

MIAMI BEACH

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

COMMISSION MEMORANDUM

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Jimmy L. Morales

DATE: October 17, 2018

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, MAKING CERTAIN FINDINGS AND DESIGNATING THE REAL PROPERTY LOCATED AT 340 23 STREET AND 2300 LIBERTY AVENUE, MIAMI BEACH, FLORIDA 33139, FOLIO NUMBERS 02-3226-001-0400, 02-3226-001-0405, AND 02-3226-001-0391, AS A BROWNFIELD AREA PURSUANT TO FLORIDA STATUTES SECTION 376.80(2)(A), FOR THE PURPOSE OF REHABILITATION, JOB CREATION, AND PROMOTING ECONOMIC REDEVELOPMENT; AUTHORIZING THE CITY MANAGER TO NOTIFY THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION OF SAID DESIGNATION; PROVIDING AN EFFECTIVE DATE.**

BACKGROUND

On June 6, 2018, the City Commission approved a resolution on second reading, public hearing to proceed with designating four City-owned properties with known contamination (Maurice Gibb Park, the Fleet Maintenance Facility, the Former Par 3 Golf Course and the Miami Beach Convention Center District) as "Green Reuse Areas" pursuant to Florida's Brownfields Redevelopment Act in order to negotiate and execute a Brownfield Site Rehabilitation Agreement (BSRA") and prepare and file a Voluntary Cleanup Tax Credit application.

On September 6, 2018 the contractor for the Collins Park Garage project uncovered five underground storage tanks during construction that require removal, as well as contamination assessment and remediation similar to that required at the four properties previously approved for brownfield area designation. Portions of the work needed at the Collins Park Garage site are expenses eligible for tax credits if the City elects to also move forward with its designation. The tax credits will be sold on the secondary market to provide for a significant cash reimbursement (currently estimated at 67.5% of all total eligible funds)

ANALYSIS

A brownfield is any real property where actual or perceived contamination complicates redevelopment, reuse, or expansion. Such complications typically result in significant added projects for contamination assessment and remediation and the proper management of contamination conditions during site development and construction activities. The Florida Department of Environmental Protection (FDEP) offers incentives for the remediation and reuse of brownfields. By designating brownfield sites as "Green Reuse Areas" pursuant to Florida's

Brownfields Redevelopment Act, the City can negotiate and execute a BSRA 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, including protection against certain third-party contamination related claims.

As required by the statute, staff has considered (i) whether the property being designated warrants economic development and has a reasonable potential for such activities; (ii) whether the property being designated represents a reasonably focused approach and is not overly large in geographic coverage; (iii) whether the property being designated has the potential to interest the private sector in participating in remediation, rehabilitation and economic development; and (iv) whether the property being designated contains sites or parts of sites suitable for limited recreational open space, cultural or historical purpose. Although no particular finding is required one way or the other (the statute simply mandates “consideration” of these factors), staff has concluded as follows:

- the property being designated strongly warrants economic development due to the additional investment of private capital that such spending will likely spark (both from the public sector and the private sector) as well the increased use and enjoyment of the property that experience demonstrates will likely follow;
- based on a careful review of over 450 other designations in the State of Florida going back to 1997 and being further advised by our outside counsel, the property being designated represents a reasonably focused approach and is not overly large in geographic coverage;
- experience has demonstrated that the availability of this exact type of property for use and enjoyment has been extremely attractive to the private sector and has incentivized remediation, rehabilitation, and economic development; and
- this particular property, in part or in full, is suitable for limited recreational open space.

Staff recommends designating the Collins Park Garage site, located at 340 23 Street and 2300 Liberty Avenue (Folio Numbers 02-3226-001-0400, 02-3226-001-0405, and 02-3226-001-0391) as a Green Reuse Area pursuant to the applicable statutory provisions of Florida’s Brownfields Redevelopment Act because the project required the removal of the five improperly abandoned tanks and will require assessment and remediation to address contamination characterized as petroleum associated with its former use as a gas station. If the property is designated before the end of this calendar year as currently scheduled, eligible costs incurred within this and subsequent fiscal years will be eligible for Voluntary Cleanup Tax Credits, allowing the city to recupere a percentage of those costs (currently estimated at 67.5% of all total eligible funds). Designation of the property as requested herein and execution of a BSRA with Miami-Dade County will also shield the City from certain contamination related claims that can otherwise give rise to significant claims for damages.

CONCLUSION

The Administration recommends approving the resolution and allowing the item to proceed with a second public hearing at the November 14, 2018 City Commission meeting.