

MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMITTEE MEMORANDUM

TO: Finance and Citywide Project Committee

FROM: Jimmy L. Morales, City Manager

DATE: January 19, 2018

SUBJECT: **DISCUSS THE POTENTIAL OF DESIGNATING CERTAIN PROPERTIES AS GREEN REUSE AREAS PURSUANT TO FLORIDA'S BROWNFIELDS REDEVELOPMENT ACT, IN ORDER TO NEGOTIATE AND EXECUTE A BROWNFIELD SITE REHABILITATION AGREEMENT AND PREPARE AND FILE A VOLUNTARY CLEANUP TAX CREDIT APPLICATION.**

BACKGROUND

On December 13, 2017, the Mayor and City Commission referred a discussion to the Finance and Citywide Projects Committee regarding designating certain properties as green reuse areas pursuant to Florida's Brownfields Redevelopment Act, in order to negotiate and execute a Brownfield Site Rehabilitation Agreement and prepare and file a voluntary cleanup tax credit application.

ANALYSIS

A brownfield is a property that is or was previously contaminated and, based on its previous land use, has been designated as such to help recuperate the typically high costs associated with its assessment, remediation, and redevelopment. There are four brownfields classifications which are assigned based on a property's previous land use history: a superfund site, a petroleum site, a formerly used defense site, and an industrial site. The Florida Department of Environmental Protection (FDEP) offers incentives for the remediation of brownfields. By designating existing contaminated sites as green reuse areas pursuant to Florida's Brownfields Redevelopment Act, the city can negotiate and execute a Brownfields Site Rehabilitation Agreement with Miami-Dade County, allowing the city to file a voluntary cleanup tax credit application for the reimbursement of eligible expenses associated with their restoration, among other possible benefits.

As of September 2017, the city owns seven properties with known contamination, which are required by State and County regulations to be assessed and remediated. The seven contaminated sites are:

1. The Miami Beach Golf Course Material Recovery Facility (also known as the Green Waste Facility; 2800 Meridian Avenue)
2. The Miami Beach Golf Course (2301 Alton Road)
3. The Normandy Shores Golf Course (2401 Biarritz Drive)
4. Maurice Gibb Park (1700 Purdy Avenue)
5. The Fleet Maintenance Facility (140 MacArthur Causeway)
6. The Former Par 3 Golf Course (2300 Pine Tree Drive)
7. The Miami Beach Convention Center District (500 17 Street)

The status of each property varies depending on when the on-site contamination was discovered and how much of its respective assessment and remediation activities have been completed. Staff recommends designating Maurice Gibb Park, the Fleet Maintenance Facility, the Former Par 3 Golf Course, and the Miami Beach Convention Center District because they have on-going assessments and are pending remediation, estimated to total over \$3.27 million (Table 1).

| Cost Associated with Miami Beach Contaminated Sites Recommended for Brownfield Designation by Fiscal Year | | |
|--|---------------------------------|-------------------------------------|
| Contaminated Site | FY 2017 Actual Costs | FY 2018 Projected Costs* |
| Maurice Gibb Park | \$41,875.03 | \$800,000 |
| Fleet Maintenance Facility | \$4,036.61 | \$6,000 |
| Former Par 3 Golf Course | \$0 | \$2,110,000 |
| Miami Beach Convention Center District | \$0 | \$350,000 |
| Totals | \$48,123.31 | \$3,266,000 |

*Estimates for Maurice Gibb Park, Fleet Maintenance and Miami Beach Convention Center District provided by the Environment and Sustainability Department. Estimate for Former Par 3 Golf Course provided by the Capital Improvement Projects Department.

Designating a contaminated property as a green reuse area requires a complex multi-step process, including posted signage on each site, the preparation and submittal of detailed documentation to FDEP, negotiation with Miami-Dade County to execute a Brownfield Site Rehabilitation Agreement per site, and the formation of a Brownfields Advisory Committee comprised of a balanced group of stakeholders across sectors. Staff has identified an environmental law firm with extensive experience in green reuse area designation who can lead the process and ensure it goes smoothly for an estimated \$50,000 per property, yielding a substantial return on assessment and remediation costs. A representative of this firm will be available at the meeting to present the discussion item and answer questions regarding the designation process, as well as the pros and cons of moving forward.

CONCLUSION

The following is presented to the members of the Finance and Citywide Projects Committee for discussion and direction on whether the city should move forward with designating one, several or all four contaminated sites recommended by the Administration as green reuse areas; with negotiating and executing a Brownfields Site Rehabilitation with Miami-Dade County; and, with preparing and filing a voluntary cleanup tax credit application for the same.


SMT/ESW/MKW/SK