



Finance Memorandum 20-43

Date: February 18, 2020

To: Greg Harrison, City Manager

From: Andrew Jean-Pierre, Finance Director

Re: Purchase Agreement for Sale of Voluntary Clean-up tax Credits

The City of Pompano Beach (the "City") received a Voluntary Cleanup Tax Credit Certificates with a value of \$435,987.03 (the "Tax Credits") from the Florida Department of Environmental Protection ("FDEP"), pursuant to its successful remediation of the site referred to as the former Sabals Golf Course at 31st Avenue (just north of Atlantic Boulevard and also referred to as "12 acre park"). In 1998, the Florida Legislature created the Voluntary Cleanup Tax Credit (VCTC) to encourage participants to conduct voluntary cleanup of certain dry cleaning solvent contaminated sites and brownfield sites in designated brownfield areas. Participants may be private or public entities, but they must meet the eligibility criteria established under Sections 376.3078, 376.30781, and 376.82, F.S, as applicable, and they must enter into either a Voluntary Cleanup Agreement, for dry cleaning solvent cleanup, or a Brownfield Site Rehabilitation Agreement. The State of Florida currently appropriates funding for these tax credits each year. Maximum award for an applicant in one year is \$500,000. Tax credits may be utilized to offset an entity's Florida corporate income tax liability. As local governments do not have Florida corporate income tax liability, the City contracted with Fallbrook Tax Credits, a broker, who would sell these tax credits to an entity with such liability.

Fallbrook has notified the City that RELX US Holdings, Inc., would like to purchase the City's tax credit certificates, which has a tax credit value of \$435,987.03. RELX have offered to purchase the credit at \$0.92 for each dollar of tax credit for a purchase price of \$401,108.07.

Staff recommends approval of the attached purchase agreement. Once the purchase agreement has been executed, Fallbrook will be responsible for filing the required transfer documents and forms with the State of Florida, and managing the transfer of funds from RELX to the City.