

## CONGRESSIONAL TESTIMONY

*"Back from the Brink: Restoring Brownfield Sites to Economic Engines"*

Subcommittee on Environment and Climate Change

House Committee on Energy and Commerce

Date of Hearing: February 15, 2022

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***It takes an average of 14 different funding streams to develop a brownfield:*** It takes fourteen (14) different funding streams to repurpose a brownfield. Fourteen different sources to share the risk of repurposing a brownfield. A typical conventional development has one (1) to three (3) sources of funding: Long-term debt financing, construction financing, and, possibly, gap or bridge financing.

Yet, even at fourteen funding streams, there still needs to be a first funder, a front-end money provider, a pioneer. Someone needs to be the first one to step up and put the first dollar into repurposing a brownfield. This "someone" needs to be the first to put "skin in the game." This "someone" needs to provide security, comfort, and confidence for others to follow and put skin in the game ("skin comes in the form of treasure, talent, and time). This "someone" is needed to share the risk. This "someone" needs to be able to speak to a former mill worker and the President of the United States, a community group and a city council, a landowner and a developer, an economic development organization and a housing authority, a special interest group and a county commission, an attorney and an environmental engineer, a senator and a representative, a philanthropy and the federal government, a captain of industry and the owner of bakery. This "someone" is the USEPA.

***The grants and assistance offered by the EPA are the last federal program, of all federal programs, that can be characterized as "FRONT END" money,*** or "site-ready" money, that can be accessed to prepare sites for economic development, private investment, and job creation. Local economic development organizations and public agencies cannot apply for development funds, from other federal agencies, unless the sites have been assessed (Phase 1 and Phase 2 Environmental Site Assessments), are cleaned up (or remediated), and have a "no further action" or "certificate of completion" issued. The ONLY money available from the federal government to work toward getting that "no further action" or "certificate of completion" issued is from the EPA.

***EPA is a gateway grant.*** The EPA is a gateway grant, the grant for second chances, and the grant of last resort. Federal funding programs at EDA, DOT, SBA, and USDA are used as "BACK END" money to complete the infrastructure into a site, finalize work on a building that is already site-ready, finance operations and equipment, or fund training for a business already making the decision to locate in an area or expand. A brownfield doesn't even become eligible for EDA or USDA money unless it is assessed and cleaned up (or remediated). In rural, or economically depressed communities, brownfields are among the last properties to be repurposed and most would not be repurposed without EPA programs, technical assistance, or grants.

Additionally, **local economic development agencies, working in challenged communities with frontline populations, do not have the financial and technical capacity** to assess, clean up, and repurpose contaminated, dilapidated and/or abandoned properties to prepare them for economic development.

For the last two decades, I served as an economic development executive that utilized EPA and EDA grants and technical assistance programs to repurpose dozens of abandoned steel mills, decommissioned coal-fired power plants, pottery factories, and strip mines. The first, and possibly highest, **impact of our collaboration with the USEPA** was the reduction and elimination of toxic substances that were released into the air and water of our communities. Substances removed included petroleum, lead, asbestos, benzene, hexavalent chromium, uranium, cobalt, and arsenic. Testing before and after the application of EPA monies was one clear indicator of the success of this program.

The other, **equally significant, metric** was that we were able to attract new national and international manufacturing businesses to our former brownfields sites. Please look at these **success stories**:

**Beech Bottom Industrial Park (Beech Bottom)--\$510,000 (EPA)>>\$85,000,000 (Investment)**

**Investments:**

- \$595,000 USEPA Investment
- \$2,700,000 Leveraged Public Investments (additional grants)
- \$82,300,000 Estimated Private Investments (Value-Added Steel, Transportation Logistics, Energy)

**Jobs:**

- 708 Created
- 400 Projected

**Brooke Glass (Wellsburg)--\$552,000 (EPA)>>\$1,266,000 (Investment)**

**Investments:**

- \$552,000 USEPA Investment
- \$26,000 Leveraged Public Investments (additional grants and loans)
- \$1,240,000 Estimated Private Investment

**Jobs:**

- 40 Projected

**Eagle Manufacturing (Wellsburg)--\$85,000 (EPA)>>\$16,650,000 (Investment)**

**Investments:**

- \$85,000 USEPA Investment
- \$450,000 Leveraged Public Investments (additional grants and loans)
- \$16,200,000 Estimated Private Investments (Injection Mold Plastics)

**Jobs:**

- 36 Created
- 10 Projected

**Merco Marine (Wellsburg)--\$4,200 (EPA)>>\$4,000,000 (Investment)**

***Investments:***

- \$4,200 USEPA Investment
- \$1,800,000 Leveraged Public Investment
- \$2,200,000 Estimated Private Investment (Marine Dock Systems)

***Jobs:***

- 16 Preserved
- 3 Projected

**Port of West Virginia (Follansbee)--\$72,000 (EPA)>>\$73,397,000**

***Investments:***

- \$72,000 USEPA Investment
- \$1,300,000 Leveraged Public Investments (additional grants and loans)
- \$72,025,000 Estimated Private Investment (Value-Added Steel, Transportation Logistics, Energy)

***Jobs:***

- 65 projected

**Three Springs Business Park (Weirton)--\$153,000 (EPA)>>\$82,408,000**

***Investments:***

- \$153,000 USEPA Investment
- \$11,008,000 Leveraged Public Investments (additional grants and loans)
- \$71,400,000 Estimated Private Investments (Pietro Fiorentini, Barney's Bakery, North American Industrial Services, Rue21, Park Drive Development, Walmart, Bob Evans Restaurant, Comfort Inn, and Fairfield Inn & Suites)

***Jobs:***

- 195 Created
- 141 Preserved
- 651 Projected

**Starvaggi Industries (Weirton)--\$24,000 (EPA)>>>\$3,000,000 (Investments)**

***Investments:***

- \$24,000 USEPA Investment
- \$3,000,000 Estimated Private Investment

***Jobs:***

- 10 Created

**Training Center (Weirton)--\$224,000 (EPA)>>>\$3,500,000 (Investments)**

***Investments:***

- \$224,000 USEPA Investment
- \$1,700,000 Leveraged Public Investments
- \$1,800,000 Estimated Private Investments

***Jobs:***

- 10 Created

**Frontier Group of Companies, Former ArcelorMittal Property (Weirton)--\$90,500 (EPA)>>\$123,600,000 (Investment)**

***Investments:***

- \$90,500 USEPA Investment
- \$44,400,000 Leveraged Public Investments (additional grants and loans)
- \$90,000,000 Estimated Private Investment

***Jobs:***

- 50 Created
- 2,500 Projected

**Bidell Gas Compression (Weirton)--\$20,000 (EPA)>>\$8,000,000 (Investment)**

***Investments:***

- \$20,000 USEPA Investment
- \$4,000,000 Public Investment
- \$4,000,000 Estimated Private Investment

***Jobs:***

- 66 Created
- 174 Projected

**The Lodge at the Williams (Weirton)--\$77,500 (EPA)>>\$2,000,000 (Investment)**

***Investments:***

- \$77,500 USEPA Investment
- \$2,000,000 Estimated Private Investment

***Jobs:***

- 12 Created

**Jimmy Carey Stadium (Weirton)--\$196,000>>\$3,017,500 (Investment)**

***Investments:***

- \$196,000 USEPA Investment
- \$17,500 Leveraged Public Investments (additional grants and loans)
- \$3,000,000 Estimated Private Investment

***Jobs:***

- 24 Created

**Newell Porcelain (Newell)--\$90,000 (EPA)>>\$1,120,000 (Investment)**

***Investments:***

- \$90,000 USEPA Investment
- \$1,120,000 Estimated Private Investment

***Jobs:***

- 2 Created
- 70 Projected

**Chrysler Dealership (Newell)--\$10,000 (EPA)>>\$5,500,000 (Investment)**

***Investments:***

- \$10,000 USEPA Investment
- \$5,500,000 Estimated Private Investment

***Jobs:***

- 28 Jobs Created
- 12 Jobs Preserved

**Rock Springs Business Park (Former TS&T in Chester)--\$554,700 (EPA)>>\$6,541,500 (Investment)**

***Investments:***

- \$554,700 USEPA Investment
- \$2,541,500 Leveraged Public Investments (additional grants and loans)
- \$4,000,000 Estimated Private Investment

***Jobs:***

- 60 Projected

***Simply stated, EPA front-end programs provide a greater return on private investment, for every public dollar granted, than any other program in the federal government. The USEPA turns brownfields into jobfields.*** The following is a summary of the collective economic impact of the USEPA Brownfields Program in Brooke and Hancock counties in West Virginia.

- 1. USEPA Investments (grants) in Brooke and Hancock Counties (2009-2021): \$2,600,000**
- 2. 5,300 jobs** (1,310 jobs preserved/created and 3,973 jobs projected) made possible by USEPA investments.
- 3. \$474,000,000 total investment in the northern panhandle** made possible by **\$2,662,900** USEPA investments.
- 4. For every \$1 invested by the USEPA in brownfield sites in the northern panhandle of West Virginia, an estimated \$182 of private investment has been made.**
- 5. Unemployment rate dropped from 13.5% to 3.4%.**

***Why the success?*** Because the EPA's brownfields program is one of the few, if not only, economic development tool that allows rural economic development officials to be on a level playing field in the competition with urban economic development officials, with the trophy being a cleaner, healthier environment that offers new employment opportunities to our underserved communities.

***EPA assistance levels the playing field between brownfields and greenfields.*** The EPA has created programs specifically to reduce the risk of developing on brownfield sites; which without redevelopment would remain vacant and unkempt. Minimizing that risk, or spreading the risk, is essential to attracting private investment to these sites.

***What if there were no EPA?*** If there were no USEPA, there would be:

- No level playing field and brownfields would become dustfields;
- Tax bases would dry up;

- Dwindling and highly competitive government incentive packages would gravitate toward incentivizing development on greenfields and pastures;
- There would be no appetite or incentive to share the risks associated with brownfield development;
- There would be no technical assistance to economic development agencies to repurpose brownfields; and
- No money to assess brownfields (which is necessary for financing, public funding, government incentives, prospect due-diligence, cleanup, and construction).

***What if the USEPA were to continue to be funded, but the EPA de-emphasized economic development?*** The most successful attribute of the resource programs of the EPA is their ability to leverage other resources. Why solve one problem when you can solve three or four problems and achieve multiple gains? EPA programs leverage other public and philanthropic funding, private investment, job creation, job retention, community engagement and support, a cleaner environment, and socio-economic sustainability. Of the leveraged gains from the EPA programs, I would argue that ***private investment is the single largest leveraged opportunity from every EPA dollar funded.***

***The EPA Brownfields Grants are the “People’s Grants.”*** While economic conditions in our most economically distressed communities continue to deteriorate, programs such as UDAG (defunct) and CDBG simply have not consistently addressed economic disinvestment, industry retention, business recruitment, tax base expansion, housing, public health and safety, neighborhood livability, and a community renaissance as the USEPA programs. Why? Because the USEPA programs:

- **Leverages private investments** which extends the life and availability of EPA appropriated dollars. Simply put, you get more for your money.
- Require the applicants, community, and developers to have **skin in the game**; which gives these other parties ownership in the projects.
- Are **flexible. The EPA programs are flexible for the recipients** (small non-profits and economic development agencies as well as large cities and developers). They are **flexible for a variety of sites** (industrial sites, parks, libraries, gas stations, river terminals, etc). They have **flexibility in the way they are distributed** in dollar amount, match amount, and technical assistance (both direct and through a third party like a brownfields assistance center or organization like the NJIT). They are **flexible for programming** (assessment, planning, cleanup, team-building, public participation, consensus building, workforce development).
- **Encourage us to fish where there are fish.** Technical and financial resources beyond what an average post-production industrial town can offer are necessary to build a pipeline of workers from the frontline to industry clusters like energy, chemical, value-added metals, transportation logistics, agriculture, and healthcare. Educational and skills training are necessary in frontline communities. Several barriers keep training and career opportunities from being realized in frontline communities, including a lack of transportation, housing, childcare, healthcare and digital access. Communities require additional resources to be proactive in their redevelopment strategies to address the comprehensive needs of frontline communities. Federal programs currently offered by the EPA allow frontline communities to target brownfield sites that disproportionately and adversely impact low-income and minority populations. Without these programs, limited and time-sensitive opportunities will be lost, land and monies will be misdirected, and the needs of frontline communities will mount.
- **Discourage urban sprawl** and encourage sustainable city planning practices. Programs and initiatives at the EPA have allowed local governments and economic development

organizations to weave sustainable principles into growth management. This has made it possible to redirect growth from scattered fringe areas back into central business districts, where older and/or defunct plants were located, where people, services, and infrastructure already exist. By repurposing abandoned factories, we provide opportunities for revitalization and build livable communities: efficient, compact, vibrant neighborhoods integrated with public transportation, which offers a mix of uses as well as affordable housing. Brownfield sites tap into existing infrastructure and limit the need to build new roads, gridlines, and amenities, reducing both project costs and land consumption. In effect, a targeted approach to using these federal programs, alongside a targeted industry recruitment strategy, allows communities to jumpstart abandoned river terminals and rail corridors, improve existing and underutilized roads, and breath life back into idled water, sewer, gas, and power transmission lines.

- Specifically **addresses the incidence of disease and adverse health conditions** in communities where brownfields are prevalent. Many of our country's communities are situated near, or around, existing and former industrial sites that contain or discharge suspected and/or recognized toxicants such as heavy metals, solvents, polycyclic aromatic hydrocarbons, plasticizers, and insecticides. Many older educational, government, and commercial buildings contain asbestos and lead. Older transportation service facilities pose risks from petroleum products. Industrial and energy production sites, that remain active, release airborne pollutants. Temperature inversions trap these pollutants in their respective region's river valleys. These facilities along with westerly winds contribute to an air quality problem that can lead to lung and cardio-vascular disease and cancer. Contaminants found in brownfield sites circulate with fine particulate matter in the air, eventually mix with storm water, penetrate groundwater, and finally enter our river watersheds. Exposure to toxic substances, historically used in mining, production, and manufacturing operations, has been directly linked to increased occurrences of asthma, respiratory irritations, lung disorders, and cancers. Programs currently offered by the EPA allow communities to target brownfield sites that disproportionately and adversely impact low-income and minority populations. These programs ensure that areas with high concentrations of frontline communities receive necessary technical and financial resources to mitigate each of these conditions. Without the front-end support to address and resolve these challenges, private re-investment might never be realized.
- **Benefits the health and welfare of sensitive populations:** There are several environmental justice target areas in communities that contain a concentration of sensitive populations. Sensitive populations include high concentrations of children less than 9 years of age who are living in poverty, all childbearing women aged 15 to 44, citizens over 65 years of age, and households with no vehicle available and no access to a computer or the internet. The unemployment rate in these areas is generally higher than the national average. After more than a century of prosperity fueled by the factories, railroad lines, and rivers that established the American Industrial Revolution, the people in these once prosperous areas have health challenges, higher than national averages of unemployment, and lower than national averages of labor participation rates. The positive economic impact of industry is gone, but the negative environmental impact remains. EPA programs allow communities to target brownfield sites that disproportionately and adversely impact low-income and minority populations. These programs ensure the necessary technical and financial resources that allow them to reap economic and environmental benefits from private investments.
- **Encourages competition.** More importantly, the EPA encourages fair competition. That's where technical assistance comes into play. If it is not fair, the money will not get spent. An economic development organization in Miamisburg, OH, Conesville, OH, Weirton, WV, Oklaunion, TX, and Arcade, NY needs to have the same access to these resources as a

Chicago, IL, New York, NY, San Francisco, CA, Boston, MA, and Detroit, MI. The EPA programs ensures this fairness in its distribution.

***The EPA, intentionally or not, is successfully doing what many other federal programs were intended to do.*** The EPA is addressing economic conditions that are bleak in some communities. High poverty, median household incomes substantially less than the national and state averages, and low population counts that fall between 5,000-20,000 people prevent local municipalities from drawing on traditional sources of funding to catalyze an economic renaissance. Shuttered gas stations, empty commercial buildings, and dilapidated houses line the streets of once-bustling industrial and commercial economies that are now characterized as homes to many of our frontline communities. These deteriorated structures attract trespassers, illicit activity, and contribute to spiraling disinvestment. Federal programs currently offered by the EPA allow communities to target brownfield sites that disproportionately and adversely impact low-income and minority populations. Without EPA programs that provide necessary technical expertise and financial support, communities will continue to suffer from structural deterioration that not only impacts the physical environment, but also the accelerates the erosion of the fabric of the community. Without front-end support to address and resolve these challenges, private re-investment might never be realized.

***Because the EPA resource programs are so successful, one has to be careful so as to not fall in the trap of believing that everyone deserves an EPA grant.*** The success in the program is that the EPA does not “give the money away.” It is competitive, collaborative, and has minimum threshold criteria for eligibility. If all of the EPA money were to be given away, all of the money would not be spent because most communities do not have the resources, capacity, or projects to properly use, administer, and leverage EPA funds.