



THE UNITED STATES
CONFERENCE OF MAYORS



Written Testimony of

**The Honorable J. Christian Bollwage
Mayor, Elizabeth, New Jersey**

**On Behalf of The U.S. Conference of Mayors and
the National League of Cities**

**Before the House Energy and Commerce
Subcommittee on Environment and Climate Change**

“Back from the Brink: Restoring Brownfield Sites to Economic Engines”

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INTRODUCTION

My name is Chris Bollwage, I am the Mayor of Elizabeth, New Jersey and have served as Mayor since 1993. I am a Trustee for The U.S. Conference of Mayors and I have served as Chair of the Conference’s Brownfields Task Force for the past 25 years. I have testified before this committee numerous times on the important topic of brownfields development and the brownfields law, and I am honored to be here today to give both The U.S. Conference of Mayors and the National League of Cities perspective on the Brownfields Law that was reauthorized in 2018. Mr. Chairman and members of the Committee, I would like to officially submit my written testimony for the record.

First, I want to sincerely thank this committee for listening to the recommendations that our organizations put forth and incorporating them into the Brownfields reauthorization in 2018. While we are still gathering information from communities across the country about the implementation of these changes, the overall message is very positive regarding the brownfields program and the changes that were incorporated in the last reauthorization to assist with the cleanup and redevelopment of large, complex brownfields sites.

The Brownfields program under the U.S. Environmental Protection Agency (EPA) has consistently been one of the most bipartisan programs in Congress. It is also one of the most useful programs at the local level that supports the revitalization and redevelopment of vacant and abandoned properties that blight communities across the country.

Brownfields redevelopment can play a crucial role in infrastructure development, revitalizing communities, creating jobs, and even assisting with local climate change mitigation and resilience needs. For many people, brownfields are just the neighborhood eyesore or the former

industrial site, but for cities, they also represent unrealized potential. Local leaders see the redevelopment of brownfields as a chance to bring back jobs to a community, revitalize neighborhoods, increase the tax base, and reuse and enhance already existing infrastructure in a more sustainable way.

I cannot stress enough that redeveloping brownfields is a win-win for everyone involved. And the fact that Congress passed a reauthorization bill with our recommendations improved the program greatly.

BIPARTISAN INFRASTRUCTURE LAW

I also want to take this opportunity to thank Congress for including \$1.5 billion for brownfields redevelopment in the bipartisan Infrastructure Investment and Jobs Act that passed last November. Given that historically only around \$90 million is appropriated every year for grants to local governments and nonprofits, the extra \$300 million per year will be extremely beneficial in funding a larger number of worthwhile projects.

The infrastructure bill also allows for higher grant amounts in the areas of cleanup grants, multipurpose grants and job training. We are hopeful that EPA will seize this opportunity to explore how higher dollar amounts can be utilized and assist in redeveloping some of the more difficult brownfield sites back into productive pieces of property. We know that, in the past, EPA has been somewhat hesitant in awarding larger grant amounts due to the fact that they only had \$90 million to distribute nationally and they wanted to help out as many communities as possible. However, with this increased funding and additional flexibility, we are hopeful that EPA will take advantage of this opportunity and utilize at least some of the new infrastructure money to provide larger grant amounts to communities with brownfields that need extra assistance. We have expressed our support for EPA to do this and there are indications that EPA will do so. We hope we can count on Congress to express similar support.

HISTORY

Since the early 1990s, local governments have made the redevelopment of brownfield properties a top priority. At that time, the Government Accountability Office estimated there were somewhere between 400,000 to 600,000 brownfield properties. Brownfields are defined as abandoned or underutilized property whose redevelopment is hindered due to real or perceived environmental contamination. In our research, we determined that every Congressional District had at least one brownfield site, but most had many more. Brownfields can occur anywhere - from an abandoned gas station or dry cleaner or a former industrial site that is no longer in use.

In the 1990s, developers, business owners and banks were unwilling to touch these properties out of fear of liability. These concerns were the result of the joint, several and strict liability provisions in the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), a 1980s law more commonly known as Superfund, which made an innocent developer or lender just as responsible for the cost of cleanup as the actual polluter. As a result, developers would seek out "greenfields" rather than take a risk on a brownfield property. This unfortunately contributed to urban sprawl, more air pollution due to increased vehicle miles

traveled, and hundreds of thousands of abandoned or underutilized sites in just about every community in the United States.

As the former mayor of Chicago, Mayor Richard M. Daley, said, “As a nation, we recycle aluminum, glass, and paper, but we don’t recycle our most valuable commodity, our land.” I would like to add to that: by recycling our land, we are also taking advantage of existing infrastructure and in many cases, upgrading that infrastructure to support a new development. This is a much more sustainable path of utilizing infrastructure than continually building new infrastructure that will also need to be maintained.

Back then, we worked closely with Congress and EPA to formulate legislation and a program that provided some liability relief for innocent developers, as well as money to do assessments and cleanup.

I testified before the House and Senate numerous times between 1994-2001 on the importance of this legislation and was pleased that the bill had such strong bipartisan support. In 2001, the Small Business Liability and Brownfields Redevelopment Act passed the Senate with a 99-0 vote, was put on the unanimous consent calendar in the House, and signed by President George W. Bush, demonstrating the vast bipartisan appeal of this program. And you can understand why - the program is a win for local governments, the environment, and the business community.

When the Brownfields program came up for reauthorization, our local government organizations and others made a series of recommendations on how to improve the program. It took nine years to do so, but eventually Congress passed a reauthorization bill in 2018. I am seriously hoping that it won’t take another nine years for the next reauthorization to occur.

NATIONAL ECONOMIC IMPACT OF THE BROWNFIELDS PROGRAM

The EPA Brownfields program has had a very positive impact on many communities throughout the nation. According to EPA, since the inception of the program, over 34,000 brownfield sites have been assessed and nearly 10,00 properties have been made ready for reuse, creating over 180,000 jobs and leveraging over \$34 billion. Every EPA dollar spent leverages approximately \$16 in other investments.

Specifically, since the Brownfields Law was reauthorized in March 2018, the program can account for the following accomplishments:

- 7,867 Properties Assessed
- 738 Properties Cleaned Up
- 3,550 Properties made Ready for Anticipated Use
- \$11.94 Billion Leveraged
- 50,953 Jobs Leveraged

With the change in the law through the 2018 reauthorization, non-profit groups are now eligible to apply for additional funding. Since fiscal year 2018, EPA's Brownfields Program awarded the following grants to non-profit recipients:

- 30 Cleanup Grants
- 28 Brownfields Job Training Grants
- 1 Multipurpose Grant
- 30 Assessment Grants

These are amazing accomplishments and you should be pleased at how well this program is working. It is important to note, however, that EPA has had to turn away approximately 65 percent of qualified grant applications. We hope that with the additional funding in the bipartisan infrastructure law, there will be a lot of highly qualified applicants funded over the next five years.

BROWNFIELDS REDEVELOPMENT IN ELIZABETH

Attached to my testimony is a summary of some of the most notable brownfield redevelopment projects in my community including the Harbor Front Villas and the Jersey Gardens Mall. Today, I want to highlight another brownfields redevelopment success story—our Elizabethport/Hope VI project.

From a historical perspective, the City of Elizabeth's commerce depended heavily on its position as a port city. The majority of businesses that were located close to and along the Waterfront, focused on and complimented the shipping industry, supplying additional services such as the transportation and storage of goods. However, as Elizabeth expanded, evolved and changed, so did the vision and potential of the land once utilized primarily by these industrial companies.

Re-imagining Elizabeth's waterfront has included the creation of luxury housing on a former brownfield site. Harbor Front Villas is a \$15 million townhouse development, which includes 55 market-rate units, which were designed to attract the most demanding buyer. Constructed in close proximity to the Arthur Kill, the Villas have increased opportunities and contributed to the exciting renaissance occurring within Elizabethport.

Homeownership, coupled with luxurious amenities and a waterfront view, is what Harbor Front Villas offers its clientele. Located minutes away from Exit 13A off the New Jersey Turnpike, the site is easily accessible from major roadways and is minutes away from New York.

Developments such as Harbor Front Villas were thought impossible by individuals, who could not visualize the possibility of such desirable property. Residents within these units benefit from both the amenities offered within their complex as well as the splendor of Elizabeth's surrounding open space and recreational facilities. Utilized as both a transportation and leisure waterway, large container ships, pleasure boats and vessels of all sizes travel along the Arthur Kill en route to Port Newark/Elizabeth. Providing a window into maritime commerce as well as breathtaking scenic views to admire, waterways enhance the viability and marketability of surrounding properties.

Revitalizing underutilized brownfields into remediated, active sites for development, has been occurring for years in the city's oldest neighborhood. The tremendously successful, federally-funded HOPE VI program has assisted in the removal of public housing complexes and

replaced them with townhouses in Elizabethport. Individuals previously residing in the old, dilapidated facilities had the unique opportunity to become homeowners. Living in a new community-setting not only physically relocated residents, it positively altered their quality of life. Removing the stigma of public housing, the HOPE VI program assisted in instilling a sense of pride, self-sufficiency and homeownership in a residential neighborhood that included beautiful landscaping and open space.

In 1997, with an initial grant of \$29 million dollars, the Housing Authority of the City of Elizabeth began administering the HOPE VI Elizabeth Neighborhood Revitalization Program. With assistance from the HOPE VI program, demolition began on the Migliore Manor public housing complex in 1998, followed by the demolition of the Pioneer Homes public housing complex in 2000.

In addition to new housing opportunities, the Revitalization Program sought to provide transitional services for relocated public housing residents. City officials worked with the Housing Authority to create partnerships and deliver essential services to residents. In order to ascertain the needs of the community, resident surveys were conducted. Once needs were assessed, additional funding sources had to be identified. The County of Union provided \$1 million in funding through the Home Partnership Investment Program, which enabled the creation of 20 home units.

Approaching the project holistically, Union County's Department of Human Services also provided job-training services during the first phase to residents. Senators Frank Lautenberg and Robert Torricelli, former Congressman and now Senator Robert Menendez, Congressman Donald Payne, the Union County Board of Chosen Freeholders, Elizabeth City Council as well as the Elizabeth Development Company, also supported this project and helped to transform this vision into reality.

Through this program, hundreds of residents also participated in services including but not limited to: education for residents of all ages, resume and interviewing workshops, job training and placement, computer classes, youth-oriented programs, child care programs, business development and health care. Identifying neighborhood potential and implementing a strong vision made critical initiatives such as HOPE VI possible. This assistance was also a catalyst for the construction of five developments within Elizabethport, including: Portside Commons I, Portside Commons II, Westport Homes, Heritage Village and Marina Village.

With clearly defined goals and objectives, the next step in transforming the community was the introduction of mixed-use housing, with an emphasis on commercial space for economic growth and services. Business attraction and retention is critical to the vitality of a neighborhood. The City of Elizabeth recognized this factor and worked with government leadership and local agencies to foster economic development in the Elizabethport neighborhood. Ultimately, the Mills at Jersey Gardens Mall, AMC Loews Jersey Gardens Theater, multiple restaurants and hotels were developed minutes away.

2018 BROWNFIELDS REAUTHORIZATION AND KEY IMPROVEMENTS

The EPA Brownfields program has a proven track record of leveraging private sector investment, creating jobs and protecting the environment. The original law provided some liability relief for innocent purchasers of brownfield properties and provided resources to conduct environmental assessments and cleanups. However, despite our success, there was more work to be done.

After the original law passed, the challenge that many communities faced is that while there were tools to help with the so-called “easy” brownfield sites that are most attractive to developers, there were not enough tools or resources to assist with the more difficult brownfield sites—what we like to refer to as the medium to dark brown, brownfield sites—that are more complex to redevelop. The U.S. Conference of Mayors, National League of Cities and National Association of Counties worked together to advocate for changes to the Brownfields Law that would spur on additional redevelopment projects and economic growth to these more challenging sites.

I want to thank members of Congress for adopting many of our recommendations in the 2018 reauthorization bill. We believe that these changes are helping communities across the country, although, with the ongoing pandemic, it has been difficult to fully determine the multitude of benefits of these changes. I would like to provide an overview of the changes that were made and why they are making a difference.

Full Funding of the Brownfields Program – The 2018 reauthorization maintained the existing authorization level of \$200 million annually. We are extremely grateful for the influx of \$1.5 billion from the Bipartisan Infrastructure Law. Given the huge number of brownfields and how successful this program is, it will never be a bad investment to put more money into this program. We respectfully ask Congress to monitor how this new money is being utilized and examine what is accomplished with these additional resources. We believe that this new money will be well utilized and will justify additional appropriations in the future.

Creation of a Multi-Purpose Grant – The 2018 reauthorization specifically authorized for the first-time multi-purpose grants up to \$1 million. The way the program previously worked was that a city had to apply for a specific type of grant for a specific property. This process works in many cases, but for cities with multiple brownfields sites that have different needs, the process was not flexible enough for real market-place situations. For example, a city may have multiple developers and businesses who are interested in several brownfield properties and may need different tools. A multi-purpose grant allows a city to use the money where and how it is most needed. Communities could do an assessment on property x or clean up on property y without reapplying for a specific category of funding. It was a hindrance to apply for a specific grant for a specific site and then wait six months to a year to see if you were awarded the funding when there was a very good chance that a potential developer moved on or changed their mind on that particular property. Local governments have been asked to be more “business-like,” and the creation of this additional tool has added to our efficiency in working with the private sector on these vital projects.

Since fiscal year 2018, EPA’s Brownfields Program has awarded 22 multi-purpose grants, 20 of which have been at \$800,000. A few of these recipients include Newark, New Jersey in 2019 and Salem, New Jersey in 2021 (a small community under 5,000 population). These projects include environmental site assessments and developing cleanup and reuse plans along the Newark riverfront, which is centered around a heavily industrialized area along the Passaic

River, and Salem's historic Waterfront Industrial Zone. Other recipients across the country include Rochester, New York, Dubuque, Iowa, and Lincoln, Nebraska.

Increased Cleanup Grant Amounts – As mentioned, many communities have been able to tackle the so-called “easy” brownfield sites. While that work still needs to keep going, there are still many additional brownfield sites that are more complicated due to the level of cleanup that is needed, the current market conditions, the location of the site, or a combination of these factors.

We are happy that Congress recognized this need and raised the cap on cleanup grant amounts from \$200,000 to \$500,000, with the flexibility for up to \$650,000 based on the anticipated level of contamination, size or ownership status of the site. Additionally, we look forward to seeing how EPA will implement the bipartisan infrastructure law, which allows for up to \$10 million of cleanup money per site. For communities that have more contaminated sites, this could be a real game changer. We ask EPA to explore this new flexibility to provide some larger cleanup grants in order to examine how successful this approach can be. We urge Congress to encourage EPA in this regard and to examine the end results and, if it works the way we think it will, then in the next authorization bill we would respectfully ask Congress to support our original recommendation of increasing the cleanup grant cap to \$1 million, with the flexibility for up to \$2 million in certain instances.

Since fiscal year 2018, EPA's Brownfields Program has awarded 149 cleanup grants. Of these, 67 have been awarded at the \$500,000 level, but none have been awarded at the \$650,000 level to local governments. Some of these awards include large cities like Los Angeles and small towns like Walpole, New Hampshire (population under 5,000), and places in between like Tulsa, Oklahoma and several communities in New Jersey. This again demonstrates the vast presence of brownfield sites in communities across the country and the tremendous need for cleanup funding. We encourage EPA to take advantage of the flexibility it has in awarding larger cleanup grants to communities.

Allowed Reasonable Administrative Costs - The 2018 reauthorization allows Brownfield grant recipients to use up to 5 percent of grant amounts for administrative costs, such as for rent, utilities and other costs necessary to carry out a brownfields project. This is an important improvement to the original law, which prohibited use for administrative costs entirely. This change is particularly important for smaller communities and nonprofits that previously may not have even applied for grants due to the cost burdens associated with taking a federal grant. We ask the committee to consider raising this cap to further support small communities.

Clarified Eligibility of Publicly-Owned Sites Acquired Before 2002 – The 2018 reauthorization clarified that governmental entities that acquired brownfields sites prior to January 11, 2002, when the original law was signed, are eligible for brownfields grants as long as a local government did not cause or contribute to the contamination of the property. This is an important change that will allow more brownfields sites to get cleaned up and put back into productive reuse.

Removes Some Barriers to Local and State Governments Addressing Mothballed Sites –

Local governments throughout the country have long recognized the harm abandoned and underdeveloped brownfield properties can pose to their communities. Properties that lie idle because of fear of environmental contamination, unknown cleanup costs and liability risks can cause and perpetuate neighborhood blight, with associated threats to a community's health, environment, and economic development. These are called "mothballed" properties and they can be detrimental to a community or neighborhood's vitality. While this has not been a major problem in Elizabeth, it is in many other communities.

The 2018 reauthorization provided more redevelopment certainty for governmental entities by addressing the liability concerns for the "voluntary" acquisition of properties, as well as "involuntary" acquisition as the original law allowed.

But additional tools may be necessary to convince owners of mothballed properties that it is safe to turn over, sell or redevelop these properties. We would like to work with Congress to develop a list of recommendations or potential tools that could be implemented to help address this problem.

CLOSING

The changes that Congress made in the last reauthorization bill improved the program significantly and I again wish to thank you for supporting those changes. As Congress looks toward a reauthorization of the Brownfields program in 2023, we welcome the opportunity to provide input on additional issues to further improve the program upon consultation with our members.

I wish to thank the subcommittee for inviting me to testify today. This is a program that you all should be proud to support. It has a proven track record of creating jobs, cleaning up contamination and protecting public health. It is a pro-business and pro-environment law and I urge you to support reauthorization. Thank you again for this opportunity and I look forward to your questions.

Attachment
City of Elizabeth - Brownfield Summary

1. The Mills at Jersey Gardens

Within the City of Elizabeth, the *Jersey Gardens Mall* was built upon a former landfill in 1999. Through strong private/public partnerships on the County, State and Federal level, this innovative project transformed a former brownfield into a thriving shopping experience - with more than 200 stores and an AMC Loews movie theater located next door.

Conveniently located off Exit 13A of the New Jersey Turnpike, the conversion of this former eyesore into a shopping center had numerous positive effects on the health of the neighborhood. It created new employment opportunities, assisted in the stabilization of property taxes through a new tax ratable and continues to improve the overall quality of life within the City.

Jersey Gardens Mall became *The Outlet Collection - Jersey Gardens* and was renamed *The Mills at Jersey Gardens* when it was acquired by Simon Malls in January 2015. The Mall continues to flourish after another successful year, with business up 10% and international visits up 37% - from top markets including Brazil, Germany and Israel.

In collaboration with Union County College, the Retail Skills Center, which has evolved into the Workforce Innovation Center, provides job placement, soft skills training and ESL education to residents - and is located right within the The Mills at Jersey Gardens. In addition We Are One New Jersey-Union County, which is an initiative spearheaded by the County of Union, is located within *The Mills* and provides assistance to individuals as they prepare for the United States Citizenship Test.

The Mills at Jersey Gardens also features a 4.8-megawatt SunPower rooftop solar system. The project, which is among the largest rooftop systems in North America, broke ground in June 2011 and began producing power in February 2012. Consisting of more than 15,000 high efficiency SunPower panels, this project generates approximately the amount of power required for 564 New Jersey homes.

Adjacent to the Mall is an eight-story Embassy Suites Hotel with 82 rooms and an 87,200 sq. ft. restaurant. Additional hotels at this site include: Country Inn and Suites by Carlson, Elizabeth

Courtyard by Marriott and Residence Inn by Marriott Newark/Elizabeth Liberty International Airport. Restaurants such as Ruby Tuesday and IHOP are also available on the property.

The IKEA Furniture store, which is also easily accessible from Exit 13A of the New Jersey Turnpike, also completed a \$40 million renovation, which included a reconfiguration of its operations and an increase in showroom space to help meet the growth of its business.

2. The HOPE VI Project

Before Jersey Gardens, City Officials had embarked upon an impressive renewal effort in the City's oldest neighborhood, which was located adjacent to the transformed landfill. Economic development expansion and citywide revitalization efforts inspired the removal of public housing structures and the implementation of new housing initiatives.

Hundreds of affordable housing units were completed, with a portion on former brownfields. The tremendously successful federally funded HOPE VI program assisted in the removal of public housing complexes and replaced them with new townhouses in Elizabethport.

Individuals previously residing in the old, dilapidated facilities had the unique opportunity to become homeowners. Living in a new community setting not only physically transported these low to moderate income residents, it transformed their quality of life.

Removing the stigma of public housing, the HOPE VI program assisted in instilling a sense of pride, self-sufficiency and homeownership in a residential neighborhood that included beautiful landscaping and open space. Through this program, hundreds of residents also participated in services including but not limited to: resume and interviewing workshops, job training and placement, computer classes, youth oriented programs, child care programs, business development and health care. Identifying neighborhood potential and implementing a strong vision made critical initiatives such as HOPE VI possible.

The HOPE VI program is administered by the Housing Authority of the City of Elizabeth through the United States Department of Housing and Urban Development.

3. Area Surrounding Midtown Elizabeth Train Station

The Midtown Train Station is a designated New Jersey Transit Village and is located among brownfields. The City is seeking a NJ DEP Brownfield Development Area (BDA) designation for the area within and around the Midtown Redevelopment Area, which includes a 20-acres surrounding the Midtown Train Station. The Midtown Elizabeth Train Station is already a New Jersey Department of Transportation designated Transit Village.

NJ TRANSIT has committed \$70 million dollars for the design and reconstruction of the Elizabeth Midtown Train Station, which will include a new two-story station building with a street-level ticket office, waiting room as well as new office and retail space. The location will also feature new, extended high-level train platforms that will accommodate longer, 12-car trains and the platforms will feature covered, heated and air conditioned waiting areas for its users.

The Station will have new elevators and stairs, upgraded passenger information and security systems. The westbound plaza entrance will be highlighted by a marquee façade, new stairs and new vendor space. NJ TRANSIT and the City of Elizabeth is working together to incorporate art into the design of the station. The project will be funded through a combination of state and federal sources.

Enhancements to the Midtown Elizabeth Train Station are not limited to the current facility. These additional brownfield properties surrounding the Station have also begun the revitalization process. New housing, retail and offices will complement a modern Train Station and provide the services residents, commuters and visitors expect and deserve.

4. Harbor Front Villas

The City of Elizabeth's Waterfront underwent a transformation, creating luxury housing on a former brownfield site. Harbor Front Villas is a \$15 million townhouse development that features market-rate units, which would attract the most demanding buyer.

Homeownership coupled with luxurious amenities and a Waterfront view is what Harbor Front Villas offers its clientele. Located minutes away from Exit 13A off the New Jersey Turnpike, the site is easily accessible from major roadways and is minutes away from New York. From master bathrooms, cathedral ceilings and fireplaces to granite entrance halls, central air conditioning, terraces and private

parking, this new townhouse community provides the comforts of home with a beautiful view on the water.

With wide market appeal, Harbor Front Villas offer an exciting alternative to individuals who work in the tri-state area and are looking to immerse themselves in the beauty, culture and community of an urban municipality.