds. Is solving this problem dependent more on increasing the grant caps or easing the limitation on National Priorities List Superfund sites qualifying for these grants?

RESPONSE:

Since historically only \$90 million is appropriated yearly for the assessment, cleanup and redevelopment of approximately 400,000 - 600,000 brownfield sites while the Superfund program gets billions of dollars to deal with approximately 1,200 NPL sites, the answer is not to make sites from the National Priorities List qualify for the limited amounts of money in the brownfields program. .

We worked hard in the 1990s to distinguish the 2 different types of sites - severely contaminated Superfund sites from the more mildly contaminated brownfield sites. My point in my testimony is that \$200,000 assessment grants and \$650,000 of clean up funds per site is not enough to handle the more contaminated sites that are out there. But there is a difference between slightly more contaminated and a Superfund site which has its own set of market stigmas. I would respectfully suggest however, that the clean-up strategies employed at Superfund sites, where appropriate, be aggressive enough to actually put that site back into productive use and not do what they did in my community which was to cap the site, build a fence around it, and prevent that land from being developed for 99 years.

The Conference of Mayors and the National League of Cities believe that by increasing overall funding for the brownfields program as well as increasing the caps for both the clean-up and multi-purpose grant will make the brownfield program more useful to more brownfield properties. Increasing the cleanup grant amounts is vital to addressing the more complicated brownfields, which are often left idle due to the costly and complicated levels of cleanup required. It is respectfully suggested that cleanup grants be increased to at least \$1million and in special circumstances, increased to \$2 million, to provide the supportive funding to truly remediate these difficult sites and restore viability to that neighborhood and community.

