

NEW PLANS FOR BARREN LANDS



Brownfield Redevelopment in Antrim County

Antrim County Brownfield Redevelopment Authority
August 29, 2023

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OUTLINE

- Introductions
- Overview of Brownfield Redevelopment
- Brownfield Approval Process
- Key Considerations
- Next Steps

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SUMMARY

- Brownfield incentives can help spur redevelopment of underutilized properties and stimulate private investment.
- An investment of taxes that would not otherwise be received for extraordinary brownfield costs can yield incredible returns.
- Accessing brownfield incentives requires incredible effort and cooperation by local and state government and private developers.



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Mac McClelland

- Established Grand Traverse County Brownfield Redevelopment Authority in 1997 as Deputy County Administrator.
- Have prepared, reviewed and/or facilitated approval of eight (80) Brownfield Plans, totaling \$218 million in Eligible Activities encouraging over \$1.3 billion in private and public investment.
- Secured and/or managed \$2.7 million in EPA Brownfield Grants and \$120.6 million in EGLE Brownfield Grants and Loans.

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Brownfield Authority Representation

County Brownfield Redevelopment Authorities

Antrim County	Emmet County
Cheboygan County	Grand Traverse County
Charlevoix County	Manistee County
Clare County	Mason County
Crawford County	Menominee County
	Otsego County

Municipal Brownfield Redevelopment Authorities

City of Marquette	City of Cadillac
City of Sault Ste. Marie	City of Alpena
Village of Kalkaska	Village of Elberta
City of Muskegon Heights	Whitehall Township
	Alpena Township

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WHAT MAKES A BROWNFIELD PROJECT?

- **Private investment**
 - Increased tax value.
- **Brownfield Eligible Property Qualification**
 - Contaminated, Blighted, Functionally Obsolete, Historically Designated, Housing
- **Brownfield Eligible Activities**
 - Environmental, Asbestos Abatement, Demolition, *Site Preparation, Infrastructure.*
- **Private Financing**
 - Incentive comes from future increases in real and personal property taxes.
- **Ratio of Private Investment to Eligible Activity Cost**
 - Ideally, at least 3:1
- **Size doesn't matter**
 - Minimum Eligible Activity: \$50,000
- **Time does matter**
 - Brownfield incentives take time to secure

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OVERVIEW OF BROWNFIELD REDEVELOPMENT

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OVERVIEW OF BROWNFIELD REDEVELOPMENT

Significant changes to environmental law

- Prior to 1994, strict liability, joint and several liability and cleanup standards hindered development on contaminated property
- Act 451, P.A. 1994, Michigan's Natural Resources and Environmental Protection Act
 - *Liability based on causation*
 - *Cleanup based on use and exposure pathways*



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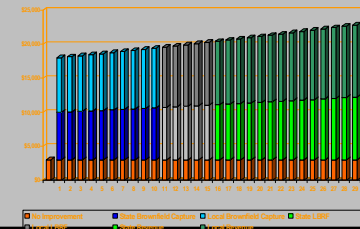
OVERVIEW OF BROWNFIELD REDEVELOPMENT Brownfield Redevelopment Incentives

- Provides reimbursement of **Eligible Activities** on **Eligible Property** through **Tax Increment Financing** (Act 381, P.A. 1996 as amended – Brownfield Redevelopment Financing Act)
- EGLE Brownfield Grants and Loans are available to fund environmental activities, along with asbestos abatement and demolition (Act 551, P.A. 2018 as amended – Renew Michigan)

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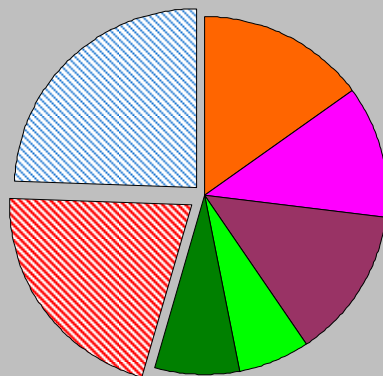
WHAT IS BROWNFIELD TAX INCREMENT FINANCING?

- The base year and initial taxable value is established with the approval of a Brownfield Plan.
- Private investment is made and property taxes increase.
- Developer pays taxes based on new assessment.
- The increased taxes due to private investment are captured and used to reimburse the developer for approved Eligible Activities.
- Incremental taxes can be captured for the Local Brownfield Revolving Fund during capture or for up to five years, or both.
- Revenues then accrue to the taxing jurisdictions.



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WHAT IS BROWNFIELD TAX INCREMENT FINANCING?



Initial TV State BF Capture Local BF Capture State LBRF
Local LBRF State Revenue Local Revenue

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WHAT IS ELIGIBLE PROPERTY?

- The property must be a Part 201 “Facility” with hazardous substances in the soil or groundwater at levels exceeding EGLE criteria; or
- Blighted – declared a public nuisance or has utilities disconnected; or
- Functionally obsolete – no longer able to be used for its intended purpose; or
- Historically designated; or
- Housing Property – at least 1 proposed residential units; or
- Owned by a Land Bank or Transit Oriented; AND
- A Brownfield Plan must be approved by the Brownfield Authority and the governing body to become Eligible Property, with the concurrence of the municipality if a County Brownfield Authority.



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WHAT ARE ELIGIBLE ACTIVITIES?

- Environmental Activities
 - Investigation: BEA
 - Protection: Due Care
 - Remediation: Additional Response
 - Department Specific Activities
- Non-Environmental Eligible Activities
 - Lead and Asbestos Abatement
 - Demolition
 - Relocation of Public Facilities for Economic Development
 - Property Transfer (Core Communities/Land Banks)
 - Site Preparation (Housing/Core Communities/Land Banks)
 - Infrastructure (Housing/Core Communities/Land Banks)
 - Housing Development

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ACT 381 AMENDMENTS - HOUSING

- Added “Housing Property” as Eligible Property
- Added “Housing Development Activities” as Eligible Activities for Qualified Households (<120% AMI)
 - Rehabilitation/Renovation
 - Infrastructure/Site Preparation
 - Relocation Costs for up to 1 year
 - Acquisition of blighted residential units
 - Financing gap between development costs and revenues

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DOCUMENTS AND APPROVALS

- Brownfield Plan (Brownfield Authority, Governing Body, LUG if County)
- Act 381 Work Plan (Brownfield Authority, State)
- Reimbursement Agreement (Brownfield Authority and Developer, Governing Body if Infrastructure)

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ROLES AND RESPONSIBILITIES

- Developer
 - Finance and build the project
 - Document Eligible Activity expense
 - Pay taxes on time
- Brownfield Authority
 - Ensure project and Eligible Activities meet Act 381
 - Approve Brownfield Plan and tax capture
 - Capture Brownfield TIF Revenues
 - Reimburse Approved Eligible Activities to the extent of Brownfield TIF
- County Board of Commissioners
 - Hold public hearing
 - Approve Brownfield Plan and tax capture
- Local Unit of Government
 - Approve Brownfield Plan and tax capture

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BROWNFIELD PLAN

- Brownfield Plan identifies the Eligible Property, details the Eligible Activities, and estimates the tax capture.
- Brownfield Plan is approved by the County Brownfield Redevelopment Authority.
- Notices are sent to taxing jurisdictions
- The local unit of government in which the Brownfield project is undertaken concurs with the Brownfield Plan.
- A public hearing is held and the Brownfield Plan is approved by the County Board.

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ACT 381 WORK PLAN

- An Act 381 Work Plan is prepared and submitted for approval of State tax capture
 - Michigan Department of Environment, Great Lakes, and Environment (EGLE) for Environmental Eligible Activities
 - Michigan Economic Development Corporation (MEDC)/Michigan Strategic Fund (MSF) for Non-Environmental Eligible Activities
 - Also requires extensive financial and other project information
 - Michigan State Housing Development Authority (MSDHA) for Housing Development Activities
- Sixty (60) day approval process from administratively complete Act 381 Work Plan.

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REIMBURSEMENT AGREEMENT

- If the Developer conducts Eligible Activities and completes the project, the Brownfield Authority will capture and reimburse the Developer for documented Eligible Activities only with Brownfield TIF generated by the project.
- Protects the Brownfield Authority from liability
- Describes the Eligible Activity documentation and reimbursement process
- Requires timely tax payments by Developer
- State tax capture approval
- Approved by Brownfield Authority and Developer, and Governing Body if Infrastructure Eligible Activities.

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ADDITIONAL INFORMATION

- Brownfield Eligible Activities Detail
- Brownfield Approval Process
- Key Implementation Issues
- Grants and Loans

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NEXT STEPS

- Contract with a highly qualified Brownfield Consultant
- Foster potential projects
- Communicate with development community
- Be ready for Brownfield Plan process

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