



**MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION**



MICHIGAN DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY

BROWNFIELD REDEVELOPMENT AUTHORITIES EDUCATIONAL WEBINAR

PUBLIC ACT 381

April 27, 2022



**MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION**



MICHIGAN DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY



AGENDA



**TBP
GUIDELINES
UPDATES**

**MSF
SITE INVESTMENT
GUIDELINES**

**BRA
REPORTING
UPDATES**

**EGLE
GRANT PROGRAM
UPDATES &
BEST PRACTICES**

**Q&A
SESSION**

TRANSFORMATIONAL BROWNFIELD PROGRAM GUIDELINES UPDATE



**MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION**



AMENDED GUIDELINES

**Act 381
Legislative
TBP Amendments
Effective
Dec. 2021**

**MSF Board
Amendments to
TBP Guidelines
Effective
Mar. 22, 2022**



GUIDELINES UPDATE



- Mixed-Use Requirement may be waived for municipalities with a population of less than 25,000 that meet the capital investment amount of \$15,000,000.**
- Inclusion of the 90-day lookback for eligible activity reimbursement.**
- New program expiration date is December 31, 2027.**
- Removal of the five TBP approvals per local unit limitation effective January 1, 2023.**
- Inclusion of the ability to amend TBPs administratively in order to comply with any future legislative amendments.**
- Specifies the most recent federal decennial census data will be used in determining municipality population.**

GUIDELINES UPDATE



- Removal of required third-party economic impact analysis
- Recognition of the increase in the amount of income tax capture and/or income tax capture in any single year from \$1.5 million to \$10 million as the threshold for the third-party analysis and fee amounts.
- Reduction of the fee from \$208,000 to \$30,000 plus actual cost of any required third-party underwriting analysis
- Acknowledgment that the State Treasurer is statutorily required to be consulted on a TBP request but is not required to concur for approval to occur.
- The allowance for consideration of an MCRP award in tandem with TBP approval.

An aerial photograph of a town, likely a lakeside community. The top half shows a large parking lot filled with cars, several multi-story brick buildings, and a central intersection. The bottom half shows a marina with numerous sailboats docked at a pier, a small white building, and a red-roofed structure. The entire image is overlaid with a semi-transparent blue filter.

SAFE HARBOR PROVISION

- The withholding tax capture safe harbor calculation consists of imputing up to 90 percent of the average estimated employee occupancy that corresponds to the size and use of the eligible property or portion of the eligible property and a safe harbor of up to 90 percent of the average annual taxable wage for the individuals employed within the eligible property or portion of the eligible property.
- The income tax capture safe harbor calculation consists of imputing up to 90 percent of the estimated annual taxable income for households residing within the eligible property or portion of the eligible property.

MSF SITE INVESTMENT PROGRAM



- ❑ Required per section 8a of Act 381
- ❑ Initially will consider loan awards, but an additional grant component is anticipated once the fund balance reaches a level that can support both grants and loans.
- ❑ Applicants: BRAs or any village, city, township, or county served by a local brownfield authority.

MSF SITE INVESTMENT PROGRAM



Preference will be given to projects that include one of more of the following:

- Preparation of a priority Redevelopment Ready Site within a Redevelopment Ready Community (RRC) certified or engaged community.
- Demolition or remediation activities permitted under the that allow out-of-use publicly owned buildings or sites to be repurposed, as long as the removal of said buildings or proposed changes in land use are part of a publicly approved Master Plan or other municipal development plan.

MSF SITE INVESTMENT PROGRAM



- Approval of MSF Support does not infer that the MSF will approve a future Work Plan for the project; however, a Work Plan may be considered for MSF consideration once a project is identified.
- MSF Support for a single project will be limited to a maximum of \$1,000,000, subject to MSF approval and available program funding.
- MSF Support shall be performance based. Loans may include flexible terms and conditions, and the loan recipient, under certain conditions, may request the loan be extended or converted to a grant.

MSF SITE INVESTMENT PROGRAM



- ❑ **FY2022 budget: \$1,000,000**
- ❑ **Any unused funds will roll over into the next fiscal year**
- ❑ **Program Documents:**
Application, guidance, and fact sheets are anticipated over the next few months.

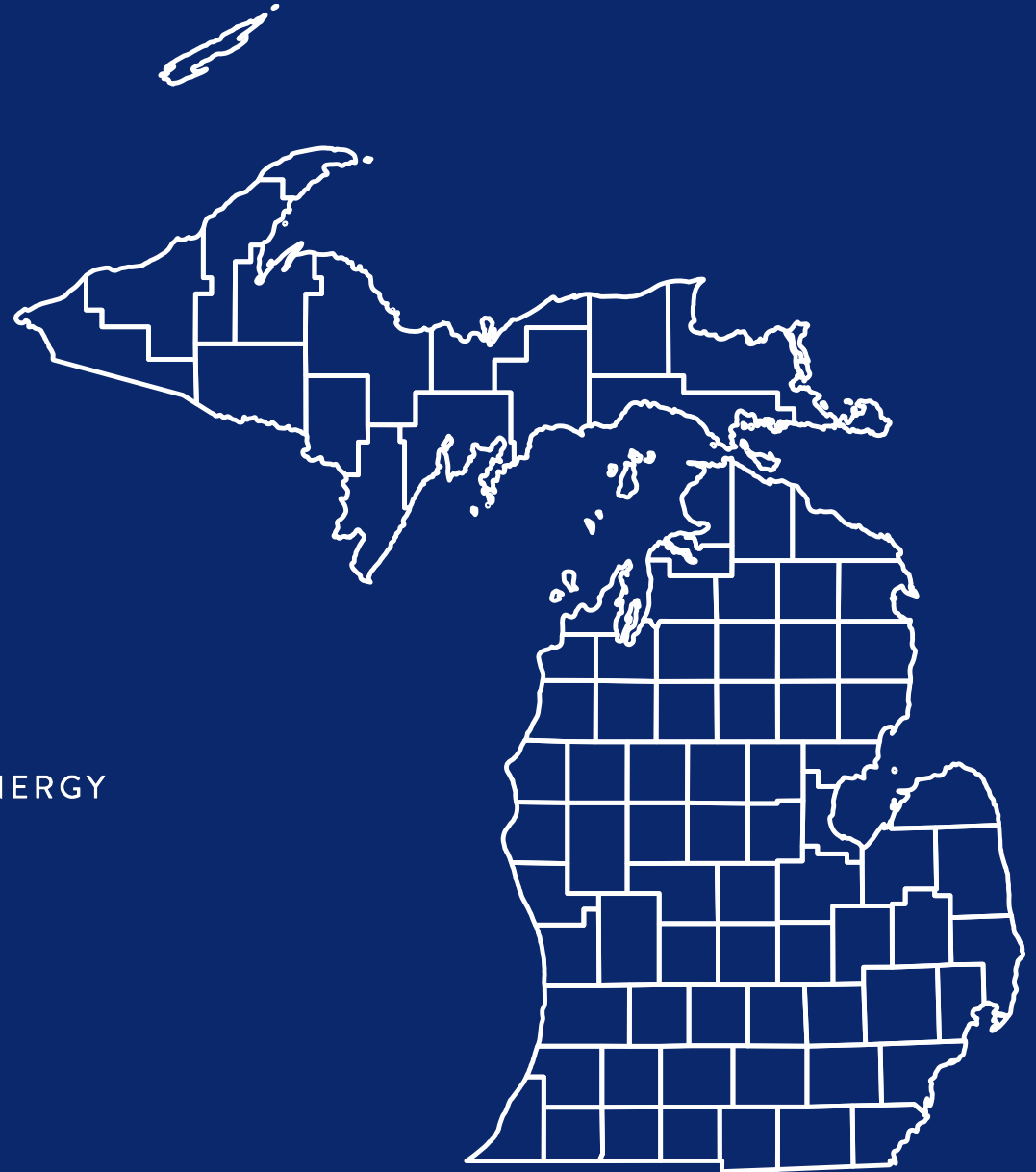
BRA ANNUAL REPORTING



- ✓ Reporting due date is August 31, 2022
- ✓ New Addition: ISD Fields
 - ✓ ISD Data included in BRA Reporting will be provided to Treasury to process reimbursement
- ✓ Existing ISD field is now split into two fields:
 - ✓ Amount of Local ISD Ad Valorem TIR Received
 - From property on the regular tax roll and not exempt from ad valorem taxation
 - ✓ Amount of Local ISD Special-Tax TIR Received
 - ISD share of IFT, CFT, CRA, NEZ, OPRA and Land Bank 5/50 taxes levied on parcels exempt from ad valorem taxation
- ✓ Addition of fields that the user must complete with the appropriate ISD code
- ✓ New Reporting Platform

EGLE

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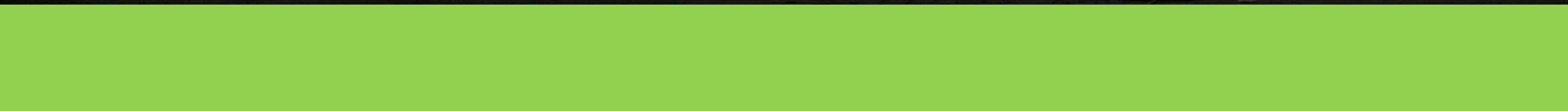


Outline

- EGLE Grants and Loans Overview
- Lessons Learned from FY22
 - Coordinating all stakeholders early
 - Housing Projects
 - Other Permits
 - Site Characterization
 - Vapor Intrusion Systems
- Funding Status and What's Next



EGL E Grants and Loan Process Overview



Notable Lessons Learned in FY 22



Gather the Stakeholders

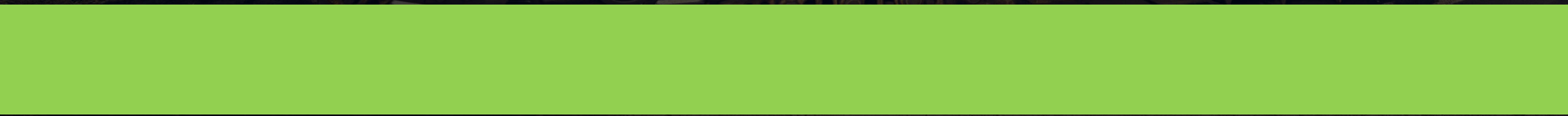


Requirements from Other Funding Agencies





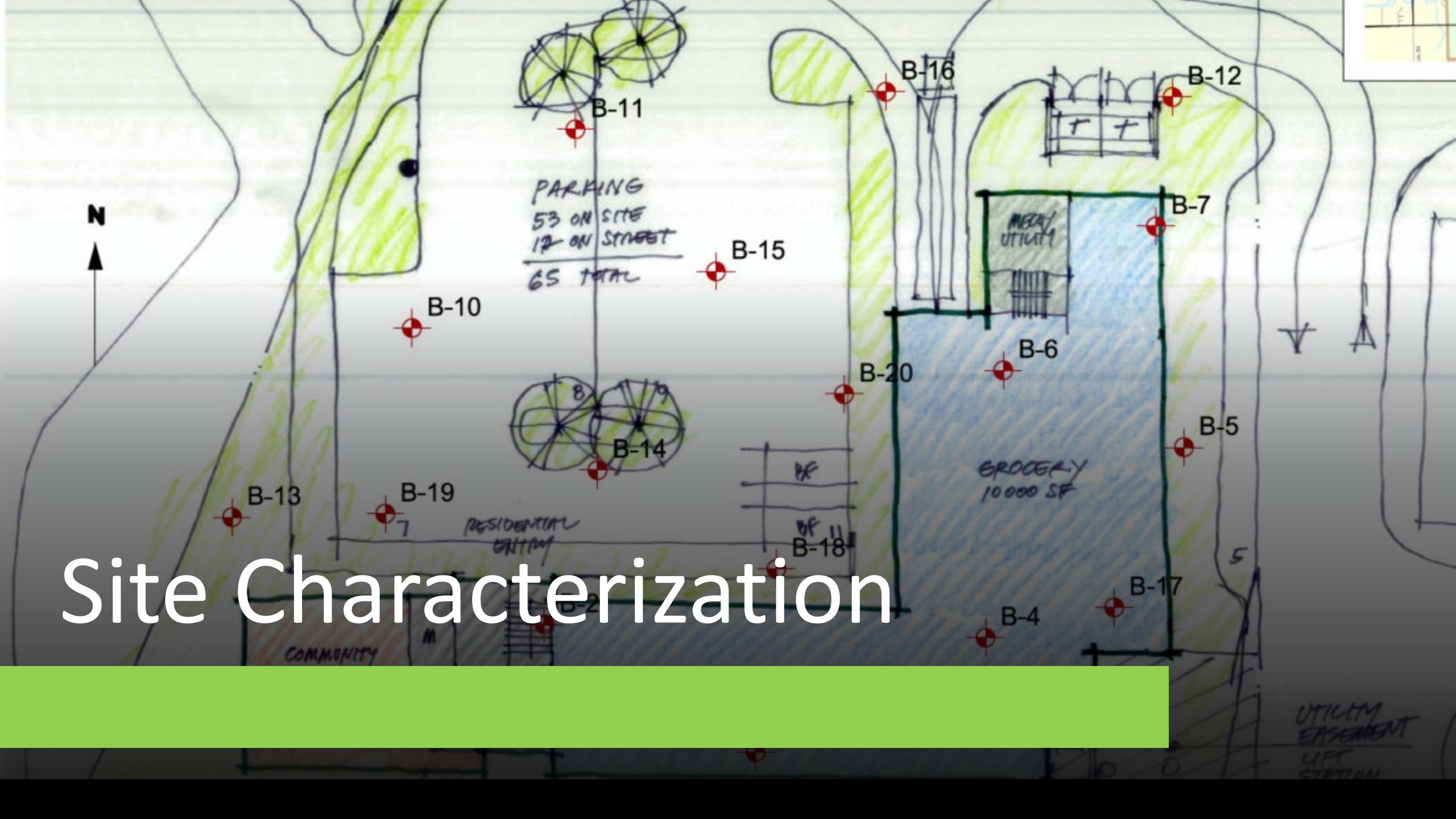
Housing Projects





Other Permits

Site Characterization



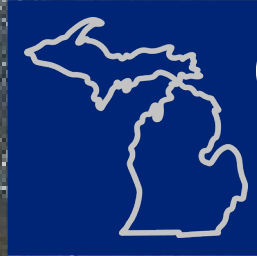


Vapor Mitigation



Looking Forward





Questions & Answers

THANK YOU

Additional questions? Contact us today.

MEDC: Rob Garza, garzar8@michigan.org
EGLE: Dan Gough, goughd1@michigan.gov

Next Webinar: July 20, 1:00 p.m.