



# Over 600 Brownfield Acres Cleaned Up; Businesses Take Advantage of Program Incentives

## *at a glance*

Among Florida's 259 brownfield areas, 46 contaminated sites encompassing 629 acres have been cleaned up since the Brownfields Redevelopment Program began in 1997. Participants have received \$24.6 million in incentives since the program's inception, using them to create 3,628 direct jobs and make \$56.9 million in capital investment. However, stakeholders report concerns about the Voluntary Cleanup Tax Credit backlog and eligibility restrictions on the sales tax refund for building materials.

We identified several options the Legislature may wish to consider for the program. These include discontinuing the program to create long-term savings, modifying incentives to reduce state costs and risk, modifying program incentives to encourage participation, and continuing the program as established.

## Scope

As directed by the Legislature, OPPAGA reviewed the Brownfields Redevelopment Program and provided information about its current status.

## Program Description

The Legislature created the Brownfields Redevelopment Program in 1997.<sup>1</sup> Brownfield sites are abandoned, idled, or underused properties where expansion or redevelopment is

complicated by actual or perceived environmental contamination. The Brownfields Redevelopment Program is a voluntary program intended to achieve several legislative environmental and economic development goals, including

- rehabilitating contaminated sites;
- preventing premature development of green space;
- reducing blight;
- reusing existing infrastructure;
- creating jobs; and
- increasing capital investment.

The Brownfields Redevelopment Program involves several public and private entities. Several state entities are involved in activities related to redeveloping brownfields. The Department of Environmental Protection (DEP) is responsible for developing site rehabilitation criteria and administering the voluntary cleanup tax credit. The Governor's Office of Tourism, Trade, and Economic Development (OTTED) is responsible for administering other program incentives, including brownfield redevelopment bonus refunds and the brownfield loan guarantee. In addition, Enterprise Florida, Inc., advertises and markets the program, and the Department of Revenue processes corporate income tax credits and sales tax refunds.<sup>2,3</sup> Other entities involved in the program include

<sup>2</sup> Enterprise Florida, Inc., is a public-private partnership created by the Legislature to serve as the state's principal economic development organization.

<sup>3</sup> OTTED processes Brownfield Redevelopment Bonus refunds.

<sup>1</sup> Chapter 97-277, *Laws of Florida*.

the U.S. Environmental Protection Agency and local governments (see Exhibit 1).

Program participation is voluntary. The Brownfields Redevelopment Program is voluntary, with cleanup activities initiated by landowners and developers rather than by government regulatory actions. Under the program, local governments designate parcels to be included in a brownfield area.<sup>4</sup> Brownfield areas may include all or portions of other redevelopment areas such as enterprise zones, community redevelopment areas, and empowerment zones.

Parcels within a brownfield area may or may not be contaminated. To redevelop a contaminated site, which may contain one or more parcels, an individual or entity may enter into a Brownfield Site Rehabilitation Agreement with DEP or one

of the three delegated counties.<sup>5,6</sup> Responsible parties must meet milestones for completing rehabilitation tasks and submit plans and technical reports for review by the department. These parties conduct site rehabilitation activities, such as site assessment and cleanup to reduce contaminant levels to meet risk-based cleanup target levels the department establishes for that site.<sup>7</sup> Upon completion of site rehabilitation activities, DEP issues site rehabilitation completion orders confirming that site rehabilitation was completed and no further cleanup actions are required.

<sup>4</sup> Per state law, advisory committees must be formed to obtain public participation in designating brownfield areas.

<sup>5</sup> DEP’s Brownfields Program tracks contaminated sites for which a voluntary Brownfield Site Rehabilitation Agreement has been executed. All other known contaminated sites located in brownfield areas that have not volunteered to participate in the program are tracked by other DEP waste cleanup programs.

<sup>6</sup> DEP has delegated program authority to Broward, Hillsborough, and Miami-Dade counties.

<sup>7</sup> Chapter 376.79(17), F.S.

**Exhibit 1  
Several Entities Are Involved in Brownfields Program Activities**

Local Governments	Department of Environmental Protection	Office of Tourism, Trade, and Economic Development	Enterprise Florida, Inc.	Department of Revenue	U.S. Environmental Protection Agency
<ul style="list-style-type: none"> <li>Adopt resolutions to designate brownfield areas</li> <li>Form advisory committees as a means to obtain public participation in planned activities for brownfield areas</li> </ul>	<ul style="list-style-type: none"> <li>Compiles information about areas and sites</li> <li>Negotiates cleanup schedule and tasks to be performed</li> <li>Executes cleanup agreement with responsible party</li> <li>Provides technical assistance on program guidelines and procedures</li> <li>Issues orders to signify completion of cleanup requirements</li> <li>Administers Voluntary Cleanup Tax Credit Program</li> </ul>	<ul style="list-style-type: none"> <li>Administers, reviews, and approves sales tax refund claims for the Brownfield Redevelopment Bonus Refund</li> <li>Administers Loan Guarantee Program and OTTED director chairs loan guarantee council</li> </ul>	<ul style="list-style-type: none"> <li>Advertises and markets the Brownfield Program</li> <li>Assists companies that apply for incentives</li> <li>Recommends projects to OTTED for Brownfield Redevelopment Bonus Refund</li> </ul>	<ul style="list-style-type: none"> <li>Processes Voluntary Cleanup Tax Credits for corporate income tax</li> <li>Reviews and approves sales tax refund applications</li> </ul>	<ul style="list-style-type: none"> <li>Provides grants to states, local governments, and other entities for brownfield site assessment, cleanup, and training</li> </ul>

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

The program provides various financial and regulatory incentives and assistance. The state provides various financial and regulatory incentives and other assistance to encourage redevelopment in brownfield areas (see Exhibit 2). These incentives include liability protection, Voluntary Cleanup Tax Credits, a Brownfield Redevelopment Bonus Refund, a sales tax refund for building materials, and the Brownfield Areas Loan Guarantee Program.

Other states' brownfield program incentives are similar to Florida's. We reviewed brownfield incentives offered in the 10 most populous states according to the 2010 Census.<sup>8</sup>

<sup>8</sup> These states are California, Georgia, Illinois, Michigan, New York, North Carolina, Ohio, Pennsylvania, and Texas.

These states' incentives are similar to Florida's. For example, all states, including Florida, provide property owners and developers with various degrees of liability protection. Every state also offers one or more financial incentives, including grants, low interest loans, reduced tax rates, tax credits, and tax refunds. However, the number of financial incentives varies widely by state. For example, North Carolina has only two types of incentives: liability protection and property tax reduction. In contrast, Illinois has five incentives: liability protection, grants, a cleanup revolving loan program, a redevelopment loan program, and a bank participation program. See Appendix A for descriptions of brownfields incentives in the 10 states we examined.

## Exhibit 2 Florida's Brownfield Program Provides a Variety of Incentives

### Incentives

**Liability Protection.** Any person who has executed, implemented, and successfully completed a Brownfield Site Rehabilitation Agreement with DEP is relieved of further liability for remediation of the site to the state, federal government, and third parties.

**Voluntary Cleanup Tax Credits.** Projects that execute a Brownfield Site Rehabilitation Agreement with DEP are eligible for a 50% corporate income tax credit for site rehabilitation costs. When cleanup is complete an additional 25% tax credit may be claimed on all eligible costs. Also, if the property is redeveloped with affordable housing, a health care facility, or health care provider an additional 25% tax credit may be claimed. A one-time 50% tax credit is also available for removal of solid waste from a brownfield site. All tax credits must be used within five years from issue date and may be transferred once.

**Brownfield Redevelopment Bonus Refund.** Pre-approved businesses may receive a \$2,500 tax refund for each new job created if the business completes a fixed capital investment of at least \$2 million in mixed-use business activities in a brownfield that requires cleanup or at least \$500,000 in a brownfield that does not require cleanup; and creates at least 10 new full-time jobs, excluding construction and site remediation jobs. The capital investment requirement does not apply to businesses eligible for Qualified Target Industry Tax refunds.<sup>1</sup> Taxes include corporate income, sales, ad valorem, intangible personal property, and insurance premium.

**Sales Tax Refund for Building Materials.** A sales tax refund on building materials is available for construction of housing projects that set aside at least 20% of the units for low-income and moderate income persons, or mixed-use projects that set aside at least 20% of the square footage for low-income and moderate-income housing.

**Brownfield Areas Loan Guarantee Program.** The state provides a limited guaranty, up to five years, on loans by private lending institutions to brownfield site developers. The guaranty applies to 50% of the primary lender loan. For projects that result in the development of an affordable housing project, health care facility, or health care provider, the loan guaranty applies to 75% of the lender loan. Applications are approved by the Brownfield Areas Loan Guarantee Council.<sup>2</sup>

<sup>1</sup> The Legislature created the Qualified Target Industry Program to encourage job growth in industries that pay relatively high wages compared to state or area wages.

<sup>2</sup> The council includes the secretaries (or 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, the State Surgeon General (or designee), and the director (or designee) of the Office of Tourism, Trade, and Economic Development. OTTED's director chairs the council.

Source: Department of Environmental Protection and the *Florida Statutes*.

## Program Costs

There are two primary costs associated with the Brownfields Redevelopment Program—agency personnel costs to administer the program and state-provided financial incentives. The state spent over \$445,000 to administer the program in Fiscal Year 2009-10, including expenditures for DEP headquarters and district office staff as well as personnel from agencies that have program responsibilities (see Exhibit 3).

### Exhibit 3 State Agencies Spent Over \$445,000 on Brownfield Activities in Fiscal Year 2009-10

State Agency	Administrative Cost
Department of Environmental Protection	\$348,291
Office of Tourism, Trade, and Economic Development	68,700 <sup>1</sup>
Enterprise Florida, Inc.	15,000
Department of Revenue	13,748
<b>Total</b>	<b>\$445,739</b>

<sup>1</sup> Includes \$55,500 for state contract for auditing of business information related to tax credit and capital investment.

Source: Information provided by participating agencies.

Program incentives for Fiscal Year 2009-10 totaled \$5.4 million. Since the program’s inception in 1997, participants have received \$24.6 million in incentives, with more than half of the expenditures attributed to Voluntary Cleanup Tax Credits (see Exhibit 4).

### Exhibit 4 Brownfield Incentives Total \$24.6 Million Since the Program’s Inception

Incentive	Total Cost
Voluntary Cleanup Tax Credit	\$13,628,547 <sup>1</sup>
Jobs Bonus Refund	5,536,597
Sales Tax Refund	5,455,565 <sup>2</sup>
<b>Total</b>	<b>\$24,620,709</b>

<sup>1</sup> Dry-cleaning-solvent-contaminated sites also are eligible for the Voluntary Cleanup Tax Credit. Since 1997, these sites have received \$1,895,104 in tax credits.

<sup>2</sup> The Department of Revenue has only tracked the amount of sales tax refunds specific to brownfield sites since 2007.

Source: OPPAGA analysis of information provided by the Department of Environmental Protection, the Office of Tourism, Trade, and Economic Development, and the Department of Revenue.

## Current Status

Brownfield site rehabilitation has increased, but fewer than 650 acres have been cleaned up. Businesses are taking advantage of program incentives and have created 3,628 direct jobs and made \$56.9 million in capital investment in brownfield areas. However, some stakeholders have concerns about a Voluntary Cleanup Tax Credit backlog and eligibility restrictions on the sales tax refund for building materials.

### *Brownfield site rehabilitation has increased; acreage cleaned up remains low*

Since OPPAGA’s February 2004 report on the Brownfields Redevelopment Program, the number of brownfield area designations has increased from 83 to 259.<sup>9</sup> Forty counties have brownfield areas, with the number of areas varying widely by county. Miami-Dade County has the most areas with 47, followed by Hillsborough County with 34. Several counties (15) have only one brownfield area within their geographical boundaries. See Appendix B for a complete list of brownfield areas by county.

As shown in Exhibit 5, these areas encompass 197,970 acres and vary widely in size, from less than 1 acre to more than 12,000 acres; the median acreage of brownfield areas is 54 acres. In addition, between January 2004 and January 2011, the number of contaminated sites with rehabilitation agreements increased from 48 to 155, and the number of sites cleaned up increased from 9 to 46. However, the sites that were cleaned up encompassed only 629 acres, or approximately 18%, of the total acreage of sites with signed agreements for rehabilitation.

<sup>9</sup> *Progress Report: Brownfield Rehabilitation is Increasing; More Time Needed to Assess Program’s Impact*, OPPAGA Report No. 04-18, February 2004.

**Exhibit 5  
Brownfield Site Rehabilitation Agreements and  
Rehabilitated Sites Have Increased Since 2004**

Sites	January 2004		January 2011	
	Number	Acreage	Number	Acreage
Brownfield Areas <sup>1</sup>	83	71,337	259	197,970
Sites with Signed Agreements	48	1,049	155	3,574
Sites Rehabilitated	9	65	46	629
Percentage of Sites and Acreage Rehabilitated with Signed Agreements	19%	6%	30%	18%

<sup>1</sup> Total approximate acreage is not representative of the number of acres that may require cleanup due to contamination, but represents properties (acres) that may be eligible for economic and regulatory incentives pursuant to the Brownfields Redevelopment Act.

Source: Department of Environmental Protection.

Since program inception, the average amount of time from execution of the cleanup agreement to completion order issuance was 2.4 years. However, as of January 2011, 109 sites had not completed cleanup activities; 42 (39%) have site rehabilitation agreements that are over five years old. Most of these sites (57%) are located in Duval, Hillsborough, and Miami-Dade counties.

Brownfield redevelopment efforts can be time consuming because program participation is voluntary and because these sites may be some of the most difficult properties to redevelop due to the problems associated with actual or perceived contamination. In addition, a 2009 survey of municipalities conducted by the U.S. Conference of Mayors reported that the average time to redevelop brownfield sites is four-and-a-half to five years.<sup>10</sup> Lack of cleanup funds, liability issues, and poor market conditions are among the obstacles to brownfields redevelopment that municipalities reported.

<sup>10</sup> *Recycling America's Land: A National Report on Brownfields Redevelopment*, Volume VIII, The United States Conference of Mayors, January 2010.

***Businesses are taking advantage of redevelopment incentives; stakeholders are concerned about a tax credit backlog***

Participants have received \$24.6 million in incentives since the Brownfield Redevelopment Program's inception, using them to create 3,628 direct jobs and make \$56.9 million in capital investment. Although stakeholders generally believe the incentives are adequate to facilitate cleanup and redevelopment, some assert that a backlog in the Voluntary Cleanup Tax Credit may hinder program participation.

Voluntary Cleanup Tax Credits total \$13.6 million; stakeholders are concerned about a backlog. Parties responsible for site cleanup may annually apply for tax credits for site rehabilitation costs. An applicant may receive a corporate income tax credit for 50% of the costs of voluntary cleanup activities on brownfield or dry-cleaning-solvent-contaminated sites.<sup>11</sup> Applicants must provide documentation such as contracts, invoices, and payment records to prove cleanup activities have been conducted. Department of Environmental Protection staff reviews the information for completeness and eligibility. Once staff verifies that the application is complete and claimed costs are eligible, the entity may receive a tax credit certificate when state funds are available. By law, the department cannot award more than \$2 million in tax credits annually.<sup>12</sup>

Since 2001, the department has issued 143 certificates for brownfield sites for a total of \$13.6 million. Tax credit recipients have up to five years to claim the credit. Of the certificates issued, businesses had claimed \$7.7 million in credits on their corporate income tax returns as of December 2010.

In addition, state law allows for a one-time transfer of tax credits; the intent of transferability is to allow entities without Florida corporate income tax liability to benefit

<sup>11</sup> Total annual tax credit amounts are limited to \$500,000 per site.

<sup>12</sup> Section 220.1845(2)(f), *F.S.*

from the Voluntary Cleanup Tax Credit incentive by transferring or selling them to corporate entities that can benefit.<sup>13,14</sup> Tax credit recipients must return the certificate to the department and request a transfer. As of January 2011, 94 certificates, or 65.7% of the total, were transferred. The entity selling a certificate can receive an immediate monetary benefit and the buyer can claim tax credits without having performed costly cleanup activities.<sup>15</sup>

The volume of approved credits has exceeded the \$2 million limit each year since 2007, creating a backlog of \$6.2 million as of December 2010. Eligible applicants that do not receive a tax credit certificate will receive their tax credits in first-come, first-served order, when the Legislature makes the next annual appropriation. The department anticipates awarding all existing tax credits by July 2014.

Department managers assert that the backlog weakens the value of this incentive. In addition, several stakeholders reported that the backlog discourages potential brownfields redevelopment because property owners and developers do not want to wait years to receive the credits. To address this concern, some stakeholders recommended increasing the annual tax credit limit from \$2 million to as much as \$5 million.

Sales Tax Refunds for Building Materials total \$5.5 million; stakeholders suggest expanding refund. In brownfield areas, a sales tax refund on building materials is available for construction of housing projects that set aside at least 20% of the units for low-income and moderate income persons, or mixed-use projects that set aside at least 20% of the square footage for low-income and moderate-income housing. This incentive is available for projects

within brownfields areas, regardless of the presence of contamination. All businesses applying for a sales tax refund must complete a Department of Revenue form, which requires information such as business name and address. Applicants must also attach required documents to the forms, including receipts with sales tax paid.

Since 2007, the first year data was available, the Department of Revenue has issued 61 refunds for a total of \$5.5 million. Some stakeholders suggested expanding this incentive to include all types of commercial and residential projects, not just those that include affordable housing, to encourage more participation in the program.

Brownfield Redevelopment Bonus Refund totals \$5.5 million for 3,628 direct jobs created. The Brownfield Redevelopment Bonus Refund is designed to encourage redevelopment and job creation within designated brownfield areas, regardless of the presence of contamination. Pre-approved applicants may receive a tax refund equal to 20% of the average annual wage of the new jobs created in a designated brownfield area up to a maximum of \$2,500 per new job created.<sup>16</sup> Applicants enter into an agreement with OTTED that specifies the number of direct jobs, average wage, and capital investment that will be created by the project.

Since May 1998, 107 projects have applied for a Brownfield Redevelopment Bonus Refund.<sup>17</sup> Of those projects, 29 had received \$5.5 million in tax refunds by December 2010. Confirmed direct jobs and capital investment from these projects were 3,628 and \$56.9 million, respectively (see Exhibit 6). The exhibit also includes the total projected direct jobs and capital investment anticipated from the 29 projects.

<sup>13</sup> Pursuant to s. 220.1845(2)(c), *F.S.*, if a tax credit certificate is transferred, the entity acquiring the certificate also has five years to claim the credit.

<sup>14</sup> Section 220.1845(2)(g), *F.S.*

<sup>15</sup> According to a tax incentive broker, buyers typically pay 80% of the face value of a tax credit.

<sup>16</sup> Refunds are based on taxes paid by the business, including corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes.

<sup>17</sup> This includes 29 projects with brownfield redevelopment bonus only and 78 projects with brownfield redevelopment bonus with Qualified Target Industry (QTI).

**Exhibit 6  
Brownfield Redevelopment Bonus Refund  
Recipients Have Created 3,628 Direct Jobs and  
Made \$56.9 Million in Capital Investment**

	Confirmed to Date	Projected from Agreement
New Jobs	3,628	4,498
Capital Investment <sup>1</sup>	\$56,876,475	\$120,690,378

<sup>1</sup> Confirmed capital investment for Brownfield Redevelopment Bonus Refund with Qualified Target Industry Tax refunds is not included because OTTED is not statutorily required to affirm these numbers. The amount of projected capital investment for these projects is \$427,759,577.

Source: Office of Tourism, Trade, and Economic Development.

An additional 32 active projects have not yet received funds, but are projected to create an additional 5,599 jobs and \$787 million in capital investment.

The Brownfield Areas Loan Guarantee Program is rarely used. The state provides a limited guaranty, up to five years, on loans by private lending institutions to developers in brownfield areas. The loan guaranty applies to 50% of the primary lender loan.<sup>18</sup> Up to \$5 million of loan guarantees may be at risk at a time.<sup>19</sup> The Brownfield Areas Loan Guarantee Council reviews and approves applications.

Since the program’s inception in 1997, the council has reviewed and approved only two loan guarantees. The first was approved in February 2002 for \$574,541 and terminated at full repayment of the loan by the borrower in June 2003. The second loan guaranty was approved in December 2008 for \$3.2 million and is effective until February 2012. Consequently, only \$1.8 million is available for new guarantees. Program managers report that low program participation may be related to the current credit climate and the level of guarantee available to primary lenders.

<sup>18</sup> If the project is for the construction and operation of a new health care facility or a health care provider or for affordable housing, the loan guaranty applies to 75% of the lender loan.

<sup>19</sup> Of the \$5 million, 15% (\$750,000) must be reserved for projects involving predominantly minority-owned businesses.

## Program Options

While the Brownfield Redevelopment Program has cleaned up fewer than 650 acres, businesses have created 3,628 jobs and made \$56.9 million in capital investment in brownfield areas. Although businesses have taken advantage of program incentives, some stakeholders are concerned about a Voluntary Cleanup Tax Credit backlog and eligibility restrictions on the sales tax refund for building materials.

The Legislature may wish to consider several options for the program. These include discontinuing the program to create long-term savings, modifying incentives to reduce state costs and risk, modifying program incentives to encourage participation, and continuing the program as established. The options have advantages, disadvantages, and varying fiscal impacts.

Option 1: Discontinue the program to create long-term savings. The Legislature could amend the statutes to abolish the program, saving an estimated \$4.5 million: \$445,000 in administrative costs and \$4 million in incentive costs annually.<sup>20</sup> Eliminating the program would increase state revenue collections, but would likely reduce environmental cleanup, business investment, and employment growth in the brownfield areas.

Option 2: Modify incentives to reduce state costs and risk. The Legislature may wish to reduce state costs by modifying current program incentives. These modifications include suspending the Voluntary Cleanup Tax Credit until the backlog is resolved and discontinuing the Sales Tax Refunds for Building Materials incentive and the Brownfield Areas Loan Guarantee incentive.

- **Suspend the Voluntary Cleanup Tax Credit.** As previously stated, the program has experienced a backlog for this incentive

<sup>20</sup> The approximate total incentive cost was calculated using the lowest incentive amounts from the data available.

since 2007. To mitigate the backlog and limit additional state financial obligations, the tax credit program could be suspended until the backlog is eliminated. If funds are appropriated at the current level (\$2 million per year), it will take more than three fiscal years to meet the backlog obligation of \$6.2 million. In addition, program suspension could slow down site cleanup, business investment, and job creation.

- **Discontinue the Sales Tax Refund for Building Materials.** Abolishing this incentive for brownfields could save an estimated average of \$1.4 million annually. However, eliminating the sales tax refund could discourage participation in the Brownfields Program, which could hamper site rehabilitation, capital investment, and job creation.
- **Discontinue the Brownfield Areas Loan Guarantee Program .** This incentive has only been used twice since the program’s inception. In addition, this incentive puts the state at risk for up to \$5 million in loan guarantees. However, as with eliminating the sales tax refund, discontinuing the loan guarantee incentive could discourage participation in the Brownfields Program.

Option 3: Modify program incentives to encourage participation. When the state’s fiscal condition improves, the Legislature may wish to encourage greater program participation by modifying program incentives. This includes changing the statutory cap on the Voluntary Cleanup Tax Credit, broadening eligibility criteria for sales tax refunds, and restructuring the Brownfield Areas Loan Guarantee Program.

- **Increase the statutory limit on Voluntary Cleanup Tax Credits.** Currently state law limits the amount of Voluntary Cleanup Tax Credits that can be awarded to \$2 million annually.<sup>21</sup> The volume of approved credits has exceeded the \$2

million award limit each year since 2007, creating a backlog of \$6.2 million as of December 2010.

To mitigate the backlog, the Legislature could increase the tax credit cap. According to stakeholders, this could encourage increased program participation, which may lead to more environmental cleanup and economic development in brownfield areas. The Legislature could amend s. 220.1845(2)(f), *Florida Statutes*, and raise the tax credit cap to \$4 million, which would decrease state tax revenues by an additional \$2 million each year.

- **Broaden eligibility criteria for sales tax refunds.** To increase the availability of the Sales Tax Refunds for Building Materials incentive in brownfield areas, the Legislature could amend s. 212.08(5)(o), *Florida Statutes*, to specify that the sales tax refund be available for projects other than affordable housing in brownfield areas.<sup>22</sup> According to stakeholders, this change may encourage increased program participation. However, increasing the number of entities eligible for these refunds would decrease tax revenues to the state by an unknown amount, as the number of individuals or entities that would apply for sales tax refunds is unknown.
- **Restructure the Brownfield Areas Loan Guarantee Program.** Since the Brownfield Program’s inception, the incentive has only been used twice, despite the 2006 Legislature increasing the loan guaranty from 10% to 50% to encourage lending institutions to provide more financing. To encourage use of the Loan Guarantee Program, the Legislature could amend s. 376.86, *Florida Statutes*, to change the guaranty amount and guaranty period. For example, the Legislature could increase the amount of loan guarantees that may be used at once from \$5 million to \$10 million.

<sup>21</sup> Section 220.1845(2)(f), *F.S.*

<sup>22</sup> Currently, the law limits eligibility for sales tax refund on building materials to entities constructing housing projects that set aside at least 20% of the units for affordable housing.



In addition, the guaranty period could be lengthened, from up to 5 years to up to 10 years. While these changes may encourage brownfield revitalization, they would increase risk to the state, because the state would assume additional financial responsibility if loans were not repaid.

Option 4: Continue the program as established. The Legislature could continue the program as established. This option allows additional cleanup and redevelopment activities, which have increased since the program's inception in 1997. This option would require the continued annual expenditure of an estimated \$4.5 million: \$445,000 for program administration and \$4 million for incentives.<sup>23</sup>

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<sup>23</sup> We conservatively estimated incentive costs by adding \$2 million for the Voluntary Cleanup Tax Credit and the lowest amount of total sales tax refunds (\$846,513) and smallest Job

However, the option does not address the concerns raised by stakeholders about incentive backlog and eligibility criteria.

## Agency Response ---

In accordance with the provisions of s. 11.51(5), *Florida Statutes*, a draft of our report was provided to the Secretary of the Department of Environmental Protection, the President and CEO of Enterprise Florida, Inc., the Director of the Office of Tourism, Trade, and Economic Development, and the Executive Director of the Department of Revenue for review. Written responses to the draft report are included in Appendix C.

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Bonus Refund appropriation (\$1,187,500) over the last five years.

## Appendix A

# Florida's Brownfields Incentives Are Similar to Those in Other Large States

Florida's Brownfields Redevelopment Program incentives are similar to those offered in the other nine most populous states according to the 2010 Census—California, Georgia, Illinois, Michigan, New York, North Carolina, Ohio, Pennsylvania, and Texas. Incentives for each state are described in the exhibit below.

### California

**Liability Protection.** Protections exempt lenders from liability under state and local laws and ordinances (but not from common law liability) provided they do not participate in the management of the property and did not directly contribute to the release or potential release of hazardous substances on the property. The state also provides a voluntary program that provides immunity from liability for response costs or damage claims to qualified innocent landowners, bona fide purchasers and ground tenants, and contiguous property owners of property in urban areas. Participants seeking to qualify for immunity must enter into an agreement that includes the preparation and implementation of a site assessment plan and, if necessary, a response plan.

**Targeted Site Investigation.** Using grant funds provided by the U.S. Environmental Protection Agency, this program provides funds for the state's Department of Toxic Substances Control to perform environmental site investigations at no cost to the applicant. The funds are intended to provide state and local governments, school districts, redevelopment agencies, or nonprofit organizations an opportunity to gain more information about a site's condition, which can directly affect decisions on property acquisition or cleanup strategy.

**Low-Interest Loans.** This program provides low-interest loans for site evaluation (up to \$100,000) and site cleanup (up to \$2,500,000) to help developers, businesses, schools, and local governments accelerate site cleanup and redevelopment.

**Revolving Loan Fund Grant.** The Department of Toxic Substances partners with San Francisco and Los Angeles to administer a competitive grant to assist entities in undertaking cleanup activities at eligible sites.

### Florida

**Liability Protection.** Any person who has executed, implemented, and successfully completed a Brownfield Site Rehabilitation Agreement with the Department of Environmental Protection is relieved of further liability for remediation of the site to the state and third parties.

**Voluntary Cleanup Tax Credits.** Projects that execute a Brownfield Site Rehabilitation Agreement with DEP are eligible for a 50% corporate income tax credit for site rehabilitation cleanup costs. When cleanup is complete an additional 25% tax credit may be claimed on all eligible costs. Also, if the property is redeveloped with affordable housing, a health care facility, or health care provider an additional 25% tax credit may be claimed. A one-time 50% tax credit is also available for removal of solid waste from a brownfield site. All tax credits must be used within five years from issue date and may be transferred once.

**Brownfield Redevelopment Bonus Refund.** Pre-approved businesses may receive a \$2,500 tax refund for each new job created if the business completes a fixed capital investment of at least \$2 million in mixed-use business activities in a brownfield that requires cleanup or at least \$500,000 in a brownfield that does not require cleanup; and creates at least 10 new full-time jobs, excluding construction and site remediation jobs. The capital investment requirement does not apply if the business is eligible for a Qualified Target Industry Tax refund. Taxes include corporate income, sales, ad valorem, intangible personal property, and insurance premium.

**Sales Tax Refund for Building Materials.** A sales tax refund on building materials is available for construction of housing projects that set aside at least 20% of the units for low-income and moderate income persons, or mixed-use projects that set aside at least 20% of the square footage for low-income and moderate-income housing.

**Brownfield Areas Loan Guarantee Program.** The state provides a limited guaranty, up to five years, on loans by private lending institutions to brownfield site developers. The guaranty applies to 50% of the primary lender loan. For projects that result in the development of an affordable housing project, health care facility, or health care provider, the loan guaranty applies to 75% of the lender loan. Applications are approved by the Brownfield Areas Loan Guarantee Council.

### Georgia

**Liability Protection.** The state brownfields act provides limited liability relief for prospective purchasers of contaminated property who voluntarily agree to remediate soil and source material to promulgated risk reduction standards. Qualified prospective purchasers are not liable to the state or any third party for costs incurred in the remediation of or damages resulting from pre-existing releases.

**Targeted Brownfields Assessment.** No monetary grants or loans are provided, but a limited amount of direct assessment assistance is available to eligible entities subject to state criteria and available funds.

**Reduced Property Tax Assessments.** Per state code, environmentally contaminated property in the brownfields program receive preferential assessments that freeze the ad valorem of the property for the first of a period of ten years, or until the certified cleanup costs have been recovered through tax savings.

## Illinois

**Liability Protection.** The Illinois Site Remediation Program issues a “no further remediation” letter after risk-based, site specific remediation objectives are achieved.

**Municipal Brownfields Redevelopment Grant Program.** Offers municipalities grants of up to \$240,000 for environmental assessment and cleanup plans for brownfields. Sites must be enrolled in the Site Remediation Program and investigation/cleanup activities must be approved. The grant has a 70/30 match requirement.

**Brownfields Cleanup Revolving Loan Fund.** Offers stipulated loans up to \$425,000 per site to municipalities to clean up former industrial commercial or industrial sites. Sites must be enrolled in the Site Remediation Program and investigation/cleanup activities must be approved. The municipality must own the site.

**Brownfields Redevelopment Loan Program.** Available to private parties and any unit of local government, the program offers low interest loans up to \$500,00 for any single loan with a maximum of \$1 million per project. The loans pay for remediation and limited investigation and demolition activities. Repayment due in 15 years.

**Bank Participation Loan Program (Chicago).** Offers up to \$250,000 or \$350,000 for commercial and industrial loans (respectively) that are matched by banks at 75% of prime rate, for terms from 3 years to 15 years.

## Michigan

**Liability Protection.** Entities submitting a baseline environmental assessment to Michigan’s Department of Environmental Quality prior to or within 45 days of purchase receive an exemption from liability for existing contamination.

**Brownfield Redevelopment Grants and Loans.** Grants and loans are available for investigation and environmental cleanup of brownfield sites targeted for redevelopment. The program is funded through past environmental bond initiatives. Eligible applicants include local units of government and authorities or other organizations such as a brownfield redevelopment authority or downtown development authority. The local governing body must commit its full faith and credit for loans. An eligible property can be either known or suspected to be contaminated.

**Brownfield Michigan Business Tax Credit.** Tax credits are available to developers of brownfield sites for up to 12.5% of eligible investment hard costs. For projects designated as Urban Development Area Projects, a credit of up to 20% is available. An eligible property must be in an approved Brownfield Redevelopment Plan, and eligible development costs include site improvements, demolition, construction, restoration, alteration, building renovation or improvement, and addition of machinery, equipment, and fixtures.

**Brownfield Redevelopment Authority.** Redevelopment authorities have tax-increment financing and bonding authority and may use these funds to address eligible environmental, and in some cases, infrastructure costs at sites in an approved brownfield plan. Funds may also be used for demolition and lead and asbestos abatement. A redevelopment authority may also establish a local site remediation revolving fund through capture of excess tax increment revenues for up to five years to conduct eligible activities on other eligible properties. Bonds can be repaid with tax increment revenues.

## New York

**Liability Protection.** Following the completion of a project, the New York Department of Environmental Conservation issues a certificate of completion, which entitles the recipient to an environmental liability limitation (subject to reopeners) that would be binding on the state for any liability including future liability or claim for further remediation of hazardous waste and/or petroleum at or emanating from the site that was subject to the agreement.

**Technical Assistance Grants.** Grants of up to \$50,000 per site at significant threat sites under the Brownfield Cleanup Program

**Tax Credits.** The state’s environmental conservation law, tax law, and insurance law provide for a suite of tax credits available to parties cleaning up sites under the Brownfield Cleanup Program. These credits offset costs associated with real property taxes, site preparation, ground water remediation, property improvements, and insurance premiums relating to environmental remediation insurance. Eligible costs may be claimed for up to five years after the issuance of a certificate of completion and projects accepted after June 2008 may qualify for credits ranging from 22% to 50% whereas projects accepted prior to June 23, 2008 may qualify for credits ranging from 10% to 22%. In addition, Environmental Zones provide enhanced tax credits for parties who remediate and redevelop brownfield sites in designated areas.

**Tangible Property Credit Component.** This redevelopment credit increases the tangible property credits by 2% for sites in a designated Brownfield Opportunity Area where redevelopment conforms to the goals and priorities of the area. This component covers costs of buildings and improvements (including structural components of buildings) that are placed into service within 10 years after the certificate of completion is issued.

## North Carolina

**Liability Protection.** Program provides prospective developers, who are non-causative parties, liability protection under an agreement in the form of a covenant not to sue.

**Property Tax Reduction.** The holder of a brownfields agreement with the Department of Environment and Natural Resources statutorily receives local property tax relief upon completion of improvements to the property. The value of improvements is excluded from future property taxes for five years at a rate of 90% exclusion in the first year, gradually decreasing to a 10% exclusion in year five.

## Ohio

**Liability Protection.** A person undertaking a voluntary action contracts with consultants certified by the Ohio Environmental Protection Agency to perform investigation and cleanup activities in this program. Once the cleanup is done, the agency prepares a no further action letter to demonstrate that proper investigation and cleanup activities were performed and that no further action is needed. If the data show that the work was properly conducted, the agency can issue a covenant not to sue, which promises the volunteer that the State of Ohio will not require further investigation or cleanup of the property.

**Clean Ohio Assistance Fund.** A fund with a \$10 million annual appropriation dedicated to brownfields redevelopment in eligible priority investment areas. Eligible applicants such as local governments, park and joint recreation districts, conservancy districts, soil and water conservation districts, and nonprofit organizations are eligible to receive grants for conservation projects and must provide a 25% local match.

**Brownfield Revolving Loan Fund.** Offers below-market rate loans to assist with the remediation of a brownfield property to return it to a productive economic use in the community.

**Tax Abatement.** Upon issuance of a covenant not to sue, the property is granted a tax exemption. The exemption, which is issued as an order by the tax commissioner, only covers the increase in the assessed value of land and the increase in the assessed value of improvements, buildings, fixtures, and structures that exist at the time the tax abatement order is granted.

## Pennsylvania

**Liability Protection.** The program identifies risk-based standards for cleanup, simplifies the approval process, and limits future liability when standards are attained.

**Industrial Sites Reuse Program.** Provides loans and grants to municipalities and private entities for site assessment and remediation; maximum of \$200,000 for site assessment, or \$1,000,000 for remediation per year; all require a 25% match; loans carry a 2% rate for terms up to 5 years (for assessments) or 15 years (for remediation).

**Infrastructure Development Program.** Provides public and private developers with grants and loans for site remediation, clearance, and new construction, up to \$1,250,000 per project at 3% interest for 15 years.

**Job Creation Tax Credit Program.** A tax credit of \$1,000 per new job for firms that increase employment by 25 jobs or 20% within three years from start date.

**Tax Increment Financing Guarantee Program.** Communities can borrow funds for projects that will develop blighted areas and then repay those borrowed monies through the new tax revenues that will be generated because of the development.

## Texas

**Liability Protection.** After completion of site cleanup, parties will receive a certificate of completion from the Texas Commission on Environmental Quality, which states that all non-responsible parties are released from all liability to the state for cleanup of areas covered.

**Tax Incentives.** The Texas Tax Code allows municipal or county taxing authorities to provide property tax relief for the development or redevelopment of certain brownfield properties that are located within a reinvestment zone and have been cleaned up through the voluntary cleanup program.

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Source: *State Brownfields and Voluntary Response Programs: An Update from the States*, U.S. Environmental Protection Agency 2009, and state brownfield program websites.

## Appendix B

# Florida Has 259 Brownfield Areas in 40 Counties

Florida's brownfield areas are designated by resolution of a local government and are defined as contiguous areas of one or more brownfield sites, some of which may not be contaminated. The exhibit below lists brownfield areas by county, with the date of designation and acreage for each area.

County (Number of Areas)	Original Resolution Date	Acreage <sup>1</sup>
<b>ALACHUA (3)</b>		
University Corners Brownfield Area	6/27/2005	4.00
Gainesville Area	1/24/2000	26.00
The Phoenix Commercial Economic Enhancement District	4/28/2009	57.99
<b>BREVARD (11)</b>		
Casbah Properties, LLC Brownfields Area	7/22/2008	0.32
Manatee Point Brownfield Area	12/11/2007	0.48
Village Green Area	4/15/1999	10.00
Kirby Industrial Park 1 Brownfield Area	12/4/2003	36.00
North Interchange S.M.A.R.T.	5/6/2010	132.00
West Melbourne Area Voluntary Enhancement (WAVE) District	4/6/2010	274.09
Central Interchange S.M.A.R.T.	5/6/2010	1,320.00
Cocoa Brownfield Area	1/13/2004	1,549.00
WestTech S.M.A.R.T.	5/6/2010	1,713.00
Riverview S.M.A.R.T.	5/6/2010	2,782.00
Melbourne Economic Enhancement District (MEED)	9/19/2008	5,939.68
<b>BROWARD (12)</b>		
Uniweld Products Area	12/12/2000	3.00
MABB Dania Beach Brownfield Area	5/28/2003	4.00
Turner Envirologic Area	10/18/2005	5.00
Miramar Area	1/5/2000	7.00
Harbour Cove Brownfield Area	6/15/2004	7.06
Dania Motocross Brownfield Area	5/28/2003	12.00
Lauderdale Lakes Area	1/25/2000	21.00
Sunrise Boulevard/NW 31st Avenue Brownfield Area	5/8/2006	93.00
Liberia/Oakwood Hills Area	9/18/2002	148.00
US 441/SR 7 Corridor	3/11/2002	504.00
Dania Beach Brownfield Area	12/9/2008	1,349.00
Pompano Beach Northwest Area	11/23/1999	3,084.00
<b>CHARLOTTE (1)</b>		
Enterprise Charlotte Airport Park	10/26/2004	2,820.00
<b>CITRUS (1)</b>		
Wal-Mart Inverness	7/9/2002	40.00
<b>CLAY (1)</b>		
Greater Green Cove Springs Area	3/1/2005	5,579.73

County (Number of Areas)	Original Resolution Date	Acreage <sup>1</sup>
<b>COLLIER (2)</b>		
Bayshore Cultural Arts Catalytic Facility for Redevelopment	11/10/2009	17.67
Immokalee Airport Area	3/24/2004	211.43
<b>DUVAL (19)</b>		
The Opportunity Project	7/23/2008	0.46
Hughes Electrical Brownfield Area	11/8/2005	1.00
Kings Avenue Brownfield Area	8/15/2005	1.00
720 Atlantic Boulevard Brownfield Area	8/20/2008	1.27
Riverplace Boulevard Area	9/5/2002	4.00
Raven Transport Holding Area	12/5/2002	9.00
Advantus Transport Area	12/12/2002	13.00
Insteel Wire Products Area	7/5/2005	16.00
Tree Hills Nature Center	7/23/2008	21.32
Southside Generating Station (SGS) Area	4/3/2001	37.00
Phillips Highway	9/30/2002	43.00
Imeson Consolidated Services, LLC Site	5/1/2009	45.70
1915 Wigmore Street (Jacksonville Maritime Partners)	9/13/2005	95.00
Former Jacksonville Raceway Area	7/29/2008	117.03
Sunbeam Hill Area	12/16/2002	224.00
Southside Community Redevelopment Area	8/15/2005	1,708.00
Cecil Field, I.I. Park & Phillips Hwy Corridor	1/25/2005	2,199.00
Cecil Brownfields Area	9/17/2003	8,124.00
Pilot Project Area	3/24/2000	11,520.00
<b>ESCAMBIA (14)</b>		
Enterkin Property Brownfield Area	9/21/2006	0.46
603 West Romana Street Area	9/15/2005	1.00
1123 West Scott Street	5/6/2004	1.00
3415 Barrancas Avenue BF Area	11/17/2003	1.00
Strategic Crossings Corporation	1/25/2001	2.00
Lloyd Street and Morris Court Brownfield Area	1/31/2008	2.05
1810 Barrancas Avenue Brownfield Area	11/9/2006	3.00
Pensacola Mainstreet Area	12/19/2002	3.00
929 Massachusetts Avenue Area	8/4/2005	8.02
501 North Navy Boulevard	11/17/2005	17.00
2800 Hollywood Avenue	8/18/2008	18.91
MidTown BF Redevelopment Area	1/23/2003	370.00
Century Town Limits Brownfield Area	12/5/2005	583.00
Palafox Corridor Redevelopment Area	9/16/1999	598.00
<b>FLAGLER (2)</b>		
Bunnell Industrial, LLC Brownfield Area	8/21/2006	43.69
Flagler Economic Enhancement Districts	6/7/2010	4,004.91
<b>GADSDEN (1)</b>		
Quincy Area	4/27/1999	4,890.00
<b>GULF (1)</b>		
Port St. Joe Area	11/5/2002	168.00
<b>HAMILTON (1)</b>		
Hamilton County EZ Area	4/20/2004	12,807.00

County (Number of Areas)	Original Resolution Date	Acreage <sup>1</sup>
<b>HARDEE (1)</b>		
Hardee County Enterprise Zone	11/1/2007	11,931.70
<b>HIGHLANDS (1)</b>		
Highlands County Brownfield Area	3/7/2006	12,268.00
<b>HILLSBOROUGH (34)</b>		
Washington Street Crossing Area	4/25/2002	1.00
The Place at Channelside	1/8/2004	2.25
Westshore Landings One Brownfield Area	11/8/2007	3.70
Grand Central at Kennedy Property Brownfield Area	4/27/2006	4.00
Former 43rd Street Bay Drum Site Brownfield Area	4/27/2006	4.00
Tampa Armature Works Brownfield Area	10/26/2006	4.27
Tampa Tank and Welding Property	12/11/2007	4.31
Crosland-Varela Westshore Area	12/11/2008	6.86
Centro Asturiano Place Brownfield Area	10/2/2003	7.00
4010 North Lois Avenue (former Borden property)	2/10/2005	7.50
12th Street Operations Yard	10/2/2003	7.50
1010-1026 North 19th Street	8/26/2005	8.00
North 56th Street Area	11/7/2002	8.38
WRB at Old Hopewell Road	12/6/2000	9.00
Tampa Heights Brownfield Area	1/30/2003	10.00
Former Runyan Shipyard	4/12/2007	13.80
Lakewood Pointe Brownfield Area	10/14/2009	15.00
Park N Shade Brownfield Area	1/10/2007	18.30
Honeywell	8/22/2006	18.79
Avion Park at Westshore Brownfield Area	12/14/2006	18.89
Envirofocus Technologies Brownfield Area	12/11/2008	21.18
Robbins Manufacturing Storage Yard	9/27/1999	24.00
North Ybor Channel Brownfield Area	12/16/2010	25.70
W.T. Edwards Facility	2/10/2005	26.00
Circle Tampa Ventures 1	9/7/2006	28.00
Central Park Village Brownfield Area	12/20/2007	28.90
Tampa International Center Brownfield Area	11/15/2007	29.36
Former TECO Hookers Point Brownfield Area	4/12/2007	31.97
Wal-Mart Buckley-Shuler Area	3/20/2002	40.00
Ameristeel Brownfield Area	4/24/2003	63.00
Midtown Brownfield Area	11/22/2010	83.59
Kracker Road Area	4/24/2008	112.00
Tampa Port Authority	1/4/2001	600.00
Lakeside Station Brownfield area	2/25/2008	1,286.08
<b>LAKE (4)</b>		
Umatilla Brownfield Area	6/15/2010	131.22
City of Tavares CRA Economic Enhancement District	7/23/2008	384.67
Eustis Downtown & East Town Brownfield Area	11/18/2004	926.00
Carver Heights/Montclair Area CRA	1/25/2010	1,162.22
<b>LEE (5)</b>		
Ft. Myers Coal Gasification Area	4/19/1999	7.00
3250 Metro Parkway	11/21/2005	9.86
Downtown Waterfront Brownfield Area	12/6/2010	19.27

County (Number of Areas)	Original Resolution Date	Acreage <sup>1</sup>
<b>LEE (5) continued</b>		
Ft. Myers Wellfield Area	11/17/2003	870.00
Dunbar Enterprise Zone Brownfield Area	5/19/2003	2,778.00
<b>LEON (4)</b>		
Sunland Hospital Parcel I Brownfield Area	7/1/2006	5.18
Cascade Park MGP and Landfill	3/22/2000	23.00
Former Bayliner Facility Area	12/14/2004	31.00
Gaines Street Corridor	3/22/2000	457.00
<b>MANATEE (2)</b>		
Manatee Avenue West Area	10/4/2002	3.00
Former Wellcraft Facility Brownfield Area	12/2/2010	30.80
<b>MARION (10)</b>		
Ocala Area #6 (Silver Springs Blvd)	10/24/2000	1.00
Ocala Area #5 (NW 1st Street)	2/15/2000	1.00
Ocala Area #3 (NW 10th Street)	6/8/1999	1.00
Ocala Area #2 (N Magnolia Ave)	5/11/1999	1.00
Ocala Area #7 (817 North Pine Avenue)	1/2/2001	2.00
Ocala Area #4 (NE 14th Street)	11/9/1999	6.00
Southeast Brownfield Expansion Area	8/9/2005	27.00
Maricamp Brownfields Area	2/3/2009	33.70
Ocala Area #1	3/24/1998	329.00
West Ocala Expansion Area	2/1/2005	1,015.00
<b>MIAMI-DADE (47)</b>		
Westview	7/11/2008	0.77
Dedicated Transportation	3/1/2005	1.61
Aguaclara Brownfield Area	6/24/2004	2.00
Potamkin Properties	6/7/2000	3.42
Golden Glades F	7/11/2008	4.82
Eastern Shore A	7/11/2008	5.04
Medley Redevelopment Brownfields Area	12/4/2006	9.27
Biscayne Commons Area	12/3/2002	12.53
South Miami Area	7/13/1999	20.03
Golden Glades B	7/11/2008	30.85
Fountainbleau	7/11/2008	41.23
Golden Glades D	7/11/2008	41.74
Glenvar Heights	7/11/2008	57.48
Golden Glades C	7/11/2008	62.94
Sweetwater A Area	7/13/1999	68.57
Lingren	7/11/2008	90.58
Eastern Shore C	7/11/2008	95.26
Flagler Westside	7/11/2008	120.51
Eastern Shore B	7/11/2008	143.21
Golden Glades A	7/11/2008	165.30
Miami Industrial	2/7/2008	174.55
Sweetwater E	7/11/2008	174.81
Golden Glades E	7/11/2008	197.72
Tamiami	7/11/2008	214.32



County (Number of Areas)	Original Resolution Date	Acreage <sup>1</sup>
<b>MIAMI-DADE (47) continued</b>		
Golden Glades G	7/11/2008	216.72
Biscayne Park	7/11/2008	232.41
Kendall West	7/11/2008	271.16
Coral Terrace	7/11/2008	317.11
Florida City - Unincorporated	7/11/2008	418.99
Westchester	7/11/2008	489.72
Ojus	7/11/2008	522.16
Beacons Lake Brownfield Area	5/20/2003	568.40
Richmond Heights Area	7/13/1999	642.00
Sweetwater C Area	7/13/1999	782.59
Sweetwater D	7/11/2008	995.56
Homestead CRA Area	2/22/2005	1,188.00
Opa-Locka Area	2/24/1999	1,424.34
Redlands/Leasure City Area	7/13/1999	2,140.20
Dade-Opa-Locka Area	7/13/1999	2,688.17
Perrine Area	7/13/1999	2,689.53
City of Hialeah Brownfield Area	10/28/2003	2,986.00
Carol City Area	7/13/1999	3,993.47
Central Miami Area	7/13/1999	4,111.37
Miami EZ Expansion Area	2/24/2005	4,809.84
Miami Area	3/10/1998	5,018.36
South Dade Area	7/13/1999	5,055.38
Model City/Brownsville Area	7/13/1999	9,708.30
<b>MONROE (1)</b>		
Old Baltuff Dump Site Brownfield Area	7/18/2007	12.81
<b>OKALOOSA (2)</b>		
Unincorporated Greater Lovejoy Community	2/16/2010	136.49
Commerce and Technology Park Area	10/14/2008	294.72
<b>ORANGE (12)</b>		
Baratta ROCC Brownfield Area	11/13/2007	3.05
Mills Park Brownfield Area	4/23/2007	13.35
Orlando-Sunterra Area	2/12/1999	14.00
DEEDS Orlando	11/21/2002	21.00
Bonita Fountains Phase 2 ROCC	8/4/2009	44.77
Orlando Commerce Park ROCC Area	11/11/2008	51.36
Hughes Supply Mega Center Brownfield Area	2/13/2006	73.00
Maitland Downtown Economic Enhancement District	1/28/2008	188.78
Holden Heights ROCC Brownfield Area	8/28/2007	322.58
Winter Garden Downtown CRA	4/11/2002	726.00
Innovation Way ROCC	9/19/2008	5,527.36
DEEDS Orlando Expanded	10/11/2004	6,535.54
<b>PALM BEACH (10)</b>		
Pahokee Plaza Area	7/16/2009	2.32
Carver Square Brownfield Area	4/3/2007	2.42
W.P.B. Downtown Northwood/Pleasant City CR Expanded Area	7/19/2004	26.00
Lake Worth Closed Municipal Landfill	2/1/2005	65.00

County (Number of Areas)	Original Resolution Date	Acreage <sup>1</sup>
<b>PALM BEACH (10) continued</b>		
Former Palm Beach Lakes Golf Course	6/25/2001	96.00
W.P.B. Downtown Northwood/Pleasant City CRA Areas	11/24/2003	118.00
Greater Lake Worth Park of Commerce	3/16/2009	453.00
Lake Worth CRA District	6/1/2004	737.00
Belle Glade Brownfield Area	5/19/2003	1,091.00
Westgate/Belvedere Homes CRA Area	12/16/2003	1,264.00
<b>PASCO (2)</b>		
Dade City Business Area Brownfield	11/9/2010	150.00
Dade City Business Center Area	11/16/2010	300.00
<b>PINELLAS (13)</b>		
Belleair Wastewater Treatment Plant and Town Garage	5/2/2006	3.00
Community Waterfront Park Area	3/22/2005	3.00
Bryan Dairy Road Brownfield Area	8/7/2007	3.42
Pinellas County Ashley Place Brownfield	9/16/2008	3.66
Alps Brownfield Area	12/21/2004	7.00
Pinellas County Dansville Brownfield Area	8/19/2008	60.39
Gateway Centre Business Park Addition One Tract A	12/30/2008	93.40
Young-Rainey Star Center Area	3/9/2004	96.00
Sod Farm Site	7/15/2004	122.00
St. Petersburg Area	10/21/1999	122.00
Pinellas County Largo Area-Wide Brownfield	9/18/2008	902.08
Clearwater Area	1/1/1997	1,100.00
Pinellas County Lealman Area-Wide Brownfield Area	9/20/2005	1,500.00
<b>POLK (3)</b>		
Auburndale Wal-Mart Area	1/17/2000	10.00
CSX Railyard - Lakeland	4/20/2001	99.00
Chain of Lakes Redevelopment Incentive District-Brownfield Area	4/12/2010	158.00
<b>PUTNAM (1)</b>		
Bill Ding Avenue Brownfield Area	9/13/2005	9.00
<b>SANTA ROSA (3)</b>		
Bell Ridge Brownfield Area	11/8/2007	49.03
Santa Rosa Brownfield Redevelopment Area	11/13/2003	655.00
Milton Brownfield Redevelopment Area	9/9/2003	1,078.00
<b>SARASOTA (5)</b>		
1783 -1785 & 1791 Tamiami Trail Area	10/14/2008	0.58
Wireman Property, aka Sarasota Dreambuilders	4/19/2004	2.00
Former Workman Electronics Area	2/26/2003	9.00
Marion Anderson Place Ubraculture Area	5/6/2004	18.00
Fruitville Brownfields Area	7/23/2003	122.00
<b>SEMINOLE (15)</b>		
Former Central Florida Drum Facility	12/11/2007	6.45
Casselberry City Properties/S.E.E.D	2/25/2008	7.27
Former Microvia Brownfield Area	3/12/2007	8.39
Fern Park Lowes	12/11/2007	9.45
Seminole Economic Enhancement District - Lake Mary	2/11/2008	15.97
Goldsboro Redevelopment and Economic Enhancement Neighborhood (GREEN)	5/1/2009	53.85

County (Number of Areas)	Original Resolution Date	Acreage <sup>1</sup>
<b>SEMINOLE (15) continued</b>		
The PLI Public Lands and Institutions Zoning Area	8/12/2008	69.95
Seminole Economic Enhancement District- Winter Springs	2/26/2008	109.45
Greenway Interchange S.E.E.D./Brownfield Area	9/17/2008	411.12
Village Walk S.E.E.D./Brownfield Area	9/17/2008	418.55
Casselberry CRA/S.E.E.D	2/25/2008	546.33
Town Center S.E.E.D./Brownfield Area	9/17/2008	548.72
Sanford Waterfront Economic Enhancement Area	11/24/2008	789.37
Unincorporated Seminole Economic Enhancement District	9/9/2008	954.72
Sanford Economic Enhancement District Area	11/12/2007	1,080.76
<b>ST. JOHNS (1)</b>		
St. Augustine Ponce de Leon	11/13/2006	283.54
<b>ST. LUCIE (3)</b>		
S & S Land Company Brownfield Area	11/19/2007	2.33
Coral Square Shoppes	2/5/2007	15.34
2525 Center Road Fort Pierce	6/6/2006	56.62
<b>SUWANNEE (1)</b>		
Live Oak Community Redevelopment Area	6/15/2010	903.29
<b>TAYLOR (1)</b>		
Taylor County Brownfield Area	5/5/2003	20.00
<b>VOLUSIA (7)</b>		
William Lofts Brownfield Area	6/14/2007	3.60
New Port LLP	6/17/2008	32.24
The Riverwalk Project Area	6/15/2010	43.41
New Smyrna Beach Brownfield Enhancement Zone (NSB BREZ)	7/15/2009	645.76
South Daytona Florida Brownfields Economic Enhancement Area	1/12/2010	647.03
Holly Hill Special Economic Enhancement District	2/23/2010	737.40
Daytona Beach Area- Aero Park	4/7/2004	1,397.00
<b>WAKULLA (1)</b>		
St. Marks Refinery Property	11/24/2008	56.73
<b>WASHINGTON (1)</b>		
Chipley Industrial Park Area	5/14/2002	113.00
<b>Total Acreage</b>		<b>197,970.27</b>

<sup>1</sup> Total approximate acreage is not representative of the number of acres that may require cleanup due to contamination, but represents properties (acres) that may be eligible for economic and regulatory incentives pursuant to the Brownfields Redevelopment Act.

Source: Department of Environmental Protection.

## Appendix C

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### Florida Department of Environmental Protection

Marjory Stoneman Douglas Building  
3900 Commonwealth Boulevard  
Tallahassee, Florida 32399-3000

Rick Scott  
Governor

Jennifer Carroll  
Lt. Governor

Herschel T. Vinyard Jr.  
Secretary

March 31, 2011

Ms. Kathy McGuire  
Interim Director  
Office of Program Policy Analysis and  
Government Accountability  
111 West Madison Street, Room 312  
Tallahassee, Florida 32399-1475

Dear Ms. McGuire:

Thank you for the opportunity to review and comment on the Office of Program Policy Analysis and Government Accountability's (OPPAGA) draft report entitled *Over 600 Brownfield Acres Cleaned Up; Businesses Take Advantage of Program Incentives*. I appreciate the manner in which you worked with our staff in the Division of Waste Management as you reviewed the Florida Brownfields Redevelopment Program and the Voluntary Cleanup Tax Credit Program. Thank you for your receptiveness to their comments on an earlier draft of the report.

The Florida Department of Environmental Protection acknowledges the completeness and accuracy of the information in the revised draft report dated March, 2011. However, we would like to offer our perspective on the use of brownfield acres cleaned up as a measure of the program's success. Although we understand that reporting on the number of brownfield acres cleaned up is straightforward and easily understood, we believe that the emphasis placed on brownfield acres cleaned up may detract from the overall success of the program. One of the key principles of brownfields redevelopment is reuse of urban areas close to population centers and existing infrastructure. Generally, these are relatively small parcels. Nevertheless, once cleaned up and redeveloped, they can have a significant economic impact on a struggling community. Therefore, we believe that other measures referenced in the report are better indicators of program success than the number of acres cleaned up. These include:

March 31, 2011  
Ms. Kathy McGuire  
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- 155 contaminated sites with signed cleanup agreements;
- 46 contaminated sites cleaned up;
- 3,628 new jobs created; and
- \$56.9 million in capital investments.

We look forward to working with the Florida Legislature, the Governor's Office of Tourism, Trade and Economic Development, and Enterprise Florida, Inc. to effectively achieve the environmental and economic development goals of these programs.

Sincerely,

Herschel T. Vinyard, Jr.  
Secretary

HTV/lf

cc: Joe Aita, Office of the Inspector General  
Dotty Diltz, Division of Waste Management

eflorida.com



March 21, 2011

Ms. Kathy McGuire., Interim Director  
Office of Program Policy Analysis  
and Government Accountability  
111 West Madison Street., Room 312  
Claude Pepper Building  
Tallahassee, FL 32399-1475

Dear Ms. McGuire,

Thank you for providing the preliminary findings and conclusions of the OPPAGA Report entitled *Over 600 Brownfield Acres Cleaned Up; Businesses Take Advantage of Program Incentives*. We appreciate the opportunity to comment on the review's findings and recommendations.

First, let me commend your office for a thorough and constructive analysis. The Brownfields Redevelopment Program encourages the cleanup and redevelopment of contaminated sites and spurs economic revitalization efforts in local communities. When the Brownfields Redevelopment Program started, there was a need to create awareness and demonstrate the viability of brownfield redevelopment opportunities in Florida. As the state's principal economic development organization, EFI assumed responsibility for promoting the effort.

In creating the promotional strategy for brownfields redevelopment, EFI has developed a series of goals and tactics that provide a broad framework. This includes working with other organizations, including the Florida Brownfield Association, the Florida Department of Environmental Protection as well as environmental consultants and businesses looking to locate in Brownfield areas.

The various options presented in the report would lead to different outcomes, all of which impacting Florida's ability to remediate and improve these distressed areas. We believe "Option 3: Modify program incentives to encourage participation" is best suited to achieve the intended goals of Brownfields redevelopment. This option makes a few program modifications, which would encourage both environmental clean-up as well as positive economic development. Option 4, Continuing the program as established, is also viable; however we agree this option does not address the concerns raised by stakeholders and outlined in the report.

Options 1 and 3 would have a detrimental impact on the level of environmental clean-up and redevelopment taking place at specific distressed sites. We concur with the statement, returning underutilized brownfield sites to productive use does more than generate tax revenues and job creation; it addresses environmental problems and can bring new life into local communities."



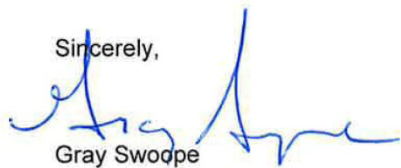
Governor Rick Scott, Chairman • Howell W. Melton Jr., Vice Chairman • Gray Swoope, President & CEO

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McGuire Pg. 2

Again, thank you for the opportunity to comment on the draft report. Should you have any questions or wish to discuss this matter further, please don't hesitate to contact me at (407) 956-5600 or Marty Wilson, Vice President, Competitive Programs and Policies (407) 956-5633.

Sincerely,



Gray Swoope

President & CEO



RICK SCOTT  
GOVERNOR

STATE OF FLORIDA  
**Office of the Governor**

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March 24, 2011

Kathy McGuire  
Interim Director  
OPPAGA  
111 West Madison Street, Room 312  
Claude Pepper Building  
Tallahassee, Florida 32399

Dear Ms. McGuire:

Thank you for the opportunity to review OPPAGA's draft report about the Brownfields Redevelopment Programs: *Over 600 Brownfield Acres Cleaned Up; Businesses Take Advantage of Program Incentives*.

Pursuant to Section 11.51(5), Florida Statutes, please accept this correspondence as the official response from the Governor's Office of Tourism, Trade and Economic Development (OTTED).

OTTED has reviewed the findings and the program options presented in the draft report. Should any conclusions be reached concerning the various program options, OTTED would appreciate the opportunity to review them with OPAGGA.

If you have any questions, please contact me at 850-487-2568.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Hart, IV", with a small flourish to the right.

Chris Hart, IV  
Interim Director  
Office of Tourism, Trade and Economic Development





**Executive Director**  
Lisa Vickers

**Child Support Enforcement**  
Ann Coffin  
Director

**General Tax Administration**  
Jim Evers  
Director

**Property Tax Oversight**  
James McAdams  
Director

**Information Services**  
Tony Powell  
Director

March 21, 2011

Ms. Kathy McGuire, Interim Director  
Office of Program Policy Analysis and  
Government Accountability  
The Florida Legislature  
111 West Madison Street, Room 312  
Claude Pepper Building  
Tallahassee, Florida 32399-1475

Dear Ms. McGuire:

In accordance with the provisions of Section 11.51(5), Florida Statutes, the Department acknowledges receipt of OPPAGA's report entitled, "*Over 600 Brownfield Acres Cleaned Up; Businesses Take Advantage of Program Incentives.*"

We appreciate the opportunity to review and respond to your draft report. The Department will implement any changes to the Program adopted by the Legislature.

Thank you for the time and attention your staff contributed to this review. If you have any questions or we can be of further assistance, please contact Teresa Wood, Director of Auditing, at 717-7598.

Sincerely,

A handwritten signature in cursive script that reads "Lisa Vickers".

Lisa Vickers

LV/tw/bso

cc: Kim Mills, Director of Auditing, Office of the Chief Inspector General,  
Executive Office of the Governor  
Kara Collins-Gomez, Staff Director, Government Operations, OPPAGA  
Jim Evers, Program Director, General Tax Administration  
Sharon Doredant, Inspector General, Department of Revenue

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# *The Florida Legislature*

## *Office of Program Policy Analysis and Government Accountability*

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OPPAGA provides performance and accountability information about Florida government in several ways.

- Reports deliver program evaluation and policy analysis to assist the Legislature in overseeing government operations, developing policy choices, and making Florida government better, faster, and cheaper.
- PolicyCasts, short narrated slide presentations, provide bottom-line briefings of findings and recommendations for select reports.
- Government Program Summaries (GPS), an online encyclopedia, [www.oppaga.state.fl.us/government](http://www.oppaga.state.fl.us/government), provides descriptive, evaluative, and performance information on more than 200 Florida state government programs.
- The [Florida Monitor Weekly](#), an electronic newsletter, delivers brief announcements of research reports, conferences, and other resources of interest for Florida's policy research and program evaluation community.
- Visit OPPAGA's website at [www.oppaga.state.fl.us](http://www.oppaga.state.fl.us)

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OPPAGA supports the Florida Legislature by providing data, evaluative research, and objective analyses that assist legislative budget and policy deliberations. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021), by FAX (850/487-3804), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475). Cover photo by Mark Foley.

**OPPAGA website:** [www.oppaga.state.fl.us](http://www.oppaga.state.fl.us)

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Project supervised by Kara Collins-Gomez (850/487-4257)  
Kathy McGuire, OPPAGA Acting Coordinator