

**Environmental Finance Center Network
Syracuse University - Region 2
1999 Annual Report**

**ANNUAL REPORT
1999**

**Environmental Finance Center
Syracuse University
U.S. EPA Region 2**

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Summary

The United States Environmental Protection Agency's (EPA) Region 2 Environmental Finance Center (EFC) at Syracuse University's Maxwell School of Citizenship and Public Affairs was established in 1993. Since its establishment, the Maxwell EFC has aggressively undertaken a wide range of environmental financing projects and activities, and built a considerable record of accomplishment. The foci of the EFC has included full-cost pricing of environmental services, the value of intergovernmental cooperation in addressing environmental improvement projects, collaborative planning among public and

private environmental service providers, and the coordination of technical assistance services available to rural communities. In each of these areas, the EFC has either provided customized assistance to communities or facilitated the coordination and delivery of services from public and private agencies.

The primary activity of the EFC in 1999 was the planning of the Environmental Finance Technical Assistance Program (EFTAP), a project sponsored by the EPA Office of International Activities to impart valuable training in environmental finance to government professionals in Russia. In August, the EFC conducted a one-week introductory training event for a delegation of government and academic professionals from Russia. The delegation considered the event successful and informative. The EFC is planning a second, more comprehensive delegation visit, anticipated to span a three-week period of time. During 1999 the EFC continued to assist communities with the use of an EPA supported Windows[®]-based computer software program for setting financially responsible water and wastewater rates. This computerized rate model was developed for use by local water and wastewater systems. The EFC made numerous presentations on its capability and applications. Other presentations focused on topics of public finance, capacity development, capital budgeting, and topics relative to the broader area of environmental governance.

The EFC continued to participate in and further establish collaborative relationships with other government-supported programs, public agencies, institutions of higher learning, and environmental technical service providers.

These relationships have continuously fostered new and exciting opportunities for the EFC to enhance its strength and the capacity it has to deliver much needed services to local governments. Rural communities have remained a strong focus of the EFC as it continues to build upon its relationship with the New York State Rural Development Council. EFC Director of Projects, Kim Collins, was appointed to serve on the Executive Committee of the Rural Development Council in 1999. Towards the end of 1999, the EFC entered a collaboration with the City of Syracuse to assess its planning in brownfields redevelopment and housing rehabilitation. All of these activities will continue to flourish into the new millennium.

Currently, the EFC and its various partners are planning and implementing projects that will prove to assist communities in planning environmental improvement and infrastructure activities. A chief activity is the development of the Environmental Management and Finance Institute, a training and networking program to enhance the skills of municipal professionals. Syracuse University faculty and students have continued to participate in specific EFC projects. In May, 1999, seven Master of Public Administration students from the prestigious public administration program of the Maxwell School dedicated three intense weeks to researching the smart growth policies of New York State. The Rural Development Council and the New York State Department of State sponsored the research.

The EFC expects 2000 to be a year in which the efforts of all past and present activities will buttress existing partnerships, continue to build new partnerships, and spawn enduring programs and, thus, enhance the services it provides to EPA Region 2.

Summary of Activities

Conferences, Special Projects, and Presentations

January-April, 1999. Prepared final copy of the "*Environmental Financial Technical Assistance Program*" as a proposal for submission to the EPA Office of International Activities. The proposal involves the delivery of environment-related public finance training to government managers in Russia seeking to pursue environmental remediation and infrastructure projects.

February, 1999. Collaborated with the USDA Rural Utility Services to present environmental finance and infrastructure development information at the New York State Association of Towns Annual Conference in New York City.

February, 1999. Presented, "Water and Wastewater Rate Setting" and "Capital Budgeting" at two separate conferences sponsored by the New York Rural Water Association in Corning, and Cobble Skill, NY.

February, 1999. Presented "Environmental Finance Centers: An EPA Outreach Program" to doctoral, graduate, and undergraduate biology and forestry students in Syracuse, NY.

March, 1999. Facilitated "New Procedures for Environmental Reviews and Funding", for the purpose of explaining new regulations in USDA funding and to elicit input from community officials, nonprofit technical service providers, and private sector engineers.

April, 1999. Presented, "Water and Wastewater Rate Setting" and "Capital Budgeting" at a workshop sponsored by the New York Rural Water Association in Lake Placid, NY.

April, 1999. The EFC Executive Director and Director of Projects attended the International Environmental Finance Conference in Moscow, Russia, with representatives of the EPA Environmental Finance Program and the EPA Office of International Activities.

June, 1999. Facilitated a Capacity Development stakeholder meeting for the New York State Department of Health as part of the process of preparing a strategic plan for the capacity development component of the Safe Drinking Water Act.

June, 1999. Seven Master of Public Administration students presented "Smart Growth Policies in New York State" to the New York State Department of State and Office of the Secretary of State in Albany, NY.

June, 1999. Presented "Environmental Finance in Russia" to the Infrastructure Working Group of the Rural Development Council, in Syracuse, NY.

July, 1999. Facilitated a Capacity Development stakeholder meeting for the New York State Department of Health as part of the process of preparing a strategic plan for the capacity development component of the Safe Drinking Water Act.

August, 1999. Hosted a delegation of seven government representatives and scholars from Russia for one week, introducing them to concepts of environmental and public finance, in addition to conducting site visits to organizations and firms specializing in public finance and municipal bonds.

September, 1999. Provided hands-on training in environmental and public finance to a visiting scholar from Russia for one month at the Maxwell School facilities.

September, 1999. Facilitated a Capacity Development stakeholder meeting for the New York State Department of Health as part of the process of preparing a strategic plan for the capacity development component of the Safe Drinking Water Act.

October, 1999. Hosted a delegation of Directors General (senior level government officials) from China, to a site visit at the EPA's Environmental Finance Program and Office of International Activities in Washington, DC.

November, 1999. Participated in the Neighborhood Reinvestment Corporation "NeighborWorks" 1/2 conference, sponsored by the U.S. Department of Housing and Urban Development, Home Headquarters, Inc., and the City of Syracuse.

December, 1999. Conducted an Advisory Committee meeting to develop the *Public Management and Finance Institute*. Representatives from primary environmental infrastructure funding and technical assistance agencies provided input into the training needs of communities, in addition to exploring resources available to the Institute through the agencies.

December, 1999. Assisted Eco-Village of Ithaca, NY, a unique housing cooperative designed as an environmentally sustainable community, in assessing financing options for the development of a second, mixed income, set of units on the land.

On-Going Activities and Projects

Attendance at professional association meetings and presentations on capital planning and financing; the concepts of water and wastewater rate setting; environmental governance; intergovernmental cooperation; collaborative planning; capacity development; sustainable community issues; and brownfields redevelopment.

- Maintaining database of past EFC program participants, workshop attendees, prospective clients, and technical service providers.
- Participating in planning prospective projects with the Rural Development Council (RDC). In 1997 the EFC facilitated the creation of physical space at the Maxwell School facilities for the RDC to locate its headquarters. The close proximity has resulted in a continuous flow of information exchanges, mutually beneficial professional consultation sessions, and the creation of prospective collaborative projects, including annual projects for Master of Public Administration graduate students.
- Supporting the New York State Department of Health in preparing a strategic plan for the capacity development component of the Safe Drinking Water Act. The EFC is committed to facilitating the process by hosting stakeholder meetings, conducting follow-up tasks, and ensuring that all interests are included and input into the plan is elicited.
- Collaborating with the United States Department of Agriculture Rural Utility Services to provide assistance to rural communities seeking to address environmental infrastructure development and improvement projects.
- Serving as a content provider to government and non-profit organizations that provide assistance and conduct workshops

for municipal decision-makers.

- Continued emphasis on collaborating with other universities and non-profit organizations to develop proposals addressing environmental concerns.
- Continue to host and facilitate meetings and programs on behalf of the Infrastructure Working Group of the Rural Development Council.
- Developing the Public Management and Finance Institute to provide training relative to the financing and management of environmental infrastructure development and improvements under consideration by local governments.

Accomplishments

Environmental Finance and Technical Assistance Program

Project Description

In the fall of 1997, the EPA's Office of International Activities (OIA) approached EFC 2 about the prospect of conducting an environment-related public finance training program for government managers in the Russia. The EPA-OIA asked EFC 2 to lead the EFC Network by preparing a proposal to provide a technical assistance and training program in Russia. Located at the Maxwell School of Citizenship and Public Affairs, which is known worldwide for its public finance expertise, EFC 2 was postured to tackle a challenge that would require a combination of experience in international affairs, environmental policy, and public finance. The EPA-OIA initially planned for the technical assistance program to complement a separate proposal that would establish a bond guaranty fund in Russia. As the concept was being developed by EFC 2, it became clear that a training program of this kind could complement most existing United States-initiated environment-related projects active in the international community. The initial focus would be Russia, where the program would be "fine-tuned" for content. The final proposal for the technical assistance program was submitted in May, 1999, and resulted in an award of \$475,000, through a cooperative agreement, to proceed with the project in Russia. An additional award of approximately \$400,000 is anticipated for the program in 2000.

Project Activities

Planning

Beginning in 1997, EFC 2 held a number of strategy sessions with faculty members, visiting international scholars, and professional consultants to fully examine the dynamics of a training program attractive to government managers in the international community. Issues such as language and culture, technology, political status, and environmental remediation needs were explored in each of these sessions. Over time, EFC 2 developed a proposal that can deliver technical assistance not only to Russia, but also to other countries, most notably in China where Syracuse University currently enjoys strong partnerships with governmental and academic organizations.

At this writing, the most significant planning efforts involve the preparation of a topical analysis of tax policy in Russia and the development of training modules for delivery beginning in the spring of 2000 and continuing through the autumn of 2000. The modules will integrate material ranging from the basic principles of public finance to current best practices of public administration and public finance techniques. Russian government professionals will receive hands-on training in the application of public finance principles to problems present in Russia. The training will begin with problem identification techniques and end with project development and implementation applications. The modules will be progressive in design, beginning with an introductory component followed by an intermediate component. The last component will consist of case studies developed for use as curriculum material and international presentations.

The Environmental Finance Technical Assistance Training Program (EFTAP) incorporates a series of processes that accommodate the specific needs of countries in customizing training programs that will foster enduring public finance practices. The EFTAP can best accomplish its mission to deliver high quality public finance training if the various realms of political, economic, cultural, and technological capacities of participating countries are understood and incorporated into all planning efforts. Government managers participating in EFTAP can best achieve the development of high standards and best practices of public finance if their specific histories and current needs are considered in the planning process. Thus, EFTAP is a comprehensive training program that can be customized to accommodate most situations of the international community. The current focus on Russia will enable the EFC to "test" the contents of all curriculum and training material.

Highlights of the EFTAP planning include:

- assessing municipalities for strengths in current public finance practices;
- accommodating language and cultural differences;
- establishing enduring in-country partnerships;
- developing networking opportunities in the United States for government managers from the international community to use as additional resources to learn techniques and best practices from practitioners at the state and local levels of government; and
- transferring successful United States-based practices to other countries.

EFC 2 has generated the interest and involvement of academic, public finance, and environmental professionals who have already delivered training and presentations or are currently planning the delivery of EFTAP components in the near future. Partnerships with organizations, such as the International Public Administration Institute, have been formed and members of the EFC Network have also contributed to the design of the program. In a recent trip to China, EFC Director Bill Sullivan, met with officials in China who indicated a strong interest in EFTAP and are currently in the process of planning the environmental remediation needs of the country. Furthermore, as representatives from the international community have visited Syracuse University, EFC 2 staff members have met with them to establish foundations for EFTAP to build new partnerships.

Partnership Building

In April, 1999, representatives of the EFC2 and the EPA Environmental Finance Program and the Office of International Activities visited Moscow, Russia for one week. During the visit, the group met with managers of government agencies and organizations, including the Russia State Committee for Environmental Protection, the Russia Environmental Fund, and the National Pollution Abatement Facilities. Through these meetings, the group was able to assess the current resources Russia has available to address environmental conditions in Russia and the extent to which the EFTAP can serve as a resource for Russia's government managers to more efficiently tend to basic environmental infrastructure development concerns. All organizations were receptive to the EFTAP concept and agreed to participate in a delegation visit to the U.S. to develop an understanding of the training and technical assistance available through the EFTAP.

Upon returning from Russia, the U.S. group held regular meetings to discuss various methods of delivering training and technical assistance to Russia. It was concluded that the identification of specific problems existing in Russia would be valuable to the demonstration of environmental finance tools. A second visit to Russia was scheduled for the purpose of identifying projects suitable for the application of finance tools and techniques. An equally important purpose of the visit was to solidify partnerships with government agencies, technical assistance providers, and academic organizations in Russia.

In July, 1999, three representatives of the EFC returned to Russia, including one faculty member. The group met with representatives of government agencies, United States-based finance firms, and Russian private banking professionals. Meetings of this kind promote the establishment of relationships necessary to implement effective training programs abroad.

Project Development and Implementation

The July visit to Russia revealed that government managers of Russia would derive significant benefit from presentations ranging from basic public finance principles to site visits at organizations involved with financial arrangements for environmental projects in the U.S. An agreement had been made for the EFC to plan the first Russian delegation visit for August 21-28.

Presentations to the delegation focused on the following topics:

Basics of Public Finance -- presented by Maxwell School Professor Larry Schroeder

Local Government in Onondaga County, NY -- presented by Ed Kochian, Deputy Executive, Onondaga County

Basics of Project Finance in the United States and Financing Environmental Infrastructure -- presented by Michael Curley, Environmental Financial Advisory Board member and private consultant

Provision of Water Services to the Public -- presented by Nick Kochan, Onondaga County Water Authority

United States Environmental Protection Agency Environmental Finance Program -- presented by George Ames and Tim McProuty of the USEPA Environmental Finance Program (EFP)

Water and Waste Water Rate Setting -- presented by Bill Jarocki, Director of EFC 10 at Boise State University in Idaho

Solid Waste Management -- presented by Scott Rader of the Onondaga County Resource Recovery Agency

Financing projects through bond issuance -- presented by Terri Agriss and Jim Gebhardt of the New York State Environmental Facilities Corporation

Municipal bond market in the U.S. -- presented by Merrill Lynch in NYC

In addition to the training material, the delegation was officially welcomed to the U.S. by New York State Senator John DeFrancisco. Dr. Astrid Merget, Chair of the Public Administration Department at the Maxwell School also welcomed the delegation with a discussion on the value of international partnership building and the promotion of public finance techniques. Delegation members reported that the visit was successful and that the material presented was essential to the development of public finance skills for government managers in Russia.

Outcomes

The EPA-OIA and EFC 2 continue to collaborate in the development of the EFTAP components. Programs of this nature necessitate ongoing flexibility and attention to international political and economic conditions. The EFC is proud of the accomplishments it has made in taking the EFTAP from conception to the current stages of dual planning and implementation. Among the notable outcomes are:

- The creation of working partnerships in the international and domestic communities.
- The introduction of EFTAP to the international community through an eventful visit to the U.S. of a delegation of Russian government and academic representatives.
- Successful assessment of environmental infrastructure conditions in China and Russia.
- The development of training concepts to be implemented through modules and simulations for the purpose of imparting best practices in environmental finance and public administration.

A last noteworthy event to take place in the realm of the international work of the EFC and the Executive Education Office at the Maxwell School is the honor bestowed on Executive Director Bill Sullivan through the prestigious "Friendship Award" from the Chinese government in 1999. The award is a direct result of the hard work and dedication Mr. Sullivan has put forth in developing public finance and administration training internationally.

Public Management and Finance Institute

Project Description

Since the EFC was established at the Maxwell School, it has served as a resource for municipal professionals through a variety of presentations, workshops and other forums. The Public Management and Finance Institute (PMFI) is a natural outgrowth of these activities. It will serve as a means for municipal professionals and leaders from New York State communities to learn, explore, discuss and debate the principles of public finance. The PMFI will be dedicated to assembling a core faculty to address the most critical environment-related issues of our time and propel local governments to use approaches designed for results and clear impact. Aside from the instructional feature, the PMFI will foster professional networking among public finance practitioners through the use of internet technology, retreats, research, publications, networking, and an annual conference.

Activities

In order to find the best methods to develop and promote the PMFI, an advisory committee was formed to provide assistance in determining the participant audience needs for program content. Advisory committee members include representatives of the NY Rural Development Council, Rural Community Assistance Program, USDA Rural Utility Service, Rural Water Association, NY Secretary of State's Office, NY Environmental Facilities Corporation, Government Finance Officers Association, and three private sector finance consultants. The first advisory committee meeting was held on December 2, 1999. The meeting resulted in the identification of goals for the PMFI and discussions regarding approaches and incentives to induce active participation.

Goals

To provide municipal professionals with a high caliber program in public service emphasizing public finance policy and best

practices in public management;

To apply tested environmental finance tools developed by individual EFCs to specific problems faced by participating municipal professionals;

To present hands-on learning opportunities through the use of simulations and case studies of public finance issues, particularly those related to environmental infrastructure;

To play a formative role in developing leaders responsible for key public finance policy decisions affecting municipalities faced with environmental infrastructure development and improvement issues;

To build networks to support and provide educational opportunities for public administrators and finance professionals through the Executive Education Programs and/or traditional degree-based programs;

To establish, through the participant network, a repository of information which details current issues and problems in the public administration/finance arena in the region; and

To create and manage an interactive internet web site as a resource for small governments in need of multi-faceted technical assistance for environmental finance concerns.

The PMFI will base its training approach on highly interactive and participatory methods. The course agenda will provide a combination of theoretical and practical knowledge, reflecting a dynamic and responsive process dedicated to addressing the most critical issues of the time. The program content will be comprised of these components: 1) leadership fundamentals, 2) technical public finance skills, and 3) individualized strategic plans.

Using these three components as the basis to develop the PMFI, simulations of real-life environmental finance problems will be created for training purposes. Experts in the appropriate fields will work with faculty and members of the Environmental Finance Center Network to prepare case studies of environmental finance problems and design the simulations to allow PMFI participants to "role-play" the problem from the identification to the resolution stages.

To launch the PMFI, a three-day session for municipal professionals and leaders of New York State communities is tentatively planned for the Spring of 2000. As the program matures, it will develop into a three-week session. This longer course will enable participants to study the agenda topics in greater depth and include a component for site visits. The program's ultimate goals are to include community leaders from other states and to develop a specialized program that can also include international participants.

Outcome

The planning of the PMFI is fully underway. Reporting of measurable outcomes cannot be achieved until after the launching event in the spring of 2000. However, the planning and development process has produced the following:

- The creation of cooperative and collaborative working relationships between nonprofit and professional organizations that provide technical assistance, government agencies that provide funding and other support, academic entities that contribute research expertise, and private sector firms that deliver goods and services to local governments.
- Resource pooling; and
- Promotion of the Environmental Finance Center Network as a viable, and neutral, organization available to provide expertise to local governments.

Rate Setting and Capital Management Workshops and Training

Project Description

Since 1994, the EFC has accomplished introducing numerous professional organizations to concepts in rate setting and the Rate Mod software program available through the EFCs. In the past, EFC2 has delivered workshops, formal presentations, and training sessions on rate setting and other public finance-related topics to a multitude of public managers. In 1999 all rate setting and capital management presentations were arranged through a collaboration with the New York State Rural Water Association. This has proven to be a successful venture in which each organization accesses the resources of the other to provide important information to municipal professionals. It eliminates the possibility of duplicative training and is an efficient method of delivering related material. The EFC anticipates that this collaboration will continue into the long term, including the addition of

new projects.

Project Activities

EFC staff responded to requests from the New York State Rural Water Association to conduct three separate workshop and training sessions on rate setting, public finance, and capital budgeting during September and November. Staff members presented the training to municipal managers from approximately 90 communities total.

Each session incorporated the use of rate setting methods as a cost recovery tool for water and waste water improvement projects. The presentations included illustrations of the Rate Mod software program and application applied to project costs and the various options in rate setting. In some instances EFC staff dedicated time, or made separate arrangements, to demonstrate the actual use of the software. This included demonstrations at Syracuse University for managers and officials from several rural communities in New York.

The topic of capital budgeting and financing was of great interest to the participants at all conferences. The EFC is aware that the vast majority of municipalities in rural New York State do not have capital budgets. Consequently, if the municipality is out of compliance with an environmental regulation, or if an event occurs that requires significant repair costs, the municipalities enter into crisis modes. EFC staff prepare the presentations to impart information on capital budgeting as a best practice in public management and capital finance methods to respond to unanticipated events. The EFC also routinely responds to inquiries from municipalities and anticipates this will be an ongoing service it provides.

Conference participants are encouraged to ask questions specific to the problems of the municipalities they serve. On numerous occasions, EFC staff members have performed research functions to accurately respond to the questions. The questions range from concerns about the use of one-time tax increases to the development of capital reserves.

Outcome

These workshop and training sessions enable the EFC to have direct contact with public managers and to provide pertinent rate setting and public finance information, including financing options for specific issues of a given municipality. The EFC staff is proud of the opportunity to collaborate with the New York State Rural Water Association and other technical service providers to deliver this kind of training. Not only does it accomplish imparting new, updated, and useful information, it illustrates the resource value of the EFC to rural governments. At a time when municipalities are grappling with a variety of environmental issues, accessing available resources is critical to their success in developing appropriate plans and achieving implementation goals. Aside from the training value of the sessions, a significant value of this EFC activity is that it has reinforced to the technical service providing community that the EFC seeks to supplement and complement, rather than duplicate, existing efforts. Thus, opportunities to fulfill the EFC mission of assisting local governments and the EPA mission of conducting outreach are accomplished.

Capacity Development Strategic Plan for New York State

Project Description

During the EFC Network Forum that took place in June, 1998, representatives of the New York State Department of Health learned of EFC activities in the area of capacity development with respect to the Safe Drinking Water Act. In August, 1998, the NYS DOH asked the EFC to facilitate the process of developing a capacity development strategic plan for the State. The NYS DOH believed the plan would be widely accepted and received if an external party facilitated its development. The location and reputation of the EFC 2 as a neutral program with extraordinary resources also contributed to their decision to request assistance. In 1999, the EFC facilitated three major stakeholder meetings. Meetings scheduled after September had to be canceled due to a crisis involving e-coli contamination of water sources in New York. The meetings will resume in February, 2000.

Project Activities

NYS DOH and EFC staff first met in September, 1998 to discuss methods of developing the Capacity Development Strategic Plan for NYS. It was decided that the EFC would host and facilitate all meetings. The NYS DOH took the responsibility of producing a list of individuals and organizations to serve in an initial Steering Committee. The NYS DOH and the EFC both collaborated to prepare material regarding the purpose of the capacity development planning meetings and important deadlines established by the federal government.

Prior to the first stakeholder meeting, EFC 2 collaborated with EFCs 6 and 10 to develop a process facilitation model. EFC 10 Director Bill Jarocki came to Syracuse to serve as a technical resource at the initial meeting, held on December 4, 1998. EFC 6

Director Heather Himmelberger provided guidance on stakeholder concerns and facilitation techniques and continues to assist in the same manner. The first meeting resulted in the development of a statewide "team" of stakeholders committed to developing the strategic plan. Additionally, three working groups were created to evaluate and respond to specific directives of the capacity development component of the Safe Drinking Water Act. The working groups are known as Criteria Assessments, Barriers and Incentives, and Capacity Enhancement.

Criteria Assessments Group

The Criteria Assessments Work Group has developed TMF criteria for the evaluation of water systems. Preceding the development of the criteria, the group identified relevant questions for water system owners and operators. A draft of the evaluation criteria was distributed to all stakeholders, with the intent to serve as an evaluation tool for evaluators rather than water system operators. A self-evaluation form will be developed although is not required by the EPA. It will be useful for technical service providers as well as for water system owners and operators for purposes of self-assessment. The questionnaire will be shorter and simpler than the evaluation criteria. Based on stakeholder input, the nature of the questions may change to add more context, to enable evaluators to ask more pointed questions, and identify the right issues, etc.

A second accomplishment of the group was the identification of the "triggers" that serve as indicators of public water systems in need of a capacity evaluation and methods to prioritize systems in need. The group plans to establish a baseline of capacity and measures of improvements to capacity.

Barriers and Incentives Group

The Barriers and Incentives Work Group has created 27 tables that identify factors that impair or enhance capacity at the federal, state, and local levels. This group is concentrating on identifying policy factors (e.g. biases in working groups, political issues). The group has held joint meetings with the *Capacity Enhancement* group to focus on methods to overcome barriers. The group plans to rank improvements to start prioritization of solutions. The group will participate in state-wide workshops and continue to seek input from other stakeholders.

Capacity Enhancement Group

The *Capacity Enhancement Working Group* has identified routine activities, programs, and tools to increase capacity for incorporation into the strategy implementation. The first accomplishment of the group was the compilation of lists of existing programs and tools. The list is referred to as the "blue book". The group decided that the blue book was not user-friendly, so they are currently developing and distributing a "cross-reference list". The group will meet with the *Barriers and Incentives Working Group* to identify methods of overcoming barriers present in accessing the existing programs and tools.

Outcome

The obvious anticipated long term outcome of this project will be a capacity development strategic plan for New York State. As a project in progress, the outcomes to date include;

- successful team building among stakeholders;
- the creation of three primary working groups to perform tasks relative to the preparation of the strategic plan;
- an ongoing collaboration between state government and EFC Network members;
- continued promotion of the EFC as a resource for state and local governments; and
- increased outreach to local officials and system owners or operators by the NYS DOH for purposes of inclusivity in the development of the strategic plan.

As mentioned earlier, an e-coli outbreak interrupted the stakeholder meetings. A draft of the plan has been prepared and is currently being distributed. It is anticipated that the meetings will resume in January, 2000, with stakeholders focused on reviewing the draft.

Smart Growth Policies in New York State

Project Description

The EFC in EPA Region 2 is located at the Maxwell School of Citizenship and Public Affairs at Syracuse University. The

Maxwell School is known world wide for its superior program in public administration. Students seeking a Master in Public Administration (MPA) are required to participate in a capstone project at the end of the academic year. The capstone project component is for the purpose of providing students an opportunity to apply their newly acquired skills to an actual public policy-oriented project. The EFC collaborated with the New York State Department of State (NYS DOS) and the New York State Rural Development Council (RDC) to sponsor a capstone project for seven MPA students of the 1999 graduating class.

Collectively, the collaborative partners were interested in learning: 1) what activities are taking place at the regional and local levels relating to Smart Growth planning and implementation, 2) what current state-level policies could be characterized as Smart Growth policies, and 3) what role, if any, the New York State government should play in implementing comprehensive statewide Smart Growth policies. It was agreed that a capstone project would be a superb opportunity to examine the issue in New York. The students were required to dedicate three full weeks to the project, performing the work in the same manner as salaried professionals. Furthermore, the students, under faculty supervision, were required to design the instruments and methods of the research. The RDC provided \$2500 to the EFC for the costs of supplies, travel, and communications associated with the project.

Project Activities

The RDC was regarded as the "client" of the project. The students proceeded in developing the project tasks based on information obtained through interviews with the RDC, and other public, non-profit, and private organizations. Individuals interviewed represented a multitude of organizations, including: New York State Department of Environmental Conservation (NYSDEC), New York State Department of State (NYS DOS), New York State Department of Transportation (NYS DOT), New York State Legislative Commission on Rural Resources (NYSLCRR), New York Planning Federation (NYPF), New York Conference of Mayors (NYCOM), New York State Association of Towns and Townships (NYATAT), New York State Association of Regional Councils (NYS ARC), New York Farm Bureau (NYFB), Tug Hill Commission, Empire State Development Corporation, New York State Builders Association (NYSBA), and several state legislators. The students interviewed a total of 112 individuals.

In addition to interviews, the students conducted an extensive review of current literature available on Smart Growth policies and activities. The literature review revealed that very little empirical data exists to support or debunk the claims of both proponents and opponents of Smart Growth policies. Several studies have been conducted that attempt to quantify the costs and benefits of Smart Growth policies, but these studies suffer from significant flaws.

The group also researched and summarized the policies used by other states to implement comprehensive approaches to directing growth and limiting sprawl. Oregon, Washington, New Jersey, Maryland were among the states to have enacted statewide initiatives with varying requirements and mandates in an attempt to address growth pressures. Some states require all localities to undertake comprehensive planning, while others require localities and regions to act regionally in limiting growth. Some even require municipalities to draw boundaries outside of which little or no growth can occur. These policies were summarized with the intent of providing potential models for New York State.

The next phase of the research was to isolate New York State and locate and examine statistical data useful in assessing trends indicating serious growth pressures. The group theorized that other states implementing comprehensive Smart Growth policies were reacting to significant and often overwhelming growth pressures that resulted in sprawling development and wasted public and physical resources. Finding the necessary data for this part of the analysis was difficult, although the group was successful in locating necessary data on population density trends, economic trends, farmland loss, and forestry coverage. During this phase, the group also analyzed the role of home rule in the relationship between government levels in New York State.

The group then reviewed current New York State policies that could fit under the Smart Growth moniker. The intent here was not necessarily to analyze the specific policies for efficiency and effectiveness, but instead to simply note their presence and provide a short summary of each. The group found New York State fairly progressive in adopting policies that could be considered Smart Growth-type measures, even if they are not formally referred to by that term. For example, the Clean Water/Clean Air Bond Act, the Brownfields Voluntary Cleanup Program, the State Open Space Conservation Plan, the Coastal Management Program, the Farmland Preservation Program, and the Economic Development Zone Program can all be considered Smart Growth policies. Many of these programs have been on the books in New York for some time, whereas other states have just recently begun enacting such programs under the Smart Growth banner.

The final phase of the research reviewed planning and Smart Growth activities at the regional and local levels. The group theorized that if there is significant activity currently occurring on Smart Growth policies at the regional and local level, and if these lower levels of government already have the tools, funding, and capacity to pursue such policies, then the recommendation for state government action would be impacted. In fact, the anecdotal evidence gathered indicated that a significant amount of activity relating to Smart Growth policies was (and has been) taking place in New York localities. This was not uniform across

every locality, nor were the interest, resources, and capacities of every locality uniform. This held implications for the conclusion and recommendations of the research.

Presentation of the research took place in Albany in June at the New York State Office of the Secretary of State. Attending the presentation were representatives from the New York State Department of Environmental Conservation, the New York State Department of State, the New York State Department of Transportation, the New York State Legislative Commission on Rural Resources, the New York Planning Federation, and the New York State Association of Towns, among others. The general findings of the report included:

- Many local officials expressed a need for additional technical and financial assistance in preparing comprehensive plans, protecting natural resources, and dealing with infrastructure problems.
- A top-down approach will not work. A state-mandated approach of growth controls or mandated planning would face insurmountable obstacles in New York because of the strong home rule tradition.
- New York already has in place many of the Smart Growth policies other states are now enacting. One option would be for the state to simply rename and bundle these policies under a Smart Growth title and provide participatory incentives.

Given these findings, specific recommendations in the report included:

- Establish a high-level task force to continue to study and gather information to better assess the need for comprehensive, statewide Smart Growth policies in New York State.
- Create a State Planning Office or similar entity to serve as a clearinghouse and a central location for inter-agency coordination pertaining to land use and development policy.
- The state should play a greater role in assisting small and rural communities in the areas that most often lack the resources and capacity to undertake Smart Growth policies and initiatives.
- The state government should provide financial incentives to two or more municipalities that agree to cooperate in land use planning and growth management.

Outcome

Beyond the findings of the research, the outcome of the project for the EFC was multi-faceted. First, the report was an important opportunity for university faculty and students to become more involved in and familiar with the EFC. Second, by focusing on such a timely topic, it has served to raise the profile of the EFC throughout New York State. Many instances have occurred since the report was issued where people previously unknown to EFC staff have commented on the report. Third, the report has contributed to a public policy debate in the state and become the focus of further study by the RDC. The RDC has decided to spend the next year on the topic of Smart Growth and will use the report as a guide. The RDC has also indicated a willingness to build on the report through another capstone project collaboration with the EFC in May/June 2000. From an internal perspective, the outcomes included:

- Affirmation of the partnership between the RDC and the EFC.
- Providing students an opportunity to apply newly acquired public administration skills.
- Introducing organizations, communities, and individuals throughout New York State to the resources and activities of the EFC.
- Further solidifying the reputation of the EFC among high-level New York State government representatives.
- Heightening the value of the EFC to Syracuse University.
- Promoting the EFC as an organization pursuing timely topics in a professional and objective manner.

Brownfields Redevelopment Planning

Project Description

In 1998 the EFC collaborated with the City of Syracuse, Office of Community Development, Division of Neighborhood

Planning, to prepare a pollution prevention education proposal. Although funding was not awarded for the proposal, a dynamic partnership emerged. In November, 1999, the City of Syracuse identified brownfields redevelopment as a priority and enlisted the assistance and partnership of the EFC in germinating planning methods to address this priority in a manner satisfactory to the City and its residents.

Project Activities

At this writing, the EFC staff is meeting regularly with the City of Syracuse to prepare a proposal for an EPA Brownfields Pilot project. The deadline for the proposal is February 16, 2000. In January, 2000, the EFC will facilitate community input regarding assessment, planning, and testing activities appropriate for the City's brownfields sites. If an award is made to support the proposal, the EFC will facilitate a series of forums to elicit input from the business community, grassroots neighborhood organizations, and nonprofit organizations.

Outcomes

The processes involved in developing proposals for funding, and projects generally, always produce indirect outcomes. The EFC considers the collaboration to prepare the EPA Brownfields Pilot proposal an outcome of the partnership that emerged in 1998 when the EFC and the City of Syracuse proposed a pollution prevention education program. The preparation of this proposal has affirmed the strength of the partnership the EFC enjoys with the City.

To date, the processes involved have enabled the City to learn more about community concerns regarding brownfields sites. In turn, community members have developed an understanding of the redevelopment planning process. The success the EFC has had in facilitating constructive dialogue among government agencies and community residents has also resulted in the EFC Director of Projects, Kim Collins, and the Program Manager, Kevin Farrell, being asked to serve on a committee conducting a market analysis of housing in Syracuse.

EFC Collaborative Activities Summary

EFC Network

The New Mexico EFC provided ongoing assistance to the Syracuse EFC in the facilitation of the development of a Capacity Development Strategic Plan for the New York State Department of Health.

The New Mexico EFC in Region 6 and the Syracuse University EFC in Region 2 continue to collaborate on the International Environmental Finance Program, currently focused in the Russian Federation. The New Mexico EFC will complement the training provided by the Syracuse University EFC through developing a water metering and capacity development component of the program.

The Boise State EFC in Region 10 provided ongoing support and expertise in rate setting to clients served by the Syracuse University EFC. This includes functioning in a support role for clients who choose to use EPA-supported rate-setting software.

Other Collaborative Partners

New York State Rural Development Council -- to promote dialogue between technical assistance providers, rural advocacy groups, funding agencies, and academic researchers, and to plan projects and support student research. EFC Director of Projects, Kim Collins, was appointed to serve on the Executive Committee of the Rural Development Council and will serve through 2000.

City of Syracuse, Office of Community Development, Division of Neighborhood Planning -- to provide pollution prevention information, assist with brownfields redevelopment planning, facilitate community forums concerning brownfields and environment-related housing issues, and to assess prospective grants to jointly apply for.

Environmental Community Assistance Consortium -- to pool academic resources for the purpose of assisting communities with capacity development and sustainable community issues.

State University of New York College of Environmental Science and Forestry -- to plan graduate student projects, and plan research-oriented projects that can result in joint funding opportunities.

United States Department of Agriculture Rural Utility Services -- to assist rural communities in accessing technical assistance and funding programs for environment-related projects.

New York State Rural Water Association -- for purposes of providing training and workshops in rate setting, public finance, and capital budgeting to water system operators and public managers.

National Association of School of Public Administration -- to assist in the elicitation of commentary about new regulations from private water system operators.

Tug Hill Commission -- to improve the coordination of the delivery of technical services to the Tug Hill region of New York.

New York State Government Finance Officers Association -- to collaborate with other organizations in the assessment of public finance and management training needs of municipal professionals.

New York State Environmental Facilities Corporation -- to collaborate with other organizations in the assessment of public finance and management training needs of municipal professionals.

Maxwell School Center for Technology and Information Policy and Center for Environmental Policy Administration -- to plan scientific survey assessing the experiences of rural businesses with environmental regulations.

New Initiatives for 2000

Collaborating with the Rural Water Association, Government Finance Officers Association, Environmental Facilities Corporation, Rural Development Council, United States Department of Agriculture Rural Utility Service, Tug Hill Commission, and others to develop the *Public Management and Finance Institute*.

Develop research model to assess new Smart Growth initiatives in New York State.

Assist the National Association of Schools of Public Administration by conducting focus groups of private water system owners and operators to elicit comments on environmental regulations. Collaborate with the City of Syracuse in brownfields redevelopment, including the preparation of proposals for funding the planning for the sites.

Collaborating with the Tug Hill Commission to initiate a teleconference for the purpose of uniting government representatives and environmental organizations in Wales with citizens and representatives of the City of Syracuse to discuss the experiences of citizen involvement in government planning. Sponsor MPA student staff in the preparation of three budgets for Central New York Regional Planning Commission.

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