Overview

• What Are Brownfields?
  – Definitions
  – Properties that can be Brownfields
  – Volusia County Beachside Brownfield Areas

• Economic Incentives
  – Tax Refund for Job Creation
  – Tax Credit for Environmental Cleanups
  – Sales Tax Credit for Building Materials

• Economic Development Figures

• Success Stories
Brownfields Generally

• Brownfield Site - real property, the expansion, redevelopment, or reuse of which may be complicated by actual or perceived environmental contamination. § 376.79(3), Fla. Stat.

• Brownfield Area – a contiguous area of one or more brownfield sites, some of which may not be contaminated, and which has been designated by a local government by resolution. § 376.79(4), Fla. Stat.
What Properties Can Be Brownfields

• Examples of properties that have been designated as a Brownfield Area include, but are not limited to:
  – Gas Stations
  – Automotive Uses
  – Industrial Properties
  – Golf Courses
  – Abandoned Properties
  – Former Agriculture Areas
  – Shopping Centers (dry-cleaning operations)
  – Downtown Properties
  – Landfills (permitted and unpermitted)
Brownfields Redevelopment Program

• Starts with Local Government action

• Local Governments designate a brownfield area by adopting a resolution – either on their own initiative or at the request of a potential redeveloper

• Following the designation, a party can enter into a voluntary cleanup agreement with the Florida Department of Environmental Protection
Beachside properties in Daytona Beach and Ormond Beach are located in designated Brownfield Areas, including but not limited to Atlantic Ave, Silver Beach Ave, ISB, Main St, Oakridge Blvd, Seabreeze Blvd, and Granada Blvd.
Voluntary Cleanup Agreement

• After Area is designated
  – Enter into a Brownfield Site Rehabilitation Agreement (“BSRA”)
  – BSRA is voluntary and negotiable contract
  – Provides for terms, responsibilities, and schedule for site rehabilitation
  – Requires cleanup to occur according to Chapter 62-780, Florida Administrative Code
Brownfield Site Incentives

• The following economic incentives are available to sites with a BSRA and abutting properties:

  – Bonus Refund for Job Creation
    • Up to $2,500 per new full-time equivalent job
    • Credits can be stacked with Enterprise Zone and QTI Program for up to $10,500 per job

  – Sales/Use Tax Exemption on Building Materials for mixed-use and affordable housing projects
Brownfield Site Incentives

• Regulatory Framework for Cleanup

• Expedited Technical Review

• Liability Protection
  – Limited Liability Protection for parties that agree to and complete cleanup
  – Protection continues if BSRA conditions are met
  – Additional liability protection provided to lenders and government, non-profit and charitable organizations
Brownfield Site Incentives - Voluntary Cleanup Tax Credits

- $10 million in tax credits are awarded by FDEP each year for work integral to the cleanup of the brownfield site
  - Applicable towards corporate income tax
  - Transferred once, which allows entities without tax liability to participate
  - During the 2017 legislative session, the annual cap was increased from $5 million to $10 million

<table>
<thead>
<tr>
<th>Tax Credit</th>
<th>Application Frequency</th>
<th>Maximum Credit for Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Rehabilitation</td>
<td>Annually</td>
<td>50% ($500,000)</td>
</tr>
<tr>
<td>SRCO</td>
<td>Once</td>
<td>25% ($500,000)</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>Once</td>
<td>25% ($500,000)</td>
</tr>
<tr>
<td>Health Care Provider</td>
<td>Once</td>
<td>25% ($500,000)</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>Once</td>
<td>50% ($500,000)</td>
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</tbody>
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Brownfields Redevelopment Statistics & Success Stories

- Since 1997, local governments have designated more than 427 Brownfield Areas and more than 295 Brownfield Site Rehabilitation Agreement have been executed.

- According to FDEP records, more than 70 agreements have been executed by local government entities.

- $2.7 billion in projected Capital Investment since 1997.

- 65,800 confirmed and projected Direct and Indirect Jobs since 1997.

Source: FDEP’s 2017 Brownfields Program Annual Report
Success Stories

• William Square – Daytona Beach
  – Volatile organic compound impacts due to historic dry cleaner operations at or near property
  – First property in Volusia County to receive Voluntary Cleanup Tax Credits
  – In 2012, FDEP determined that the environmental issues at the property had been effectively addressed
  – Redeveloped for 16 urban townhomes
Matt’s Casbah – Melbourne

Historical Use
- Former Gas station

Contaminants/Concerns
- Petroleum Products

Brownfield Activity
- 9 Aboveground and Underground Storage Tanks
- SRCO issued in 2008
- VCTC awarded - $36,312.54
Residence Inn - Tallahassee

- Contaminants/Concerns
  - Arsenic, petroleum

- Historical Use
  - Warehouse
  - Petroleum Storage

- Brownfield Activity
  - Use of Federal Grant for Assessment
  - Use of State Program for Cleanup

- Community Benefits
  - Previous Property Value $588,166
  - 2012 Property Value $10,139,737
  - 32 full time and 9 part time jobs
Questions/Additional Information

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Florida Brownfields Association - www.floridabrownfields.org