

KATHY CASTOR
14TH DISTRICT, FLORIDA

COMMITTEE ON ENERGY
AND COMMERCE

SUBCOMMITTEE ON OVERSIGHT AND
INVESTIGATIONS
RANKING MEMBER

SUBCOMMITTEE ON INNOVATION, DATA
AND COMMERCE

SUBCOMMITTEE ON ENERGY, CLIMATE
AND GRID SECURITY

SELECT COMMITTEE ON
THE STRATEGIC COMPETITION
BETWEEN THE UNITED STATES
AND THE CHINESE COMMUNIST
PARTY



Congress of the United States
House of Representatives
Washington, DC 20515-0914

WASHINGTON OFFICE:

2052 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-3376

TAMPA DISTRICT OFFICE:

4144 NORTH ARMENIA AVENUE
SUITE 300
TAMPA, FL 33607
(813) 871-2817

ST. PETERSBURG DISTRICT OFFICE:

136 FOURTH STREET NORTH
SUITE 201
ST. PETERSBURG, FL 33701
(727) 369-0201

castor.house.gov

February 06, 2024

Chair Deborah Figg-Sanders and Council Members
175 5th St N,
St. Petersburg, FL 33701

Re: Historic Gas Plant Project Can Launch with Significant Cost Savings and Community Benefits

Dear Chair Figg-Sanders and Council Members:

Thank you for the opportunity to offer important information regarding the Historic Gas Plant Project and the significant new incentives that can be utilized to save the City of St. Petersburg and taxpayers money over the next decade as the redevelopment project lifts and connects neighbors. I wholly support the vision of building an affordable, cohesive and dynamic community with a commitment to equity and economic opportunity. The Inflation Reduction Act and the Bipartisan Infrastructure Law provide substantial tools — many of which are new — for this type of inclusive and visionary effort. Early understanding and direction to employ these new tools could result in substantial savings and I recommend them to you:

The Inflation Reduction Act (IRA) provides a wide range of new grants and tax credits for clean energy, energy efficiency, clean transit, affordable and sustainable housing, training and workforce development, remediation and reduction of legacy pollution, and the development of critical clean water and wastewater infrastructure. Importantly, for the first time, local governments and non-profit organizations are eligible for tax credits for energy efficiency, clean energy and affordable housing. New “direct pay,” “elective pay” and “transferability” under the Renewable Electricity Production Tax Credit (Section 45) and Energy Investment Tax Credit (Section 48) allow tax-exempt and governmental entities to receive a payment equal to the full value of a tax credit for investments in rooftop solar and energy efficiency. Sizable bonus incentives are available for historically-disadvantaged communities, high labor standards and “Buy American” requirements. Such credits could lower costs for the City and non-profits like The Woodson African American Museum of Florida. Because many of the Inflation Reduction Act tax credits are new and transformative, local communities around the country are still learning about how they work. St. Petersburg should be a leader and use these new tools to

achieve significant savings for the City and residents moving forward. We are the “Sunshine City” after all.

Additionally, the “Energy Efficient Commercial Buildings” deduction (Section 179D) provides developers with an incentive to make certain commercial building properties more energy efficient. The 179D deduction has been in place since 2006 but was significantly expanded by the IRA. These newly enacted changes to Sec. 179D expanded incentives, including as much as \$5.36 per square foot in immediate deductions to encourage the construction of energy-efficient commercial buildings and multifamily buildings that are at least four stories tall. The section 30C tax credit, officially referred to as the “Alternative Fuel Vehicle Refueling Property Credit,” has also been extended for ten years and will now expire on December 31, 2032. The revived federal electric vehicle (EV) charging tax credit allows taxpayers to claim up to \$1,000 for EV charger hardware and installation. Local governments are eligible for direct pay for this credit as well.

In addition to the new tax credits, the Inflation Reduction Act creates a new “Greenhouse Gas Reduction Fund,” a first-of-its-kind \$27 billion investment to mobilize financing and private capital to fund clean energy projects at the community level. The intent of the Fund is to reduce pollution and deliver clean energy benefits to communities across America, particularly low-income and disadvantaged communities. The Environmental Protection Agency will soon announce several non-profit partnerships that will help deploy the funds by mobilizing financing and private capital to stimulate the deployment of greenhouse gas and air pollution-reducing projects. The Historic Gas Plant District could be an attractive candidate if an early commitment is made for lower-cost clean energy and energy efficiency for residents and small business owners. Area neighbors are paying some of the highest electric bills in the state and certainly could use such cost-savings. Such a commitment should also incorporate job training, apprenticeships, affordable housing, resilience and heat mitigation — all of which have been discussed for the Historic Gas Plant Redevelopment.

In addition to the cost savings in the Inflation Reduction Act, the Bipartisan Infrastructure Law also provides opportunities for community benefits. For example, Mayor Ken Welch and the City already have applied for the “Reconnecting Communities” grant that would allow the City to plan for improved connections from South St. Petersburg to the redevelopment area. In the 1970s, I-175 divided South St. Pete from downtown and displaced thousands of residents of the Historic Gas Plant District. We have an opportunity to reconnect neighborhoods at a time when the area is being reimaged. I applaud the community leaders who envision a more interconnected city with expanded walkability, small business growth and affordable housing options. Together, we can right the wrongs of urban renewal and redlining and build a more cohesive community. I strongly support Mayor Welch and the City’s request for a Reconnecting Communities and Neighborhoods grant from the U.S. Department of Transportation and pledge to continue to identify other opportunities from the Bipartisan Infrastructure Law to reduce costs for the City and residents.

The Inflation Reduction Act and the Bipartisan Infrastructure Law present a unique and timely opportunity for St. Petersburg to achieve significant cost-savings and federal investments to benefit the City and the entire Tampa Bay area as the Historic Gas Plant District proceeds. I urge the City Council and the City of St. Petersburg, as well as the Tampa Bay Rays and Hines development team, to leverage these opportunities to maximize the positive impact on our community, lower costs for constituents, grow the middle class and build a safer and more prosperous St. Petersburg.

I look forward to working with you in the days ahead to deliver equitable, intentional and restorative community benefits and economic impacts, specifically to honor the legacy of the Historic Gas Plant neighborhood's residents and business owners. If you have any questions or comments, please do not hesitate to contact me, my District Director Marcia Mejia, or my Community Outreach Director Jamison Carnegie at 727-369-0201. Thank you.

Sincerely,

Kathy Castor

Kathy Castor
United States Representative
Florida District 14