



Justification Review

February 2002

Report No. 02-08

Slow Progress Has Been Made in Cleaning Up and Redeveloping Contaminated Brownfield Sites

at a glance

The Legislature established the Brownfields Redevelopment Program in 1997 to encourage the voluntary cleanup of contaminated sites and development of blighted areas. Since that time, local governments have designated 45 brownfield areas. However, the program's implementation has been slow. Brownfield Site Rehabilitation Agreements have been signed for only 14 sites within these areas, and only 2 sites have been completely cleaned up and redeveloped. Also, there has been little use of state incentives for cleaning up brownfields. Several factors discourage brownfield redevelopment, including lack of information on the extensiveness of contamination at brownfield sites, restrictive state incentives, and slow implementation of key strategies for marketing the program to developers.

To improve the program's implementation and effectiveness, we recommend that

- the Department of Environmental Protection, the Office of Tourism, Trade, and Economic Development (OTTED), and Enterprise Florida, Inc., (EFI) improve intergovernmental coordination of brownfield-related activities;
- the Legislature consider establishing a forum for brownfields stakeholders to discuss needs and

develop strategies for addressing identified problems;

- the department, OTTED, and EFI develop an action plan to implement key strategies, such as developing a database available through the Internet that provides specific information needed to help assess the feasibility of redeveloping brownfield sites;
- the Legislature consider increasing the program's loan guarantee incentive from 10% of a loan made by a lending institution to a qualified developer to 50% or higher; and
- the Legislature consider allowing firms employing fewer than 10 people or paying less than 80% of the average county wage to qualify for state brownfield incentives.

Purpose

Section 11.513, *Florida Statutes*, directs the Office of Program Policy Analysis and Government Accountability to complete a program evaluation and justification review of each state agency that is operating under a performance-based program budget. Justification reviews assess agency performance measures and standards, evaluate agency performance, and identify policy alternatives for improving services and reducing costs.

Justification Review

This report is part of a series that reviews the Waste Management Program administered by the Department of Environmental Protection. This report reviews Florida's Brownfield Redevelopment Program's progress in redeveloping brownfield sites, identifies factors that hinder the program's effectiveness, and identifies ways to increase the impact of state incentives in encouraging redevelopment of brownfields. Other reports in the series address waste management cleanup funding, state recycling initiatives, and privatization of laboratory activities.

Background

The Legislature created the Brownfields Redevelopment Program in 1997.¹ The brownfield sites are abandoned, idled, or underused industrial and commercial properties where expansion or redevelopment is complicated by actual or perceived environmental contamination. The Brownfields Redevelopment Program was intended to achieve the following goals:

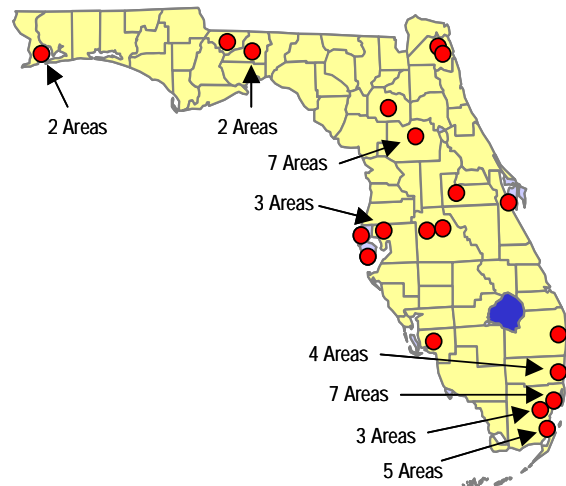
- reduce public health and environmental hazards on existing commercial and industrial sites;
- help prevent the premature development of farmland, open space areas, and natural areas;
- reduce public costs for installing new water, sewer, and highway infrastructure;
- encourage responsible persons to implement cleanup plans without the use of taxpayer funds;
- rehabilitate sites through clear, predictable remediation standards based on the actual risk that contaminated sites pose to the environment and public health;
- address environmental and health consequences of hazardous sites on minority and poverty populations;

- provide for public participation in program development; and
- create jobs, reduce blight through economic revitalization in local communities, and increase capital investment and the local tax base.

The program is a voluntary cleanup program in that cleanup actions are initiated by landowners and developers rather than by government regulatory actions. While the program provides various financial and regulatory incentives and assistance, landowners and developers are responsible for ensuring that the contamination at the site has been properly remediated.

Under the program, local governments designate parcels to be included in a brownfield area. Local governments must also form advisory committees as a means to obtain public participation in designating brownfield areas. Currently, local governments have designated 45 brownfield areas in Florida encompassing 66,959 acres. See Appendix A for a list of Florida's brownfield areas or Exhibit 1 for a map of the areas.

Exhibit 1 Local Governments Have Designated 45 Brownfield Areas



Source: Department of Environmental Protection.

¹ Chapter 97-277, *Laws of Florida*.

Brownfield sites, within brownfield areas, are defined by the execution of a Brownfield Site Rehabilitation Agreement.² These agreements are negotiated between a developer and the Department of Environmental Protection (or a local pollution control program that has been delegated responsibility to negotiate these agreements). The agreements specify that site rehabilitation must be conducted in accordance with appropriate cleanup criteria. As of December 31, 2001, 14 such agreements within 13 brownfield areas had been executed (see Appendix B).

At the state level, three entities are involved in carrying out activities related to redeveloping brownfields: the Department of Environmental Protection, the Governor’s Office of Tourism,

Trade, and Economic Development (OTTED), and Enterprise Florida, Inc. (EFI).³ (See Exhibit 2.)

The Department of Environmental Protection is the primary state entity responsible for administration of the program. The department provides information and assistance to various stakeholders regarding the redevelopment of brownfield areas and sites. It also develops site rehabilitation criteria to ensure that contamination is cleaned up in accordance with provisions in approved Brownfield Site Rehabilitation Agreements. The agreements commit responsible parties to meet milestones for completing rehabilitation tasks and to submit technical reports and plans for review by the department.

² The total number of brownfield sites within the brownfield areas is unknown because the Department of Environmental Protection only tracks contaminated sites for which a Brownfield Site Rehabilitation Agreement has been executed.

³ Enterprise Florida, Inc., is a public-private partnership created by the Legislature to serve as the state’s principal economic development organization.

Exhibit 2
Local Governments, Three State Agencies, and Private Businesses Are Involved in the Brownfields Program

Local Governments	Department of Environmental Protection	Office of Tourism, Trade, and Economic Development	Enterprise Florida, Inc.	Private Businesses
<ul style="list-style-type: none"> Designate brownfield areas Offer local incentives 	<ul style="list-style-type: none"> Using RBCA, DEP develops cleanup schedule and tasks to be performed Executes cleanup agreement with responsible party Provides technical assistance to developers Compile information about areas and sites Issues “No Further Action” orders to signify completion of cleanup requirements Administers Voluntary Tax Credit 	<ul style="list-style-type: none"> Administers Brownfield Redevelopment Bonus Refund Director chairs loan guarantee council Administers revolving loan fund 	<ul style="list-style-type: none"> Advertises and markets the brownfields program Responsible for comprehensive marketing plan Assists companies that apply for incentives 	<ul style="list-style-type: none"> Provide funds for cleanup and redevelopment Choose to rehabilitate brownfields Create jobs and revitalize blighted communities

Source: OPPAGA analysis based on information from agency documents, interviews, and the *Florida Statutes*.

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The department also administers an incentive called the voluntary cleanup tax credit to assist taxpayers who clean up contaminated brownfield sites. Any person who voluntarily performs remediation of a brownfield site under an agreement with the department may claim a corporate income or intangible personal property tax credit of up to 35% of the cost of site rehabilitation not to exceed \$250,000 per site per year. A tax credit applicant may claim an additional 10% of the total cleanup costs, not to exceed \$50,000, in the final year of a site's cleanup. The department reviews the applications for tax credits and verifies that the applicant has met the qualifying statutory and rule criteria and submitted all required documentation. Once the department has completed this verification, it issues a written decision granting eligibility for the brownfield tax credit.

As of December 31, 2001, the department has received seven brownfield tax credit applications. One was approved for \$56,964 and six more, claiming \$671,490, are pending approval by March 1, 2002.

The Governor's Office of Tourism, Trade and Economic Development (OTTED) is responsible for administering additional brownfield incentives. These incentives include those discussed below

- **Brownfield Redevelopment Bonus Refunds.** An eligible business redeveloping a site in a brownfield area may receive refunds of \$2,500 per job created at the designated site on various state and local taxes.⁴ No more than 25% of the total refund approved may be taken in any single fiscal year.

In order to be eligible for this refund, a business must be a firm that has already been approved by OTTED to be eligible to

receive tax refunds under the Qualified Targeted Industry program or meet other criteria, such as demonstrating a fixed capital investment of at least \$2 million in mixed-use business activities, and which pays wages that are at least 80% of the average of private sector wages in the county in which the business is located; and creates at least 10 new Florida full-time jobs, excluding construction and site remediation jobs.

In order to receive the bonus incentive, a company must first apply to Enterprise Florida, Inc. EFI staff assists companies in completing the applications and reports their recommendations regarding the application to OTTED. OTTED then makes the final decision on awarding the incentive. *As of November 2001, brownfields redevelopment bonus refunds have been distributed to four firms that reported creating a total of 1,298 jobs. As of November 2001, OTTED had approved bonus refunds totaling \$2,588,750 of which \$60,942 had been paid to the firms.*

- **Loan Guarantees.** The state will also provide a limited state guaranty on loans by lending institutions to brownfield site developers. If approved by the Brownfield Areas Loan Guarantee Council, the state will guarantee up to 10% of the loan.⁵ These loans can be made to assist responsible parties who have signed agreements in cleaning up pollution at brownfield sites. *As of November 2001, no guarantees have been made on loans to brownfield site developers.*
- **Brownfield Property Ownership Clearance Assistance Revolving Loan Trust Fund.** Businesses can receive low-interest loans from this fund for use in purchasing outstanding unresolved contractor liens, tax certificates, or other liens or claims on

⁴ These taxes include corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes. An eligible business must have tax receipts totaling the amount of the bonus refund during a given year. Bonus refunds are paid from state funds appropriated by the Legislature.

⁵ The council consists of the secretaries (or secretaries' designees) of the Departments of Environmental Protection and Community Affairs, the executive directors (or designees) of the State Board of Administration and the Florida Housing Finance Corporation, and the director (or designee) of the Governor's Office of Tourism, Trade, and Economic Development (OTTED). The director of OTTED chairs the council.

brownfield sites designated as part of a brownfield area by a local government. *As of November 2001, no Brownfield Property Ownership Clearance Assistance loans have been made.*

Enterprise Florida, Inc., as noted above, assists businesses that are considering applying for certain incentives and reviews applications on behalf of OTTED. EFI is also responsible for advertising and marketing the Brownfields Redevelopment Program. The 2000 Legislature directed Enterprise Florida, Inc., to develop a comprehensive marketing plan for the program, which was completed in April 2001.

Resources

In Fiscal Year 2001-02 the Department of Environmental Protection allocated \$435,091 to the Brownfield Redevelopment Program and seven full time equivalent positions. Of these positions, one is assigned to the department's central office in Tallahassee. This position serves as a liaison for district staff, OTTED, local and federal governments, and the public.

The program's remaining positions are assigned to each of the department's six district offices.⁶ District program staff is responsible for providing technical support, reviewing site-related documents, and generally promoting the program to the local governments and the private sector.

The Legislature has appropriated a total of \$4,625,000 for assessment and cleanup of specific brownfield sites since the program's inception in 1997. This includes \$3 million to the Office of Tourism, Trade, and Economic Development for Brownfield Redevelopment Grants in 1997, and \$1,625,000 between Fiscal Years 1998-99 and 2000-01 for projects in Clearwater, Jacksonville, and Miami-Dade County.⁷ The state currently

provides no recurring funding for assessment or cleanup of brownfield sites

Findings

Although the program has existed since 1997, relatively little progress has yet been made in cleaning up brownfield areas. To date, 45 brownfield areas have been designated, but redevelopment agreements have been signed for only 14 sites within these areas, and only two sites have been completely cleaned up and redeveloped.

There are several impediments to brownfields redevelopment, some of which are outside the state's control such as unfavorable market conditions. However, other factors are within the state's control, including excessive restrictions on incentives that limit their use. Mitigating these impediments could encourage future redevelopment of brownfield sites.

Brownfield areas are being designated, but few sites have been redeveloped

Since 1997, the number of designated brownfield areas in the state has increased from 3 to 45. However, few brownfield sites are being redeveloped. To date, Brownfield Site Rehabilitation Agreements have been established for 14 sites within brownfield areas.⁸ However, these 14 agreements cover only 202 of the 66,959 acres in the brownfield areas.⁹ Further, redevelopment has been completed on only two sites covering a total of 15 acres. (See Exhibit 3 and Appendix B.)

Miami-Dade County, Ocala, Opa-Locka, St. Petersburg, and Tallahassee.

⁸ Of these agreements, five were executed in 2000 and six were executed in 2001.

⁹ The 66,959 acres that are within the 45 designated areas include not only contaminated properties, but may include viable business, residential properties, and other uncontaminated properties.

⁶ Brownfield staff in four of the department's six districts performs other hazardous waste cleanup duties in addition to brownfield responsibilities due to the lack of program activity in those districts and a large site cleanup workload.

⁷ Local government grant recipients include Broward County, Clearwater, Escambia County, Gainesville, Jacksonville, Miami,

**Exhibit 3
Few Brownfield Sites Have Been Redeveloped**

	Number	Acres
Brownfield Areas	45	66,959
Sites With Signed Agreements	14	202
Sites Redeveloped	2	15

Source: Department of Environmental Protection.

Impediments to redeveloping brownfield sites

Four factors impede redevelopment of brownfield sites. There is little information on what contamination, if any, exists on the sites, and current state incentives are insufficient to induce interested parties to develop these sites. The state’s marketing plan for brownfields has not been fully implemented, and there are intergovernmental coordination weaknesses among the various entities with program responsibilities.

Lack of information on extensiveness of contamination. A factor that impedes brownfield site redevelopment is that developers may be assuming that all sites within a brownfield area are contaminated and will be costly to clean up. Developers typically consider several factors in assessing a site’s redevelopment potential, such as the property’s access to transportation services, the adequacy of the site’s utilities and telecommunications infrastructure, and the availability of a qualified workforce.

Developers considering whether to redevelop a brownfield site not only consider these factors, but also must consider the potential costs associated with cleaning up contaminants. The cost of cleaning up contaminants can be significant. To illustrate, site assessment costs recently incurred by the department for hazardous waste sites averaged \$116,055, while the cost to clean up such sites averaged \$297,276. (See Exhibit 4.)

**Exhibit 4
State Costs for Site Assessment and Cleanup**

Phase	Cost ¹		
	Minimum	Maximum	Average
Site Assessment	\$ 305	\$ 446,169	\$116,055
Remedial Action	969	1,517,554	297,276
Monitoring (Annual)	5,145	65,350	22,996

¹ Based on 47 assessment sites, 23 cleanup sites, and 9 sites with monitoring.

Source: Department of Environmental Protection.

According to department program staff, developers, and local coordinators we interviewed, many developers and other interested parties assume that all sites in a brownfield area are environmentally contaminated and costly to redevelop. However, this assumption can be inaccurate, as preliminary results from a Miami-Dade County Department of Environmental Management survey found that only 3 of 93 sampled vacant or abandoned properties in its brownfield area had documented contamination.

Comprehensive information on the extensiveness of contamination in brownfield areas throughout the state is not available. Department staff noted that few local governments had conducted surveys to assess the extent of contamination in their brownfield areas.¹⁰

Since Florida has plenty of undeveloped land that is not contaminated, developers prefer to purchase undeveloped land and construct a new building rather than deal with the uncertain costs of redeveloping a brownfield site. The actual levels of contamination of designated brownfield areas may need to be determined before the areas can be effectively marketed to developers.

Incentives are insufficient to attract participation. OTTED staff and developers believe the program’s incentives are insufficient to encourage developers to clean up and

¹⁰ Staff noted that Clearwater, St. Petersburg, Escambia County, and Dade County governments have taken steps to survey their brownfield areas for contamination.

redevelop brownfield sites. They noted that in order to qualify for the bonus refund, a business must create at least 10 full-time, permanent jobs that pay at least 80% of the average wage in the county where the business is located. This requirement precludes the bonus refunds' use by smaller businesses that create many jobs in distressed areas. Changing this requirement to allow firms that employ fewer than 10 persons to receive incentives could make the program attractive to more developers.

Program staff also asserted that the guarantee offered on loans (10%) is too low to encourage lending institutions to assume the risk of making loans to brownfield developers. Presently, no lending institutions have applied for a brownfields loan guarantee. Program staff believed that increasing the loan guarantee to 50% or higher may encourage lending institutions to take on the risk of providing financing for brownfield redevelopment projects. Higher guarantees are offered by other governmental programs that support business financing. For example, the U.S. Small Business Administration provides guarantees of 85% on loans of \$150,000 or less and 75% on loans over \$150,000. Also, the Florida Export Finance Corporation will guarantee up to 90% of a bank loan or \$500,000, whichever is less, to a business conducting export sales. A 2000 OPPAGA report noted that the Florida Export Finance Corporation issued 28 loan guarantees totaling \$9,700,000 in 1999.¹¹ Higher loan guarantees could encourage lending institutions to provide financial support for brownfield redevelopment.

Slow progress in implementing key marketing strategies. Although Enterprise Florida Inc., developed a marketing plan for the brownfields program, slow progress has been made in implementing some of the plan's strategies.

For example, the marketing plan specified that a working group should be established to develop a statewide brownfield database by

June 30, 2001. This database was envisioned as providing information on specific sites, such as determination of contamination, information on site ownership, liens, or back taxes, and ready infrastructure surrounding specific areas. Such information, if available, would reduce developer uncertainty regarding the feasibility of redeveloping a brownfield site. However, as of November 2001, the working group had made no recommendations for implementing the database, nor had any progress been made in the database's development. The participating state entities need to develop a plan of action for implementing the database. This action plan should specify activities, timeframes, and responsibilities for obtaining needed information from local governments and for placing the information on the Internet.

Intergovernmental coordination needs improvement. Since there are multiple state-level entities involved with the program, a high level of intergovernmental coordination is essential to the achievement of the program's goals and objectives. Although the department, OTTED, and EFI have made efforts to coordinate their activities, there are weaknesses in intergovernmental coordination that could hamper the program's success.

There is little formal, routine communication among department, OTTED, and EFI staff regarding the program. They do not conduct regularly scheduled meetings to discuss brownfields issues. Further, in some cases, these entities are unaware of each other's brownfield-related activities. For example, department program staff told us they were unaware that EFI had completed developing the marketing plan. With the number of entities involved in the program, frequent formal communication is essential to the program's implementation.

Also, the department, OTTED, and EFI have not entered into formal agreements, such as memoranda of understanding, that specify each entity's respective roles in implementing the program. Memoranda of understanding are often used to articulate what activities are to be

¹¹ *Progress Report: The Florida Export Finance Corporation Has Improved Its Performance Measurement System*, OPPAGA Report No. 99-55, June 2000.

performed by various entities involved in an intergovernmental program and specify funding arrangements

Conclusions and Recommendations ———

The Legislature established the Brownfields Redevelopment Program in 1997 to encourage voluntary cleanup of contaminated sites and development of blighted areas. Since that time, local governments have designated 45 brownfield areas. Yet, only two sites within these areas have been cleaned up.

We identified four impediments to brownfields redevelopment. There is little information on what contamination, if any, exists on the sites, and current state incentives are insufficient to induce interested parties to develop these sites. The state's marketing plan for brownfields has not been fully implemented, and there are intergovernmental coordination weaknesses among the various state entities with program responsibilities. Mitigating these impediments could encourage more redevelopment within brownfield areas.

To improve intergovernmental coordination, we recommend that the Department of Environmental Protection, the Office of Tourism, Trade, and Economic Development, and Enterprise Florida, Inc., enter into formal agreements, such as memoranda of understanding, that specify each entity's responsibilities for implementing program activities and a schedule for holding regularly scheduled meetings among their staff responsible for brownfields activities. In addition, we recommend that the Legislature consider establishing a forum in which representatives of Florida's business community and local governments could periodically meet with state government representatives to collectively discuss needs and develop strategies for addressing identified problems.

We also recommend that the department, OTTED, and EFI develop an action plan for carrying out certain strategies in the program's marketing plan, such as developing a site-specific brownfield site database that will be available to interested parties through the Internet.¹² This database should include information regarding brownfield sites' surrounding infrastructure, environmental conditions, and other factors that would affect their potential for economic redevelopment.

To encourage lending institutions to finance brownfields assessment and cleanup, the Legislature may want to consider increasing the state guarantee on loans to developers from 10% to 50% or higher. This could encourage lenders to provide developers with brownfield site rehabilitation financing.

To encourage the private sector to redevelop more brownfield sites, the Legislature may want to consider reducing restrictions on job creation requirements so that firms employing fewer than 10 people or paying less than 80% of the average county wage could qualify for brownfield incentives.

Agency Response ———

In accordance with the provisions of s. 11.45, *Florida Statutes*, a draft of our report was submitted to the Secretary of the Department of Environmental Protection. A draft was also submitted to the Director of the Office of Tourism, Trade and Economic Development, and the Small Business Sector Development of Enterprise Florida, Inc.

Written responses are reprinted herein beginning on page 11.

¹² Agency staff could not provide us with a cost estimate for the creation of a brownfield site database.

Appendix A

Florida Designated Brownfield Areas

Areas are listed in order of the date of the local government resolution designating each area.

Area Name	County	Resolution Date	Acreage
Clearwater Area	Pinellas	10/17/1997	1,100
Miami Area	Miami-Dade	03/10/1998	3,932
Ocala Area #1	Marion	03/24/1998	329
Opa-Locka Area	Miami-Dade	02/24/1999	1,286
Ft. Myers Coal Gasification Area	Lee	04/19/1999	7
Quincy Area	Gadsden	04/27/1999	4,890
Ocala Area #2 (North Magnolia Ave)	Marion	05/11/1999	1
Orlando-Sunterra Area	Orange	05/24/1999	14
Ocala Area #3 (Northwest 10th Street)	Marion	06/08/1999	1
Sweetwater C Area	Miami-Dade	07/13/1999	648
Perrine Area	Miami-Dade	07/13/1999	4,271
Dade-Opa-Locka Area	Miami-Dade	07/13/1999	3,687
Model City\Brownsville Area	Miami-Dade	07/13/1999	9,308
Central Miami Area	Miami-Dade	07/13/1999	4,321
Sweetwater B Area	Miami-Dade	07/13/1999	194
South Miami Area	Miami-Dade	07/13/1999	72
Richmond Heights Area	Miami-Dade	07/13/1999	642
Carol City Area	Miami-Dade	07/13/1999	4,098
Redlands\Leisure City Area	Miami-Dade	07/13/1999	4,862
Sweetwater A Area	Miami-Dade	07/13/1999	454
South Dade Area	Miami-Dade	07/13/1999	6,081
Palafox Corridor Redevelopment	Escambia	09/16/1999	598
St. Petersburg Area	Pinellas	10/21/1999	122
Ocala Area #4 (Northeast 14th Street)	Marion	11/09/1999	2
Pompano Beach Northwest Area	Broward	11/23/1999	3,084
Miramar Area	Broward	01/05/2000	7
Auburndale Wal-Mart Area	Polk	01/17/2000	10
Robbins Manufacturing Storage Yard	Hillsborough	01/19/2000	24
Gainesville Area	Alachua	01/24/2000	26
Lauderdale Lakes Area	Broward	01/25/2000	21
Ocala Area #5 (Northwest 1st Street)	Marion	02/15/2000	1
Cascade Park, Manufactured Gas Production and Landfill	Leon	03/22/2000	23
Gaines Street Corridor	Leon	03/22/2000	457
Pilot Project Area	Duval	03/24/2000	11,520
Potamkin Properties	Miami-Dade	06/07/2000	7
Ocala Area #6 (Silver Springs Boulevard)	Marion	10/24/2000	1
WRB Enterprises, Inc., at Old Hopewell Road	Hillsborough	12/06/2000	9
Village Green Area	Brevard	12/06/2000	10
Uniweld Products Area	Broward	12/12/2000	3
Ocala Area #7 (817 North Pine Avenue)	Marion	01/02/2001	2
Tampa Port Authority	Hillsborough	01/04/2001	600
Strategic Crossings Corporation	Escambia	01/25/2001	2
Southside Generating Station Area	Duval	04/03/2001	37
CSX Railyard-Lakeland	Polk	04/20/2001	99
Former Palm Beach Lakes Golf Course	Palm Beach	06/25/2001	96
Total Acreage			66,959

Source: Department of Environmental Protection.

Appendix B

Florida Brownfield Sites with Executed Brownfield Site Rehabilitation Agreements

Sites are listed in order of the Brownfield Site Rehabilitation Agreement (BSRA) execution date.

Site Name	County	BSRA Execution Date	No Further Action Order Issued	Acreage
Wynwood Site	Miami-Dade	07/27/1998	-	3
Sunterra Site	Orange	06/29/1999	11/05/1999	14
Community Health Center	Pinellas	01/18/2000	07/28/2000	1
Robbins Manufacturing	Hillsborough	08/28/2000	-	40
Village Green Shopping Center	Brevard	12/22/2000	-	10
Old Hopewell Road	Hillsborough	12/28/2000	-	10
Potamkin Properties	Miami Dade	12/29/2000	-	7
Gainesville Regional Utilities/Poole Roofing Site	Alachua	01/29/2001	-	2
City of Ft. Myers Coal Gasification Site	Lee	03/09/2001	-	7
Strategic Crossing Corp. CSX Property	Escambia	06/07/2001	-	1
Dimmit Parcel B	Pinellas	07/31/2001	-	3
Southside Generating Situation Area	Duval	08/01/2001	-	42
Weatherford McIntyre Property	Escambia	10/03/2001	-	3
Port Yarbor	Hillsborough	10/29/2001	-	59
Total Acreage				202

Source: Department of Environmental Protection.

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David B. Struhs
Secretary

January 28, 2002

Mr. John W. Turcotte, Director
Office of Program Policy Analysis
and Government Accountability
111 West Madison Street, Room 312
Tallahassee, Florida 32399-1475

Dear Mr. Turcotte:

Secretary Struhs asked me to respond to your justification review draft report titled: "Slow Progress has been made in Cleaning Up and Redeveloping Contaminated Brownfield Sites". I appreciate the opportunity you afforded my staff to meet with your staff to discuss issues that arise in the redevelopment and cleanup of contaminated brownfield sites.

While I appreciate the fact that OPPAGA's review makes reference to and credits the Office of Tourism, Trade, and Economic Development (OTTED) and Enterprise Florida, Inc. (EFI) with various roles in the implementation and administration of the program, the report incorrectly states that the department is the "primary" lead agency for administration of the program. The three entities share equally in their areas of statutory responsibilities when it comes to administration of the program. No one agency's role is any greater than another agency when the redevelopment or reuse of brownfield sites depends on the creation of jobs and the reduction of public health and environmental hazards.

The department's specific responses to the report's recommendations are provided below:

Recommendation One:

The Department of Environmental Protection, the Office of Tourism, Trade, and Economic Development (OTTED), and Enterprise Florida, Inc. (EFI), should improve intergovernmental coordination of brownfield-related activities.

Response:

The department agrees that a formal memorandum of understanding may provide a clearer mechanism among the department, OTTED and EFI in specifying each entity's respective roles in implementing the program. The Brownfields Redevelopment Act

More Protection, Less Process

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Mr. John W. Turcotte
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(Sections 376.77 - 376.875, Florida Statutes) as written, however, provides the three identified entities with detailed responsibilities as to which entity is responsible for which sections of the program. The department will explore the development of a memorandum of understanding with OTTED and EFI.

The department agrees that intergovernmental coordination of brownfield-related activities can and should be improved. Department staff has worked to improve collaboration between OTTED and EFI by inviting staff to participate in the department's teleconferences that provide an arena to discuss the latest implementation issues and the type of brownfield redevelopment that is occurring in each of the department's districts. The teleconferences are scheduled on a quarterly basis and may occur more frequently depending on the need. Also the department's program staff communicates and exchange information with OTTED, EFI and the various brownfield public and private stakeholders through the distribution of electronic mailings. This method has proven to be a quick and efficient means of sharing information.

The department continues to provide support through funding and participation of an annual statewide Brownfields conference. The conference is in its fifth year and participation has grown each year. This conference is an opportunity for all stakeholders to share and distribute the latest information about the program.

Recommendation Two:

The Legislature should consider establishing a forum for brownfields stakeholders to discuss needs and develop strategies for addressing identified problems.

Response:

The department has had significant success over the past three years with a less formal approach --- the Contaminated Soils Forum (CSF). This forum was established after stakeholders made requests during an Environmental Regulation Commission adoption hearing for Chapter 62-777, Florida Administrative Code. The CSF has provided the department with technical knowledge and assisted the department in addressing issues related to cleanup of sites in the Petroleum, Brownfields and Drycleaning Solvent cleanup programs.

The department recommends that a forum similar to the CSF be established to provide the means to discuss the needs and develop strategies for addressing identified issues within the Brownfields Redevelopment Program. The department is willing to establish a "Brownfields Forum" to provide an arena for such discussions. In addition, several stakeholders are currently researching the practicality of establishing a not-for-profit group of various private and public entities to address future legislative changes.

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Recommendation Three:

The department, OTTED, and EFI should develop an action plan to implement key strategies, such as developing a database available through the Internet that provides specific information needed to help access the feasibility of redeveloping brownfield sites.

Response:

The department will continue to provide assistance to OTTED and EFI for carrying out strategies in the program's marketing plan. The justification review suggests the development of a site-specific brownfield site database that would be available to interested parties through the Internet. As discussed during interviews with your staff, the department expressed its concern in two areas. These were 1) the overall lack of funding, to date, for a project of this enormous scale and 2) the need for local governments to willingly agree to assimilate the site information and provide the resources on a continual basis to update an Internet database. Without the commitment to update the database, the database becomes a "warehouse" of outdated information that provides no beneficial use to interested parties in the redevelopment of brownfields. Redevelopment of properties is an industry that is driven by market forces that are constantly changing. Without current real estate data on sites, marketing of sites to developers in a meaningful way becomes obsolete.

Recommendation Four:

The Legislature may want to consider increasing the program's loan guarantee incentive from 10% of a loan made by a lending institution to a qualified developer to 50% or higher.

Response:

The department encourages and supports any legislative changes that provide stimulus to the program and its efforts to redevelop brownfield sites. The program's loan guarantee incentive is administered and implemented by OTTED; therefore, recommendations or changes to the loan guarantee incentive would be best addressed by OTTED. It should be noted that certain stakeholders have expressed to the department their concern over the aforementioned requirements. These concerns were communicated to OTTED and EFI.

Recommendation Five:

The Legislature may want to allow firms employing fewer than 10 people or paying less than 80% of the average county wage to qualify for state brownfields incentives.

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Response:

The department encourages and supports any legislative changes that provide stimulus to the program and its efforts to redevelop brownfield sites. Job related requirements (i.e., number of employees or average county wages) would be best addressed by OTTED and EFI. It should be noted that certain stakeholders have expressed to the department their concern over the aforementioned requirements. These concerns were communicated to OTTED and EFI.

Should you need additional information or have questions about this response, please contact Roger Register, Environmental Manager, at 413-0062.

Sincerely,

/s/
John M. Ruddell, Director
Division of Waste Management

JMR/rr

cc: Joseph Aita, Director of Auditing



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January 29, 2002

Mr. John W. Turcotte
Director
Office of Program Policy Analysis
And Government Accountability
111 West Madison Street, Room
312
Claude Pepper Building
Tallahassee, FL 32399-1475

Dear Mr. Turcotte:

Thank you for forwarding Enterprise Florida a copy of OPPAGA's draft program review of Florida's Brownfields Redevelopment Program. I appreciate the opportunity to provide some brief comments regarding the review's findings and recommendations.

As the state's principal economic development organization, Enterprise Florida (EFI) markets and promotes Florida's many assets and advantages to business decision-makers through a variety of channels and techniques. And EFI has worked hard to integrate Florida's Brownfield opportunities into this overall economic development marketing and promotional campaign. Among other activities, EFI:

- produces and distributes a Brownfield Redevelopment brochure;
- maintains a Brownfields page on our website (eflorida.com) containing financial and regulatory incentive information, a map of Florida's 45 Brownfield areas, and contact information for state and local program coordinators; and
- sponsored a Brownfield break-out session at the June 2001 Florida Economic Development Workshop, in an effort to educate economic development professionals, and other community partners about Brownfield incentives and opportunities.

The singular Brownfield marketing issue raised in your review relates to the development of a comprehensive Brownfield site database.

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Through discussions and meetings with Brownfield stakeholders over the past several months, there appears to be no clear consensus regarding the feasibility and efficacy of maintaining such a database. Florida currently has approximately 67,000 acres of designated Brownfield areas, encompassing potentially hundreds of individual sites. Collecting and maintaining accurate and meaningful data about these sites would not be a small undertaking. With limited staff and financial resources, the marketing value of such a database, versus other activities, must be carefully weighed. Enterprise Florida intends to explore this issue in much greater detail in March at the proposed first meeting of a statewide Brownfields working group.

Florida's Brownfields Redevelopment program is making solid progress every year, but clearly much more work is to be done. Enterprise Florida, in consultation with our economic development and community partners, is committed to introducing more innovative and effective marketing activities to maximize the success of this important program.

Again, thank you for the opportunity to respond.

Sincerely,

/s/
John B. Ray
Director, Business Sector Development

CC: John C. Anderson, President & CEO, Enterprise Florida, Inc.