Committee Chairman Boxer, Committee Ranking Member Inhofe, Subcommittee Chairman Lautenberg, Subcommittee Ranking Member Crapo, and Committee and Subcommittee members, thank you for the honor of your invitation and the opportunity to present my perspective on the implementation of the brownfields program in Idaho. The brownfields program has enjoyed great successes in Idaho and has generated many fans, especially in our rural communities where trust in and acceptance of government programs and regulations is difficult to earn.

Idaho's brownfields program, first funded through a state assistance grant from EPA in late 2003, has partnered with our rural communities to turn landfills and abandoned mine sites into parks and trails, abandoned wood mills into visitor centers and white water parks, a historic grain silo into a performing arts theater, a historic laundry building into an event center, an abandoned creamery into a LEED certified municipal complex, and a former methamphetamine lab into a children's arts academy, among many other projects which led to job creation, community development, and protection of human health and the environment. Since our program's inception in 2003, we have used federal brownfields funding to conduct assessments and cleanups at over one hundred properties in dozens of rural communities, clearing thousands of acres for redevelopment, removing the stigma of environmental contamination and blight from rural communities, ultimately leading to job creation and the protection of human health and the environment. We are pleased with the results of our successful partnership with EPA and our experience leads us to believe brownfield program implementation in rural communities can be improved without increasing federal appropriations.

Two Brownfield Worlds: Metropolitan and Rural

We realized very quickly that the brownfields program works differently in rural states than in metropolitan areas and it is critical that the federal program recognize this key distinction. Consider that there are 39 metropolitan areas in the United States with a larger population than the entire state of Idaho; this is who our small, rural communities are competing against in the annual grant competition. Large metropolitan areas have staff grant writers, grant managers and environmental experts; small, rural communities do not. From both a staffing and expertise perspective, small, rural communities require substantial involvement and support from the state program to successfully and efficiently apply for, implement and close-out an EPA competitive grant. Absent the state's help, small communities either don't apply for grants or become completely overburdened attempting to manage a grant award – they literally want to give the funding back and walk away. For rural states, such as Idaho, where the expertise needed to navigate the brownfields renewal process resides at the state level and not at the rural community level, more funds need to be allocated toward state assistance programs rather than EPA competitive grants.

A Rural Grantee's Experience and How the State Assisted

Following is an example of this critical partnership between our state program and a local brownfields cleanup grant recipient. In the fall of 2003, at Washington County's request, our state brownfields program drafted a competitive grant proposal for rural Washington County. Fewer than 10,000 people live in Washington County with half of those living in the County seat of Weiser. Reluctantly, the County foreclosed on an abandoned former dry cleaner site in Weiser for failure to pay property taxes over three consecutive years. The shuttered dry cleaners located on the central corridor through Weiser had a known soil and groundwater contaminant plume which crossed under a residential area. The County

correctly identified the brownfields program as a solution for assessing and cleaning up the property so that it could be returned to productive use.

However, when County officials looked at the 53-page EPA grant proposal guidelines, they were discouraged from applying since they had no one on staff versed in federal grant writing, brownfields law, economic development, or environmental consulting. The County Clerk became the local champion for this project, so the task fell to her. She called me in October 2003, almost in tears, asking if we could assist with their grant proposal. We ended up crafting a successful proposal for the County, which EPA selected for funding, 7 months later. The County did not have experience managing federal grants and was quickly overwhelmed when their EPA project officer identified all of the federal reporting and regulation compliance documentation with which the County would be required to comply, including: workplan creation, cooperative agreement negotiation, detailed budgets, quarterly reporting, procurement requirements, the need to develop and advertise a request for proposal for contractor services, Endangered Species Act compliance, National Historic Preservation Act compliance, and many other requirements which need to be satisfied in order to successfully manage a federal grant. Despite the fact that this project was relatively small in scope, the estimated amount of time required to comply with these grant requirements is approximately 300 hours, or 15% of a full time equivalent employee. This was an expense and level of expertise that Washington County was in no position to meet. The Washington County Clerk called and informed me that they would be refusing the EPA brownfield assessment grant because it was too complicated and they didn't understand all of the requirements, let alone how to comply with them. Our state brownfields program was only 8 months old at this point, but it had already become clear that we needed to provide extensive support to Idaho recipients of EPA brownfields grants.

From that point forward, we managed the grant for Washington County. We helped them craft their workplan and negotiate a cooperative agreement with EPA. We wrote a request for proposals for consultant services and aided in the selection of a qualified consultant to conduct assessment work. We completed the EPA Region 10 site eligibility documentation for the abandoned dry cleaners and completed all the other federal compliance documentation such as Endangered Species Act consultation and National Historic Preservation Act Section 106 compliance. We provided oversight for Washington County during all site activities and assisted with the quarterly reporting to EPA. We also utilized our state brownfield program funding to conduct additional assessment and limited cleanup at the site.

With all of this assistance, the County was able to successfully implement and close out the grant. The County subsequently sold the property to a private, for-profit small business. The new business put over $40,000 into property revitalization, opened up a sign and T-shirt printing company and created three permanent, full-time jobs. The property is no longer a source of soil and groundwater contamination, it was returned to the tax rolls of the County, and is now a productive place of business instead of an environmental threat and neighborhood blight.

Grant Applicants Request State Assistance

This is just one of the many examples of the Idaho brownfields program's support of rural brownfield projects. We have had a significant hand in writing either in whole or in part, all of the competitive EPA brownfield grant applications awarded to Idaho applicants. Additionally, our EPA funded state brownfield program plays a substantial role in the management of all competitive brownfield grants

awarded to Idaho applicants. Without our support and assistance, it is unlikely that the competitive grants in Idaho would have been implemented successfully. In fact, grant applicants actively seek out our involvement in crafting proposals, implementing the grant, overseeing field activities, and interpreting assessment and cleanup reports.

State-Led Actions Improve Program Efficiency and Local Stakeholder Attitudes in Rural Idaho

Aside from assisting competitive grant applicants in Idaho, our EPA funded state program also conducts site specific assessments and cleanups at brownfield properties throughout the state at the request of local governments, renewal agencies, and non-profits. These projects are primarily conducted in rural areas and are instrumental in removing the stigma of environmental contamination and blight from rural town centers. Since we are involved in at least twenty (20) to thirty (30) state-led assessment or cleanup actions at rural brownfield sites per year, we have significant experience in complying with all federal regulations and reporting requirements relative to brownfields. When our state program directly funds an assessment or cleanup, we always absorb the numerous federal compliance requirements such that our clients only have to spend about an hour or two on paperwork for a project from application through the final report, saving federal funding and saving grantees 100's of frustrating hours. The project is completed efficiently with the client feeling positive about their experience working with government.

By implementing our program as I just described for the past eight (8) years, our state assistance program has established excellent working relationships with all the appropriate federal, state, and local contacts we need to successfully implement a brownfield assessment or cleanup. We have private contractors under contract with whom we work to efficiently develop work plans for assessing and cleaning up brownfield sites. Because of our experience and the structure of our program, we are able to conduct brownfield assessments much more efficiently through our EPA funded state program as compared to Idaho grantees who are directly funded by a competitive EPA grant.

This state-led strategy allows local brownfield project champions to drive the process at the local level while we work behind the scene to line up and execute the project with almost no administrative impact on our rural clients. The result is that our EPA-funded state program is able to assess properties in 1/3 the time and at 1/3 the cost (per acre assessed) when compared to Idaho grantees directly funded through an EPA competitive grant. It is important to remember that aside from the environmental benefit of brownfield assessment and cleanup, the service that our rural stakeholders truly value with respect to this program is that we remove environmental barriers to economic development. It is important to our rural communities that these barriers be identified and removed in a timely manner so they can move forward with redevelopment projects.

Typical EPA Grant Timeline for Idaho Projects

Developers, property owners, contractors, and the general public tend to become disillusioned with projects, especially government funded projects, if they drag on too long and are seen as a burden on community resources. Our state-led approach of directly assisting rural communities with their brownfield redevelopment projects are efficient and place no burden on local government staff time or resources. This preserves the precious time and resources the community can devote to redeveloping

properties and putting people back to work rather than devoting that energy to competing for a federal grant for which they may not be prepared to implement if they are even selected for funding.

As discussed, timing is critical on redevelopment projects, a two-year process for completing an assessment or cleanup just doesn't work for anything but the largest of projects; yet that is what you get with the competitive grant process. If a rural community were to successfully compete for an EPA brownfield assessment grant, they would need to start crafting their proposal at least two to three months prior to the proposal deadline. If EPA selects the proposal for award, that announcement is generally made six (6) to seven (7) months after the proposal deadline. After that, the grant awardee must develop a workplan and negotiate a cooperative agreement with EPA before grant funds are actually awarded, often an 8-10 month process. The actual funding is usually in place by October 1, a full twelve (12) to fourteen (14) months after the grantee started working on their proposal. The intended environmental assessment does not take place for at least six (6) months after the grant funds are in place due to federal grant requirements which include a community involvement plan, procurement of contractor services, and other federal requirements. Environmental assessment work from planning until the final report can take up to six (6) more months even for fairly simple sites. The result is a two year lag between the identified need for a brownfield site assessment in a rural community and the completion of an assessment report.

Typical State-Led Project Timeline for Idaho

In contrast, Idaho's State brownfield program regularly completes brownfield assessment projects in less than six (6) months from the time we receive an application until the time we deliver a final assessment report, while meeting all of the same federal requirements. This timeline is much more in line with development projects than the much longer EPA competitive grant process. If you can imagine shepherding the exact same project through the EPA competitive grant process and Idaho's brownfield program simultaneously, the result would be that the state-led project would be complete before you know whether or not EPA selected your grant proposal for funding.

Why Our Rural Communities Need Support from the State Brownfields Program

While the two-year competitive grant process may work well in metropolitan areas, which tend to have larger, more complex, and therefore more expensive sites to assess, the relative lack of available staff time, expertise, and financial resources in our rural communities precludes many of our rural communities from applying for competitive grants. Additionally, many of the brownfield sites in our rural communities do not require the level of funding commonly sought for competitive grant proposals. It is often the case that our state program can remove environmental barriers to redevelopment of rural properties with a total expenditure of $5,000 to $50,000, depending upon the site. While this dollar amount may sound small, to a community of 5,000 people or less, which are very common in Idaho, these dollar amounts are significant and largely unattainable with the limited tax base available to most rural communities.

Aside from ability to access funding and expertise, rural communities have another very real hurdle when it comes to brownfield revitalization. With few exceptions, rural property is significantly less expensive than the same acreage in our most populated city, Boise. There is no motivation for a developer to spend thousands of dollars to have a potentially contaminated site assessed in a small

town when they can go 50 yards down the street and develop uncontaminated bare ground at no risk. This tends to leave smaller towns with a "doughnut effect" where the core of the town falls into blight as development leap-frogs to the margins of the community.

Statistics Support the Value of Idaho's Brownfields Program

The statistics support our conclusions that rural states and communities are being left out of the competitive grant award process. Of all EPA competitive grants, approximately 50% of awards are made in EPA Regions 1 and 3 alone, predominantly in metropolitan areas. EPA Region 10 (Alaska, Washington, Oregon, and Idaho) on average receives 4% of competitive EPA grant awards annually. Region 10 also submits fewer applications than all other regions in the country. This is largely a function of the rural nature of our states, rather than lack of need for brownfield assessment and cleanup funding. Our region boasts 25% of the United States land mass with only 4% of the United States population. We simply do not have the same capacity to adequately compete for or implement EPA competitive grants as more populace regions. It is tempting to dismiss our need for brownfield funding based on our rural nature, but consider the impact a $50,000 project can have when an abandoned, blighted gas station on Main Street in a town of 4,000 is brought back into reuse as a café, or a bank, or a farmer's market. Also, consider that we often work to remove environmental barriers to entire historic mining districts covering tens if not hundreds of acres per site. Rural states and communities need these funds; we just can't compete for them under the current system.

Despite Efficiency, State Assistance Funding is Being Reduced

Idaho's EPA funded brownfields program has a very successful track record of promoting and implementing brownfield revitalization which ultimately leads to job creation, reduction of environmental contamination, and community renewal. However, our business model is vulnerable to the threat of reduced funding. While the current allocation of federal funding for state brownfield programs remains static, the addition of new states, tribes, and territories applying for federal assistance is increasing. The result is that state assistance program funding is being reduced year to year. If the current trend continues, Idaho's program will reach a point where we have to choose between the level of service we provide to EPA grant awardees in Idaho or the number and scope of direct assessments and cleanups we perform for rural Idaho communities. We will maintain a balance for as long as we can, but at some point we will be forced to make those choices, effectively picking winners and losers.

A Solution Without an Increase in Appropriation or a Change in the Brownfields Law: Stabilize State Assistance Funding With Competitive Grant Funds

There is a solution to this dilemma without the need to appropriate additional funding at the federal level. It is my understanding that funds can be moved from the EPA competitive grant program into the EPA funded state assistance grants without a change in the brownfields law. By moving some of these funds from the EPA grant program into the state assistance grant program, EPA can keep funding state programs like ours as we effectively target and assist rural communities which cannot realistically participate in the EPA competitive grant program. Based on the current performance of Idaho's brownfields program, such a shift in funds would be a bargain for taxpayers since our brownfield

activities are completed in 1/3 of the time and at 1/3 of the cost per acre as compared to EPA funded competitive grant projects in Idaho

Additional Challenges for Rural Idaho

Idaho's rural communities are facing additional brownfield challenges due to the downturn in the economy. Businesses which once thrived are shuttered and abandoned. Some of these abandoned properties are the source of environmental contamination in some Idaho small towns. Due to this contamination and the downturn in the economy, property owners are unable to lease or sell their properties. Cash strapped owners are starting to walk away from contaminated commercial and industrial properties by not paying property tax to Idaho counties. Counties are required by Idaho statute to foreclose on real estate once property taxes are three (3) years in arrears. If the cost of assessment or cleanup is greater than the value of the property, some property owners figure it is less costly to simply stop paying taxes and let the property revert to the county. Idaho counties rely on our brownfield program to assist them in assessing and cleaning up these involuntarily acquired properties which sometimes pose a real threat to human health and the environment as well as presenting themselves as blights after being abandoned for three (3) or more years. This is a trend that seems to be increasing rather than decreasing at the same time that our program's funding is being reduced. Again, if funds were moved from the EPA competitive grant program to the state assistance grant program, we could ensure that we are able to continue to assist rural Idaho counties facing the involuntary acquisition of contaminated properties.

Other Opportunities to Improve the Brownfields Law

There are other opportunities for improving the brownfield program's performance nationally, but these opportunities would require some minor changes to the current law. One opportunity for improvement would be to change the eligibility requirements for petroleum brownfields to match that of hazardous substances brownfields. The current law states that, in order for a petroleum site to be eligible for federal brownfield funding, the current owner needs to be two (2) owners removed from the last property owner to dispense petroleum at the site and/or a potentially responsible party. This stipulation is very difficult to explain to our stakeholders, presents an artificial obstacle for assessing, cleaning up, and revitalizing former petroleum sites, and unnecessarily adds to the documentation burden borne by organizations attempting to implement successful brownfield programs. Another opportunity to improve the program would be to create greater access to federal brownfield funding for rural communities by removing the limit on site specific activities conducted by state and tribal assistance grant recipients. The current limit is set at 50% of total grant funding. This seems to be an arbitrary limit, especially for state programs like ours which provide so much direct support to rural communities that would normally not have access to brownfield funding.

While the last two suggestions for improvement are of import, it is starting to become critical that we figure out a way to stabilize brownfield funding to states. Without a stabilized funding source, our ability to implement the brownfield program in rural communities will be compromised. One very straightforward way of accomplishing this stability, without appropriating more funds or changing the brownfield law, would be to move funding from the EPA competitive brownfield grant program, where metropolitan areas dominate, to state assistance grant funding. Again, as the chart below shows, our state program is much faster and less expensive to implement at the project level than the EPA

competitive grant program. Making this funding shift would increase brownfield effectiveness and efficiency in rural communities; it would also be a bargain to the United States taxpayers.

Brownfield Assessment Performance by Funding Source Type

	Total acres assessed by type	Total assessment costs ($) by type	Cost ($) per acre assessed by type	Average length of assessment*
EPA Competitive Grant (Idaho grantee)	147.219	767,658	5,214.39	30 months
Idaho Brownfield Program – funded by EPA state assistant grant	1,154.322	2,034,601	1,762.59	6 months

*Denotes length of time from application until final report(s)

Conclusion:

State-led assessments cost less than 1/3 of EPA competitive grant funded assessments and take less than 1/3 the amount of time, in Idaho.

EPA Competitive Brownfield Grant Awards by Year and EPA Region (2004 – 2010)

EPA Region	2010 $ Awards	2010 # of Applications	# of Awards	2009 ARRA $ Awards	2009 # of ARRA Awards	2009 $ Regular Awards	2009 # of Regular Awards	*Total 2009 Awards (Regular and ARRA*	*2009 # of Applications (used for both Regular and ARRA)*
1	16,115,500		49	7,440,033	24	17,150,000	46	***70***	***102***
2	6,031,666		23	1,800,000	8	3,200,000	6	***14***	***33***
3	4,600,000		18	2,660,000	9	3,500,000	9	***18***	***47***
4	9,300,000		33	5,800,000	13	10,800,000	29	***42***	***102***
5	26,605,500		71	9,650,000	25	19,994,000	44	***69***	***134***
6	3,400,000		12	2,232,200	6	5,434,495	15	***21***	***48***
7	3,583,000		7	1,600,000	7	1,960,000	8	***15***	***26***
8	2,700,000		6	1,000,000	4	2,600,000	4	***8***	***16***
9	5,341,085		19	3,876,900	13	8,050,000	23	***36***	***54***
10	1,045,213		3	1,050,000	3	1,200,000	6	***9***	***22***
Total	**$78,721,964**		**241**	**$37,109,133**	**112**	**$73,888,495**	**190**	***302***	***584***

EPA Region	2008 $ Amount	2008 # of Applications	2008 # of Awards	2007 $ Amount	2007 # of Applications	2007 # of Awards
1	11,317,250	93	60	18,784,700	102	80
2	3,310,000	32	17	3,100,000	28	16
3	4,128,524	56	21	4,000,000	41	13
4	11,227,080	70	49	9,200,000	64	17
5	26,002,770	129	91	18,534,000	146	81
6	4,941,130	46	17	5,800,000	33	11
7	4,330,360	30	23	4,125,515	28	17
8	2,050,000	11	5	988,450	15	5
9	6,300,000	61	29	2,228,723	36	17
10	1,247,900	21	7	2,112,254	27	11
Total	**$74,855,014**	**549**	**319**	**$68,873,642**	**520**	**268**

EPA Region	2006 $ Amount	2006 # of Applications	2006 # of Awards	2005 $ Amount	2005 # of Applications	2005 # of Awards
1	10,922,744	70	47	11,649,090	75	53
2	3,400,000	34	17	2,044,378	28	11
3	6,328,046	41	28	4,480,000	38	22
4	5,100,000	51	26	4,233,000	57	19
5	22,472,150	108	84	21,895,000	85	78
6	3,499,955	36	17	7,523,531	38	16
7	2,561,000	13	13	5,090,427	25	24
8	1,359,000	20	7	3,070,000	20	12
9	11,536,000	39	39	7,349,420	44	34
10	2,761,024	25	14	6,932,464	36	23
Total	**$69,939,919**	**437**	**292**	**$74,267,310**	**446**	**292**

EPA Region	2004 $ Amount	2004 # of Applications	2004 # of Awards	Total Each Region	Total Region Awards	
1	8,629,213	87	40	$102,008,530	399	CT, ME, MA, NH, RI, VT
2	3,283,555	52	16	$26,169,599	114	NJ, NY, Puerto Rico
3	4,155,000	37	15	$33,851,570	135	DE, MD, PA, VA, WV
4	6,225,000	49	26	$61,885,080	212	AL, FL, GA, NC, SC, TN, KY, MS
5	27,264,483	115	67	$172,417,903	541	IL, IN, MI, MN, OH, WI
6	4,239,733	42	18	$37,071,044	112	AR, LA, OK, TX, NM
7	3,800,000	16	11	$27,050,302	110	IA, MO, KS, NE
8	2,377,538	22	12	$16,144,988	55	CO, MT, ND, SD, UT, WY
9	10,396,334	49	36	$55,078,462	210	AZ, CA, HI, NV, US Territories
10	4,080,778	35	24	$20,429,633	91	AK, ID, OR, WA
Total	**$74,451,634**	**504**	**265**		**1,979**	

Return on Investment at One Urban and One Rural Brownfields Revitalization Project in Idaho

Category / Site	American Linen - urban	Albion Normal School - rural
Assessment dollars expended:	$90,000	$58,000
Jobs created during redevelopment	40	14
Total payroll during redevelopment	$850,000	$400,000 (estimate from owner)
Employees currently employed	7	20
Part time	5	19
Full time	2	1
Total current payroll	$210,000	$80,000
Annual operating expense (non-payroll)	$280,000	$150,000
Total material cost for redevelopment	$1,400,000	$600,000
Structures remodeled	3 @ 26,000 square feet One of these structures is on the National Register of Historic Places	7 @ 120,000 square feet All structures on the National Register of Historic Places
Assessed value prior to redevelopment	$900,000	Exempt, owned by City of Albion prior to redevelopment. Property was always exempt from valuation due to public ownership. Purchase price was $600,000, so we assume this to be the fair market value pre-redevelopment
Assessed value post redevelopment	$2,500,000	$1,400,000
Increase in property value	$1,600,000	$800,000 (see assumption above)
Annual taxes prior to redevelopment	$10,000	$0 due to public ownership
Annual taxes post redevelopment	$20,000	Estimated at $10,000
Other indicators	1. Led to purchase and redevelopment of 4 other buildings in the "Linen District" with a total economic development benefit of over $10,000,000 2. All original infrastructure was able to be reused. No infrastructure costs were incurred by local utilities or governments as a result of this development.	1. Construction of senior center on the campus property valued at $250,000 2. Local catering business saw an increase in revenue of $35,000 annually once the campus re-opened.
One time redevelopment investment	$3,850,000	$1,800,000
Annual economic return	$510,000	$240,000
Total project return on assessment dollars during first year of operation	$48.44 return per $1 of brownfield assessment funding	$35.17 return per $1 of brownfield assessment funding