

TRANSFORMATIONAL BROWNFIELD PLAN PROCESS OVERVIEW

The process below is a high-level overview of the Transformational Brownfield Plan (TBP) consideration process from project identification through execution of a final agreement. TBP projects require the approval of the Brownfield Redevelopment Authority (BRA), the local unit of government, and the Michigan Strategic Fund (MSF). If department-specific activities are included in the project, approval by the Michigan Department of Environment, Great Lakes and Energy is also required.

1. Local partners, developers, or the BRA engage early with the Michigan Economic Development Corporation (MEDC) for initial project evaluation and determination of appropriate incentive match. The MEDC will collect intake evaluation documentation including, but not limited to, project investment summary, local letter of support, intake questionnaire and projected tax increment revenue tables.
2. Project will undergo an internal review. Upon initial determination of appropriate TBP fit, the MEDC will issue a letter of interest and initial invitation to apply requesting submission of information necessary to complete the full underwriting and financial review.
3. Development team and BRA prepare a TBP Combined Transformational Brownfield Plan and financial review package, including the financial review fee and TBP questionnaire, and submit to MEDC staff for review.
4. MEDC will conduct a background check in accordance with MSF Background Review Policy and evaluates the full TBP package including conducting an underwriting and financial analysis. Projects anticipating more than \$10 million of income tax, withholding tax, and Sales and Use Tax capture in any single year are required to undergo an MSF-contracted 3rd party underwriting analysis. In addition, any TBP proposal requesting approval of sales and use tax capture is required to undergo an MSF-contracted 3rd party analysis of the sales and use tax capture estimates. The applicant will pay the necessary 3rd party fees as part of the application fee.
5. Following the results of the underwriting and financial analysis, MEDC staff may issue an updated final invitation to apply to the development team and local partners.
6. Development team will provide any additional materials and fees necessary to finalize the TBP analysis and MEDC staff recommendation.
7. After confirming the TBP package is administratively complete¹, MEDC staff will provide a Summary of Terms, or similar document, to the development team outlining the business terms for the proposed incentive which will be incorporated into the reimbursement agreement.
8. Following feedback from MEDC (and potentially based on the 3rd party analysis) the TBP documents will be updated and submitted for local BRA and governing body approval; then the TBP final package is submitted to MEDC for MSF consideration.

¹ Administratively complete means the TBP and all required supporting documentation is determined to be complete by MEDC staff, the underwriting analysis is complete, and the financial need has been confirmed.

9. MEDC presents the TBP recommendation to the MSF Board with the local partner and development team. Concurrent with MSF action, a final reimbursement agreement will be drafted by the MEDC and executed between MSF, Treasury, the BRA and the development entity(ies).
10. The developer is required to report project information to the MEDC, Treasury and the associated BRA. The BRA is required to report information to the MEDC via online portal.