MEMORANDUM

To: Council Members

From: Staff

Date: December 11, 2015 Council Meeting

Subject: Brownfields Cleanup Loan with the Fort Pierce Redevelopment Agency

Introduction

In 2003, Treasure Coast Regional Planning Council developed the Treasure Coast Brownfields Program. The goal of the program is to promote the reuse and redevelopment of abandoned or underutilized commercial/industrial brownfield sites in the region. The program, funded by periodic grants secured through the U.S. Environmental Protection Agency (EPA), provides assessment and cleanup assistance to eligible brownfield projects sponsored by local governments, community redevelopment agencies, and other eligible entities. Since inception, the program has secured approximately $4.35 million from EPA to support the redevelopment of brownfield properties throughout the Treasure Coast Region. Financial assistance to support environmental site assessment and/or cleanup activities takes the form of either a subgrant or loan to the eligible project sponsor.

The purpose of this agenda item is to seek the authorization of Council to prepare and execute loan documents necessary to provide supplemental funding through Council’s revolving loan fund (RLF) to the Fort Pierce Redevelopment Agency (FPRA). This supplemental loan will offset a portion of the remediation costs for the property that is the previous location of the H.D. King Power Plant. Total estimated cleanup costs developed by FPRA’s environmental consultants to remediate soil and groundwater to residential cleanup target levels are estimated at $5.0 million to $5.4 million. The remediation program is anticipated to be completed in 2016. Since Council has obligated all of its available RLF resources, in April of 2015 Council applied to EPA for supplemental funding to be used for the final stage of clean up at the H.D. King site.

Background

Former H.D. King Power Plant Site: The designated brownfield site is located at 311 N. Indian River Drive in the City of Fort Pierce. This parcel of land was used for power generation from 1912 to 2008. The plant was a 130.7 MW facility located behind the city marina on the Indian River in downtown Fort Pierce. The power plant was demolished in 2009 and Phase I and Phase II Environmental Site Assessment (ESA) reports have been completed.

The project site consists of three non-contiguous parcels totaling approximately six acres. Parcel #1 is the main parcel where the majority of the former power plant operations were conducted. It fronts Indian River Drive to the east and is directly north of Avenue B. Parcel #2 is located north of
Moore’s Creek, directly west of Indian River Drive. Parcel #3 is located directly opposite of Parcel #1 and fronts 2nd Street (Exhibit 1).

Previously completed ESAs have identified both soil and groundwater impacts above applicable Florida Department of Environmental Protection (FDEP) cleanup target levels at the site. The site is contaminated with both hazardous and petroleum substances including polychlorinated biphenyls; polynuclear aromatic hydrocarbons; and arsenic. Widespread soil impacts have been identified on Parcel #1. Interim source removal activities on Parcels #3 and #2 in 2010 and 2012, respectively, have removed identified soil impacts to below residential cleanup target levels. In July of 2013, FDEP issued Site Rehabilitation Completion Orders (SRCO) for Parcels #3 and #2 indicating FPRA could begin redevelopment activities on those parcels.

**Brownfield Redevelopment Activities:** Since September 2009, Council has been actively involved with FPRA in bringing resources and technical assistance to bear on this brownfield redevelopment project through its EPA-funded Brownfields Program and its support of FPRA efforts to secure grant funding. Under its Brownfields Program, Council has provided both cleanup and assessment assistance to help redevelop the former H.D. King Power Plant site. Total assistance to date is approximately $1,540,000, which includes: sub-grants in the amount of $100,000 through EPA’s brownfields program and a $39,900 American Recover and Reinvestment Act sub-grant in 2009; a $700,000 loan in 2013; supplemental funding awarded in 2013 in the amount of $300,000; and additional supplemental funding of $400,000 awarded in 2014. In September of this year, Council was notified an additional $300,000 in supplemental RLF funding will be awarded from EPA. As with previous supplemental funding, this award is predicated on supporting the continued cleanup efforts of the FPRA on the H. D. King Power Plant site. On October 19, 2015, the FPRA board voted to pursue additional financing through Council’s RLF program.

The City of Fort Pierce and the Fort Pierce Utility Authority have also been instrumental in helping to redevelop this former brownfield site by collaborating on activities to fully assess and remediate the property, and cooperating on actions to formally enter the site in the State of Florida Brownfields Redevelopment Program. On November 21, 2011 and July 16, 2012, the City of Fort Pierce adopted resolutions to officially designate the H.D. King Power Plant site as a Brownfield Area under the Florida Brownfields Redevelopment Program. Subsequently, on November 29, 2012 the FPRA executed three separate Brownfield Site Rehabilitation Agreements (BSRAs) with FDEP for each of the three distinct parcels. Execution of the BSRAs means the site will be remediated under the authority of Chapter 62-785, Florida Administrative Code.

The proposed $300,000 loan will be used for remediation efforts to obtain a “No Further Action” letter from the FDEP. This letter assures potential developers a clean, developable site with numerous Brownfield incentives.

**Recommendation**

Council should authorize the Executive Director, in consultation with Council’s attorney, to propose, execute, modify, and deliver loan documents in such form and content as they shall determine to effectuate the loan to the Fort Pierce Redevelopment Agency, subject to final approval by the U.S. Environmental Protection Agency.

Attachment
Exhibit 1

Fort Pierce Redevelopment Agency
Former H.D. King Power Plant Site