



**MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION**



MICHIGAN DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY

BROWNFIELD REDEVELOPMENT AUTHORITIES EDUCATIONAL WEBINAR

PUBLIC ACT 381

July 19, 2023

AGENDA



**Act 381 Legislative
Amendment:
TBP & Housing**

**Core Community
Status Refresher**

**Annual BRA
Reporting Update**

**EGLE Brownfield
Program Updates**

Q&A

Transformational Brownfield Program Legislative Changes

- Section 2(ss) and 2(ccc) – Sales and Use Tax Capture Revenues Definition
 - Definition of the Sales and Use Tax Capture Revenue stream
- Section 13c(11) – Related Program of Investment
 - Subject to the governing body and MSF, the authority may amend the beginning date of property tax capture and post-construction revenues to a date later than 5 years following MSF approval of the TBP if it is determined that the developer has made substantial progress and has acted in good faith.
- Section 14a(6) – 3rd Party Underwriting Analysis
 - Addition of Sales and Use Tax Capture revenues to Income Tax Capture revenues and Withholding Tax Capture Revenues as the revenue streams that will determine whether a TBP request will require a 3rd Party Underwriting analysis.
 - All TBPs that include Sales and Use Tax Capture revenues will require a 3rd Party analysis of those specific estimates regardless of any other revenue stream amounts.

Transformational Brownfield Program Legislative Changes

- Section 14a(19) – Program Limits for Post-Construction Revenues
 - The MSF and shall not commit, and Treasury may not disburse more than \$80,000,000 annually in Income Tax Capture, Withholding Tax Capture, and Sales and Use Tax Capture Revenues.
 - No more than \$30,000,000 in any one year of undisbursed and/or uncommitted funds may carry over to the subsequent year for disbursement and/or commitment.
- Section 14a(20) – Program Limits for Post-Construction Revenues
 - The MSF shall not commit, and Treasury shall not disburse more than \$1.6 Billion in Income Tax Capture, Withholding Tax Capture, and Sales and Use Tax Capture Revenues over the duration of the program.
- Section 14a(21)
 - Construction Period Income Tax Capture is the only revenue stream that now comprises the \$200,000,000 program sub-cap. Sales and Use Tax Exemption was removed from this section and statutorily has no approval limit.

Transformational Brownfield Program Legislative Changes

- Section 14a(22)
 - Removal of the condition requiring the MSF target 35% of all TBPs approved in communities of less than 100,000.
 - Addition of specific population bands that are designed to ensure an equal distribution of TBP approvals across the state:
 - Not less than 33% and not more than 38% of total TBPs will be approved in communities with a population of less than 100,000.
 - Not less than 33% and not more than 38% of total TBPs will be approved in communities with a population of not less than 100,000 and not more than 225,000.
- Section 15(11) and Section 15(20)(d)
 - An authority may not submit a request for a TBP approval until all required financial analyses are complete.

Transformational Brownfield Program Administrative Update

MEDC staff will recommend an amendment to the MSF approved Transformational Brownfield Program Guidelines to account for the proposed legislative changes when the legislation is enacted into law.



Act 381 Legislative Amendment Housing

Addition of Housing Development Activities as an eligible activity.

Addition of Housing Property as an eligible property qualifier.

Requests for reimbursement of Housing Development Activities will be reviewed and approved by MSHDA.

For additional information, please contact:
MSHDA-TIF@michigan.gov



MSHDA

Michigan State Housing
Development Authority

Core Community Status

Determination of a Core Community, or Qualified Local Governmental Unit (QLGU) is based on the definition of a QLGU within the Obsolete Property Rehabilitation (OPRA) Act (PA 146 of 2000).

- Specific, Individual Criteria for a City, Township and Village.

Originally contemplated to spur private development in its urban communities and traditional centers of commerce.

Availability of MSF Non-Environmental Eligible Activities is based on Core Community status.

In addition to Brownfield TIF support, core communities are also able to pursue OPRA and Neighborhood Enterprise Zone (NEZ) abatements.

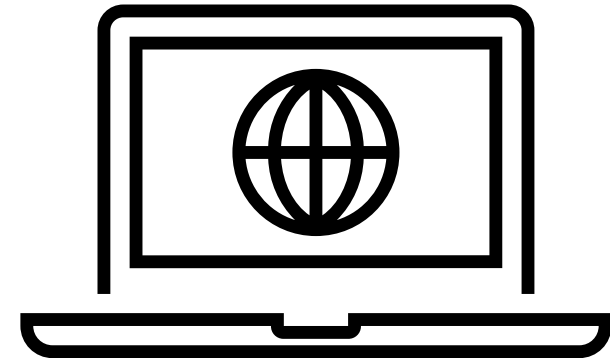


Brownfield Annual Reporting

Reports are due annually on August 31.

A BRA is considered compliant only when staff has been able to confirm all data submitted by the BRA is complete.

Act 381 statutorily required audit.





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EGLE Brownfield Program Updates

CARRIE GEYER, JANET MICHALUK, AND DAN GOUGH

REMEDICATION AND REDEVELOPMENT DIVISION

BROWNFIELD ASSESSMENT AND REDEVELOPMENT SECTION



BROWNFIELDS 2023

SUSTAINABLE COMMUNITIES START HERE

DETROIT, MICHIGAN | AUGUST 8–11, 2023

www.brownfields2023.org

FUNDING

Grants and Loans

- \$15M/yr- Grants
- \$6M/yr- Loans
- Ongoing basis

Brownfield Site Assessments



TECHNICAL SUPPORT

- Vapor Intrusion Brownfield Reviews
- MSHDA Brownfield Review Team





MICHIGAN DEPARTMENT OF
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Q & A SESSION

THANK YOU

Additional questions? Contact us today.

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