

TAB 6



City of Palmetto Agenda Item

Meeting Date

12/3/12

Presenter: Jeff Burton

Department: CRA

Title:

Brownfields Resolution

In order to follow through with the intention to create a Brownfields area in Palmetto, the City Commission must hold the second of two public hearings before passing a resolution to designate a portion of the CRA district as the "Palmetto Economic Enhancement District."

Procedure: * Conduct second public hearing as part of the City Commission meeting.
* Vote on proposed resolution 2012-39.

Budgeted Amount: \$0.00 **Budget Page No(s):** 0 **Available Amount:** \$0.00 **Expenditure Amount:** \$0.00

Additional Budgetary Information:

Funding Source(s): CRA **Sufficient Funds Available:** Yes No **Budget Amendment Required:** Yes No **Source:** FY 12







City Attorney Reviewed: Yes No N/A **Advisory Board Recommendation:** For Against N/A **Consistent With:** Yes No N/A FS 163 2011-2015 CRA Plan

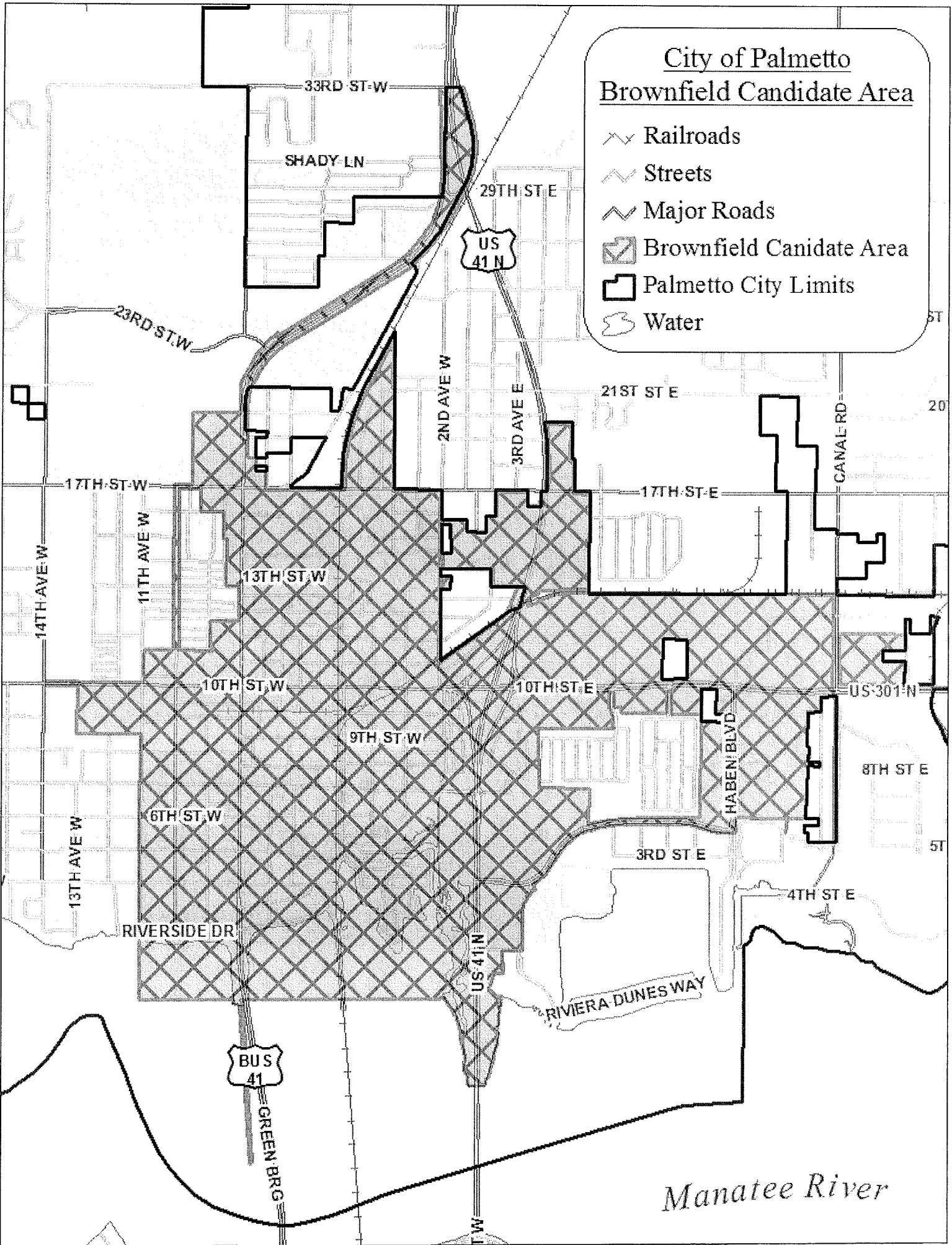
Potential Motion/Direction Requested: Motion to adopt resolution 2012-39, with exemptions requested by property owners:
Audrey Fedeles - 257 Melody Lane; Property ID #2799611807
Michael Fleming - 246 Palm Lane; Property ID #2799610957
Stephen Guzman - 1250 U.S. 301; Property ID #2582500134; #2582500159

Staff Contact: Jeff Burton CRA Director

Attachments: Proposed brownfields area map
Proposed resolution
Propert Owner Exemption Requests

City of Palmetto
Brownfield Candidate Area

-  Railroads
-  Streets
-  Major Roads
-  Brownfield Candidate Area
-  Palmetto City Limits
-  Water





715 4th Street West
Palmetto, FL 34221
Ph (941) 723-4988 Fax (941) 723-4704

Dear Property Owner,

The Palmetto Community Redevelopment Agency (CRA) was established in 1985 to spur growth and breathe new life into a special designated community redevelopment area in the city and our records indicate that you own property in that area. While our operating budget is funded mainly through "tax increment financing," the CRA has also obtained state and federal grants to help pay for infrastructure projects that are transforming our CRA district and enhancing the image of the entire city.

One outstanding opportunity to access state redevelopment incentives is through the Brownfield Redevelopment Program that is authorized by Florida statutes and administered by the Florida Department of Environmental Protection (DEP). Its goal is to assist in the redevelopment of properties that have a chance, or even a perception, of environmental issues existing as a result of a past uses, such as agriculture, automobile service, fuel points, manufacturing, or others. Because there are several such properties within the Palmetto CRA district, the Palmetto City Commission is considering designating the bulk of the CRA as the "**Palmetto Economic Enhancement District**" to give property owners the potential to be eligible for grants, tax credits, loan guarantees and other benefits that are not currently available. That potential eligibility would extend to all properties within the designated district, even those that had not been used for the purposes noted above. While this can be advantageous to you as a property owner, you may opt out by submitting a formal letter at any time requesting that your property not be included. If we do not receive a letter requesting that your property not be included, it will be our understanding that you, as the person who owns or controls the property, is requesting the designation and has agreed to rehabilitate and redevelop the brownfield sites at some point in the future. Under Florida law, the designation of a brownfield area and identification of a person responsible for brownfield site rehabilitation simply allows the person to negotiate a brownfield site rehabilitation agreement for redevelopment of the site. The first public hearing and reading of the proposed resolution for designation of the "**Palmetto Economic Enhancement District**" is scheduled to be held during the City Commission meeting on November 19, while the second public hearing and commission vote will be on December 3. Both meetings begin at 7:00 p.m.

On another note, as a property owner in the Palmetto Community Redevelopment district, you may be eligible for some of our commercial incentives or grants. In addition, we have a residential rehabilitation program in partnership with "Habitat for Humanity." Information on these and other CRA programs can be found on the reverse of this letter and you may also visit our web site at www.palmettocra.org.

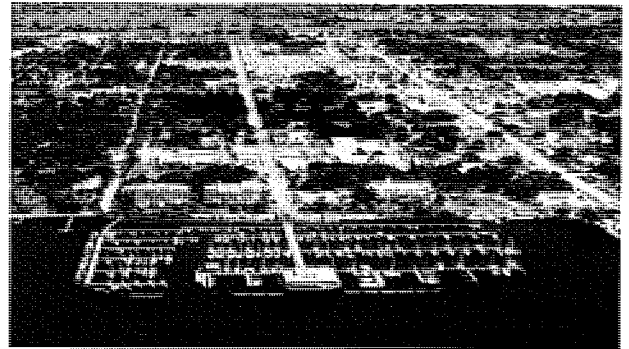
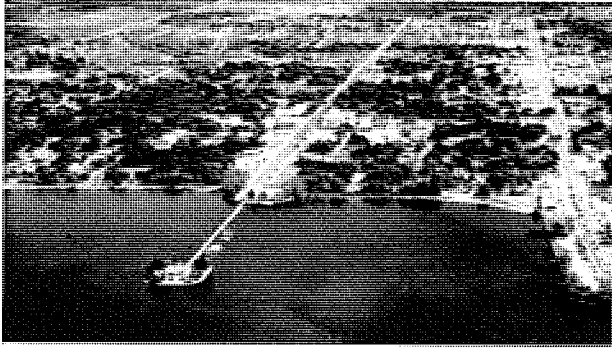
Finally, with incentives available for commercial redevelopment, we often receive inquiries about the availability of commercial property within the CRA district. If you have property for sale or lease, and would like us to share that information with interested parties who contact the CRA, please let us know, preferably through e-mail at rmarble@palmettofl.org. You may also call our office at 941 723-4988.

Sincerely,

Jeff Burton
CRA Director

The Palmetto Community Redevelopment Agency

Growing Our Community



Opportunities for Businesses

Our goal of strengthening the community through redevelopment of its economic base is vital to the city's health, wellbeing and potential growth. In that regard, we encourage eligible businesses to seek our support.

In the last five years we have distributed funding to over 45 businesses – your company could be next!

Store-Front Grant Program – The CRA can fund a portion of the cost for exterior, non-structural improvements to commercial property, as a way to contribute to the aesthetic appeal of Palmetto's core.

Heavy Commercial Redevelopment Incentive Plan - We offer incentives to bring existing industrial buildings to full use capacity as a way of creating jobs in the community. Funding is also available for the demolition of unsafe structures and providing more environmentally-protective storm water plans.

Crime Prevention through Environmental Design - Working with the Palmetto Police Department, businesses may be eligible to update their properties to incorporate CPTED. Through natural surveillance, access control and territorial landscape, offenders will be less likely to conduct criminal acts – making commercial property a safer place.

Downtown Development Plan - Businesses located within Palmetto's downtown commercial core are eligible for up to 30 percent of construction costs if they combine residential space with commercial activity. Carefully planned urban cores combined with expanded employment opportunities help promote Palmetto's distinct hometown atmosphere.

Other Positive Community Initiatives

Renovating Residential Properties - Our residential rehabilitation program incorporates a variety of municipal experts to identify houses in need of rehabilitation. Through outside agencies such as Florida Power and Light and Habitat for Humanity, volunteers help remodel those homes and beautify our neighborhoods.

Promoting Nature and Habitat Restoration - We utilize every opportunity to preserve Palmetto's paramount feature—our diverse natural habitat. We have restored Estuary Park to better reflect our cultural tradition and recreational opportunities that are unlike anywhere else in the state.

Parks and Streetscapes – Through a combination of CRA funds and state grants, we have begun major renovations to city parks, as well as a streetscape project that is based on Low Impact Development (LID) storm water management.

Incorporating Art into Community Design - We embrace public art in an effort to strengthen the characterization of our unique city and highlight the heritage and nature of Palmetto.

Supporting Festivals and Celebrations - The city hosts an annual July 4th celebration with a free concert and firework display for all who attend. We also participate annually in the historic Manatee County Fair.

Please contact the CRA for more information.

Potential State and Federal Incentives and Programs for Brownfield Areas

(Source: Florida DEP Brownfield Redevelopment Program Guidance Manual 2006)

State of Florida Economic Incentives

Enterprise Florida, Inc.

The 2000 Legislature authorized Enterprise Florida, Inc. to develop a comprehensive marketing plan. The plan includes strategies to distribute information about current designated brownfields area and the available economic incentives for redevelopment of brownfield areas. The strategies are to be used in the promotion of business formation, expansion, recruitment, retention, and workforce development programs.

Florida Department of Environmental Protection

In order to provide additional economic incentives for brownfields redevelopment, the 1998 Florida Legislature created a tax credit that may be applied towards either intangible personal property tax or corporate income tax for taxpayers that voluntarily participate in the cleanup of a brownfield site in a designated brownfield area pursuant to s. 376.80, F.S. A tax credit of 35 percent is allowed for the costs of voluntary cleanup activity that is integral to site rehabilitation, with a maximum of \$250,000 per site per year. These tax credits are transferable; however, such transferred tax credits may not be transferred again, although they may succeed to a surviving entity or acquiring entity after meager or acquisition. The transferability of the tax credit allows local governments or others without a tax liability to the State to participate also.

NOTE: Tax credits for brownfield sites are available only for site rehabilitation conducted subsequent to the official State of Florida Brownfield Area designation as evidenced by an adopted local government resolution pursuant to § 376.80, F.S.

Office of Tourism, Trade and Economic Development (OTTED)

- The Brownfield redevelopment bonus refund is a tool available to Florida communities to encourage Brownfield redevelopment and job creation. If approved, the applicant may receive refunds, of \$2,500 per job created, on the taxes it pays. This includes corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes. No more than 25 percent of the total refund approved may be taken in any single fiscal year. Business that may participate in this incentive must be an "eligible business".
- The Revolving Loan Fund was created by §376.875, F.S. to provide funding for low-interest loans for the purchase of outstanding, unresolved contractor liens, tax certificates, or other liens or claims on brownfield sites designated as part of a brownfield area. The loans may be used for a negotiated settlement of legally recognized liens or claims at a value less than their face value taking into account the overall feasibility of redevelopment of the brownfield area.

Front Porch Florida

Front Porch Florida is *different*. It is a grassroots, bottom-up revitalization initiative that focuses on the family and empowers residents to define and resolve neighborhood problems. The solutions for changing the neighborhood *come from the community*, not government, through a process that is holistic and builds on community assets and relationships. Neighborhoods receive designation as a Front Porch Florida community through a competitive process. Applications are submitted by a nominating entity on behalf of a community.

Florida Enterprise Zone Program

Enterprise zones are areas targeted for economic revitalization. The Florida Enterprise Zone program offers financial incentives to businesses located in designated areas found in urban and rural communities. Financial Incentives Include:

- Enterprise Zone Jobs Tax Credit (Corporate Income Tax; Sales and Use Tax)
- Enterprise Zone Property Tax Credit (Corporate Income Tax)
- Sales tax refund for building materials used in rehabilitation of real property
- Sales tax refund for business machinery and equipment
- Sales tax exemption for electrical energy
- Community Contribution Tax Credit Program

In addition to these state incentives, local governments may offer additional incentives.

Florida Department of Revenue

Sales taxes paid on building materials used in the construction of a housing project or mixed-use project located in an urban high-crime area, enterprise zone, empowerment zone, Front Porch Community, **designated brownfield area**, or urban infill area, are eligible for refund. Housing projects are those converting existing manufacturing or industrial buildings to housing units in such areas, and in which the developer agrees to set aside at least 20% of the units for low-income and moderate-income residents. Mixed-use projects are those converting existing manufacturing or industrial buildings to mixed-use units including artists' studios, art and entertainment, or other related uses, in such areas, and in which the developer agrees to set aside at least 20% of the square footage of the project for low-income and moderate-income housing.

Federal Program Incentives

Environmental Protection Agency (EPA)

The Small Business Liability Relief and Brownfields Revitalization Act provides assistance to states and communities around the country to clean up and revitalize Brownfield sites. EPA accepts proposals on a competitive basis for national brownfields assessment, revolving loan fund and cleanup grants. The grants may be used to address sites contaminated by petroleum and hazardous substances.

- The assessment grants (up to \$200,000 over two years) provide funds to inventory, assess, characterize, and conduct planning and community involvement related to Brownfield sites.
- Brownfields revolving loan fund grants (each funded up to \$1 million over five years) provide funding for a grant recipient to capitalize a revolving loan fund and to provide sub grants to carry out cleanup activities at Brownfield sites that are owned by the sub grant recipient.
- The brownfields cleanup grants (each up to \$200,000 over two years) provide funds for a grant recipient to carry out cleanup activities at Brownfield sites owned by the grant recipient.

Targeted Brownfield Site Assessments or Site-Specific Activities

Through a State Response Site Program grant with the EPA, the FDEP will continue to conduct Targeted Brownfields Assessments (TBA) or Site-Specific Activities for local governments or other eligible entities at properties with known or suspected contamination. The TBA or Site-Specific Activities funding of up to \$200,000 is allocated to each selected project.

Federal Brownfields Tax Incentive

The Federal Brownfields Tax Incentive encourages brownfields redevelopment by allowing taxpayers to immediately reduce their taxable income by the cost of their eligible cleanup expenses in targeted areas. This incentive creates an immediate tax advantage from these expenses, helping to offset short-term cleanup costs. The tax incentive primarily targets areas with low household income, as well as areas that have shown a historical commitment to brownfields redevelopment.

Housing and Urban Development (HUD)

Communities must often overcome serious financial and environmental barriers to redevelop brownfields. The availability of greenfields, concerns with liability, the time and cost of cleanup, and a reluctance to invest in older urban areas deters private sector investment and prevents brownfields reuse. Public investment combined with private financing can provide incentives for redeveloping brownfield properties and level the economic playing field between greenfields and brownfields.

The Department of Housing and Urban Development's Community Development Block Grant (CDBG) and Section 108 loan guarantee programs along with the Brownfields Economic Development Initiative (BEDI) are flexible sources of funding for brownfields redevelopment.

Brownfields Economic Development Initiative grants (BEDI)

Department of Housing and Urban Development's BEDI grants were created to redevelop and leverage private sector investment in community revitalization projects. These grants will leverage millions in economic development loan guarantees and in private and public investment to return brownfields back to productive use. Community Development Block Grant entitlement communities and non-entitlement communities are eligible to receive loan guarantees.

Corp of Engineers

The Corps is a partner with the Environmental Protection Agency and other federal agencies in helping communities prevent assess, safely clean up, and sustainable reuse Brownfields. Livable communities are towns and cities in which people's everyday needs are met without placing the needs of future generations at risk. The Corps helps both civilian communities and military installations through a variety of planning; design and construction, program and project management, contracting, real estate, and operation and maintenance activities. Its engineering capabilities are brought to bear on an equally wide variety of engineering challenges to include, but not limited to, flood control and navigation, emergency response, remediation of hazardous waste sites; environmental restoration, stewardship and compliance; infrastructure renewal and water resource development.

For an up-to-date listing and explanations of all state and federal incentives, visit the website <http://www.dep.state.fl.us/waste/categories/brownfields/default.htm> and locate the bullet for State or Federal incentives.