



Florida Department of Environmental Protection

Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Michael W. Sole
Secretary

May 26, 2010

Ms. Jamie Vendola, TPP Coordinator.
Nassau County Property Appraiser's Office
Post Office Box 870
Fernandina Beach, Florida 32035-0870

Re: Rayonier Pollution Control Devices

Dear Ms. Vendola:

I have reviewed the material attached to your letter dated May 14, 2010, and the additional material faxed to the Siting Office on May 21, 2010 concerning pollution control devices at Rayonier Performance Fibers, LLC (Rayonier) located in Fernandina Beach.

In accordance with §193.621, Florida Statutes, if it becomes necessary for a manufacturing or industrial plant or installation "to install or construct a facility in order to eliminate or reduce industrial air or water pollution, those facilities shall be deemed to have value for purposes of assessment for ad valorem property taxes no greater than their market value as salvage". Only those facilities installed to eliminate or reduce air or water pollution are eligible for this type of assessment.

In June of 2007 the Siting Office received a similar letter from your office concerning the above facility's pollution control devices. Rayonier provided a sorted equipment list and information detailing the history and unique process of their facility. I also had the opportunity to tour the facility and meet with on-site technical staff to discuss the sulfite (ammonia-base) process and existing pollution control equipment at the facility.

I have reviewed the list of equipment in your letter of May 14th and have compared it to the 2007 information. In my opinion, all of the equipment on the list is "primarily for the purpose of pollution control" and is eligible for full assessment as pollution control devices pursuant to §193.621, Florida Statutes with the following two exceptions:

1. Items associated with the recovery boiler. Consistent with my September 11, 2007 letter, I acknowledge that the overall cost/benefit of recovery may be a net economic loss for the facility. However, its benefits cannot be overlooked. Therefore, I recommend that you consider allowing a percentage (I suggest perhaps 70 to 80 percent) of the value of the equipment associated with "recovery" as eligible for assessment as pollution control. If necessary, Rayonier should be able to more clearly identify those items on the 2009 list which are associated with the recovery boiler for you.
2. Item #FB7279 and Item #FB7296. It is unclear as to the purpose of the motor on TK2 (#FB7279) and the TK2 heat rec. pump (#FB7296), and I am unable to identify this

equipment on the 2007 list. Therefore I cannot make a recommendation on these two items. However, if Rayonier is able to demonstrate to you that "TK2" is associated with the recovery boiler, I recommend that you consider evaluation as described above.

Additionally, certification from a Professional Engineer is not included. In accordance with 62-8.040, F.A.C., a current evaluation of their equipment by a registered Professional Engineer in the State of Florida must also be submitted.

If there are any questions on this determination, please contact me at (850) 245-2002.

Sincerely,

A handwritten signature in blue ink that reads "Michael P. Halpin, P.E." The signature is written in a cursive, flowing style.

Michael P. Halpin, P.E.
Administrator, Siting Office