



Brownfields 101

***MDEQ Brownfield
Redevelopment
Program***



What is a brownfield?



A piece of property that is known to be contaminated



Or suspected to be contaminated based on prior use



What is a brownfield?



For some incentives, a brownfield can also be a property that is

- blighted
- functionally obsolete
- adjacent to a eligible property
- historic
- owned by a land bank



What is a brownfield?



Generally excludes residential and agricultural property

Jackson County Airport – Reynolds Field



Brownfield Projects Near You



Dick's Amoco / Chomp Burger - Adrian

Brownfield Projects Near You



Brownfields 101 Overview

- Incentives
- Responsibilities of a BRA
- Redeveloping a Brownfield Property
- Specific Property Discussions



Brownfield Staff

DEQ and MEDC staff work together with communities and brownfield authorities to redevelop brownfield sites



Leveling the Playing Field



DEQ Brownfield Redevelopment Incentives



Grants

Loans

**Act 381 Tax
Increment
Financing (TIF)**

DEQ Brownfield Incentives



What's Eligible?

- Phase I, Phase II, BEAs
- Due care
- Additional response activities
- In some instances, demolition



DEQ Grants and Loans



Applicant Annual Limits:

- 1 Grant of up to \$1,000,000
- 1 Loan* of up to \$1,000,000

*Loans:

- 1.5% rate
- 5 years payment & interest free



Old Sullivan Barn, Battle Creek

Who can apply for DEQ Grants and Loans?



Only local units of government :

- A county, city, village, or township
- A Brownfield Redevelopment Authority (BRA)
- Another authority created under a county, city, township, or village



Edgewater Transam
Building, Benton Harbor

What is the local role in a grant/loan project?



- Doesn't have to own the property
- Decide what projects are priorities in their communities
- Apply for and administer grant/loan



Lemon Creek Winery
Grand Haven



What is Brownfield TIF?

R4R

Tax Increment Financing

It comes from the increase in property taxes paid when a property is redeveloped or improved.



Central School, Iron River



Brownfield TIF: How It Works



Bridgewater Place, Grand Rapids

- Only a brownfield redevelopment authority can authorize brownfield TIF
- TIF does not exist until the property is improved and the taxes increase
- The developer's property taxes pay back eligible redevelopment costs

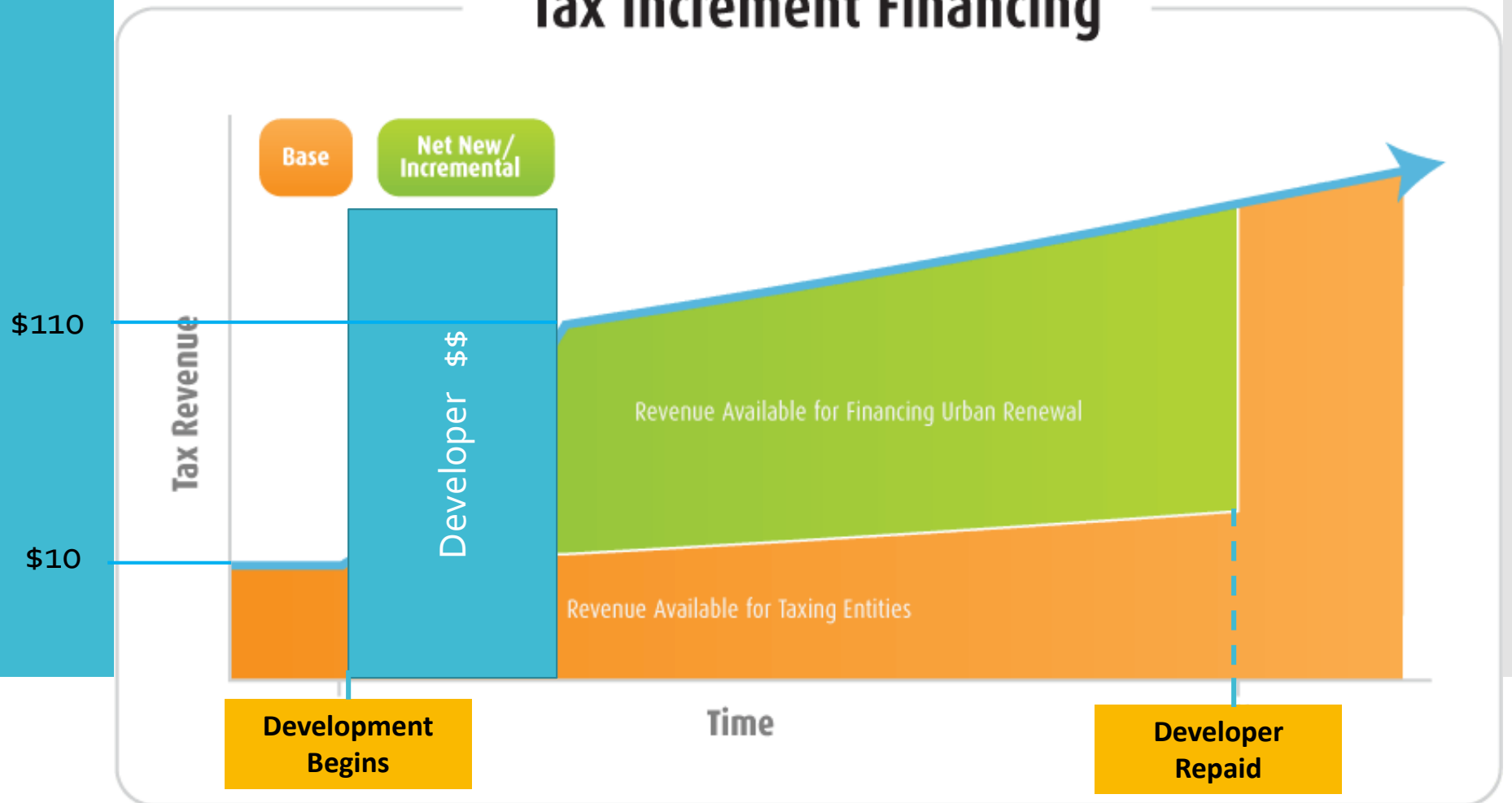
Brownfield TIF: How It Works



St. Anne Lofts, East Lansing

Brownfield TIF: How It Works

Tax Increment Financing



Brownfield TIF: How it works



- Brownfield plan and Act 381 work plan approved and submitted by BRA
- No limits on cost / number of work plans submitted
- TIF repays developer or a brownfield loan



Meijer, Stevensville

How is DEQ funding determined?



- Package may include grant, loan, and/or TIF
- Split between grants / loans negotiated with applicant



Uptown, Bay City

How is DEQ funding determined?



DEQ Grant: Requires private investment and job creation

DEQ Loan: Does not require a development

DEQ Act 381 TIF: Requires a developer or other upfront investor, but lowest threshold for DEQ approval

Downtown Market
Grand Rapids



Where does TIF come from?



- State school taxes (24 mills)
 - ✓ Local School Operating Tax (18 mills)
 - ✓ State Education Tax (6 mills)
- Local taxes

Where does TIF come from?



- Must occur on eligible property that is included in a locally approved Brownfield Plan.
- Debt millages are not allowed to be captured.
- Does not take money away from schools, just defers increase



*South University Village Studio One Apartments
Wayne State University, Detroit*

How do we get TIF?



A local unit of government can:

- Create a local Brownfield Redevelopment Authority to direct incentives to brownfield sites
- Work with the DEQ, MEDC, developers, consultants, others to redevelop brownfields



MA Houston Towers, Muskegon Heights

What can a BRA do?



- Approve brownfield plans and TIF requests
- Authorize TIF capture
- Set maximum amount that can be captured
- Apply for grants and loans

And more!



Citizens Bank, Traverse City

What else can a BRA do?

LSRRF



One Kennedy Square, Detroit

- Establish a Local Site Remediation Revolving Fund
- Collect DEQ TIF
- Fund eligible environmental activities

What property is eligible for brownfield TIF?



Property that is contaminated above state criteria:
DEQ can approve eligible activities
ONLY at contaminated sites



Arcadia Ales, Kalamazoo

What property is eligible for brownfield TIF?



MEDC can approve TIF at property that is:

- In a local historic district or is on State or National Register
- Adjacent or contiguous to eligible property
- Land Bank-owned (tax reverted) or Transit Oriented Development property
- Blighted
- Functionally Obsolete

Grand Traverse Commons
Traverse City



What can a BRA do?

Preapproved Activities



Brassworks Building, Grand Rapids

Some environmental activities can be reimbursed with state TIF even without DEQ approval.

- Site assessments
- BEAs
- Due care planning

What can the DEQ approve?



DEQ approval is needed to use state school taxes for:

- Due care
- Additional response activities
- Environmental Insurance



Cardinal Health, Detroit

What can the MEDC approve?



MEDC / MSF approval is needed to use state school taxes for:

- Building and Site Demolition
- Lead & Asbestos abatement
- Assistance to land banks and local governments
- Infrastructure*
- Site preparation*

* Currently approvable only to Core Communities



And one more thing...



Work plans must include 3 mills that are returned to the State Brownfield Redevelopment Fund for operational costs and a future brownfield projects



Amazon Building,
Muskegon

How does a BRA do a Brownfield Plan?



Brownfield Plan:

- Developed by BRA
- Describes the “eligible property”
- Tells why it’s eligible
- Affirms local jurisdiction support
- Needs to include state and local TIF



Lake Pointe apartments, Hart

How does a BRA do a Brownfield Plan?



Before brownfield plan is adopted:

- Submit a Public Hearing Notification to DEQ and MEDC
- Hold a public hearing on the brownfield plan

- Plan is approved by the governing body of the jurisdiction.



Mulch Manufacturing, West Branch Township

How does a BRA do a Brownfield Plan?



LOCAL-ONLY Projects:

- Local-only TIF projects need only to have a written brownfield plan
- Plan is approved by the governing body of the jurisdiction
- No work plan is needed



The Garage, Northville

What's in an Act 381 work plan?



381 Work Plan:

- Includes specific eligible activities and cost details
- Needs to include documentation to confirm the property is eligible



Harbor Shores, Benton Harbor

How does a BRA do an Act 381 Work Plan?



- Developer drafts Act 381 work plan for DEQ / MSF approval.
- Developer consults MEDC/ DEQ before submitting work plan
- BRA submits the work plan
- MEDC and DEQ staff both review the project, but approve it separately.

Midtown Development,
Traverse City



Where are brownfield sites in my community?



www.michigan.gov/deq

Click on LAND

Featured Online Services:

- Inventory of Facilities
- Leaking Underground Storage Tank Sites
- Underground Storage Tank Sites
- Michigan Environmental Mapper



What other tools can I use?



EPA Brownfield Grants

- **Assessment grants:** plan, inventory, prioritize and assess brownfields, conduct community involvement, and plan cleanup/redevelopment
- **Revolving Loan Fund grants:** capitalize a revolving loan fund that provides loans and subgrants to clean up brownfield sites
- **Cleanup grants:** remediate brownfields

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What other tools can I use?



Other
Department of
Environmental
Quality
Resources

Superfund site assessment: DEQ staff investigate sites with redevelopment potential that may be contaminated. Applications for 2017 available in October 2016

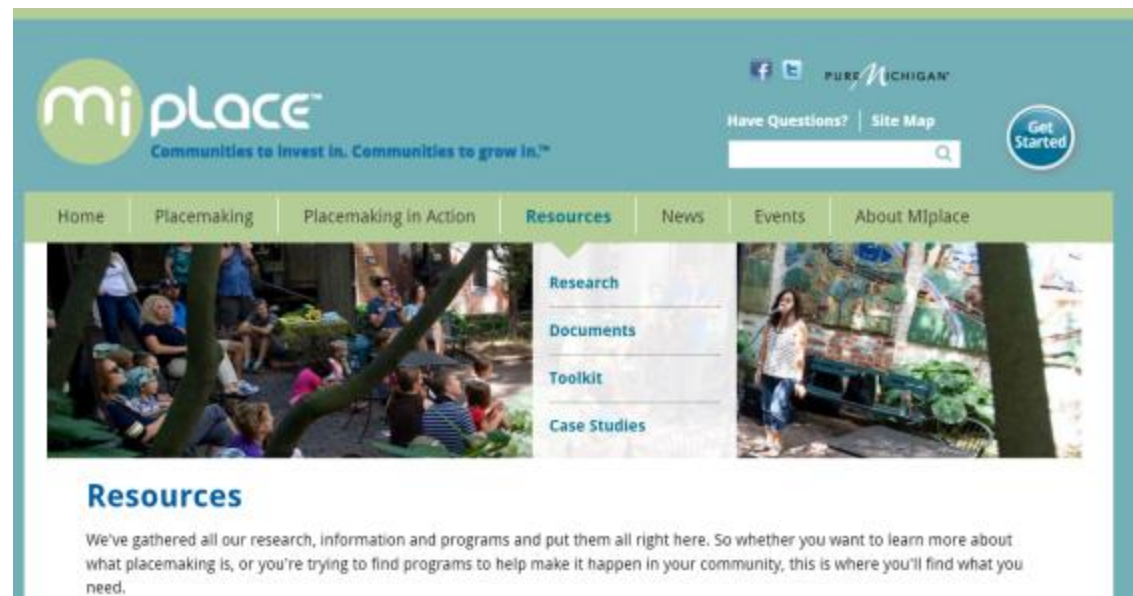
Contact: Joe Walczak, 517-284-5167
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What other tools can I use?



Miplace.org

State grants, loans, and other assistance to support local placemaking at www.miplace.org. Click on Resources/Toolkit



Questions? Ask us!



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**Remediation and
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