

TRANSFORMATIONAL BROWNFIELD PLAN PROGRAM GUIDELINES

PROGRAM OVERVIEW

The Brownfield Redevelopment Financing Act, Act 381 of 1996, as amended (Act 381), effective July 24, 2017, incorporates Transformational Brownfield Plans (TBP), which affords developers the opportunity to capture a portion of specific incremental taxes generated from large-scale transformational projects for a specified time period. Capitalized terms used herein and not otherwise defined have the meanings set forth in Act 381.

A TBP is defined under Act 381 as a Brownfield Plan that, among other requirements, will have a transformational impact on local economic development and community revitalization based on the extent of brownfield redevelopment and growth in population, commercial activity, and employment that will result from the plan. The plan must be either a Mixed-Use development project with planned integration of some combination of retail, office, residential, or hotel uses or a development in a Municipality that is not a county and that has a population of less than 25,000 that utilizes one of the listed uses and has had the Mixed-Use requirement waived by the Michigan Strategic Fund (MSF). Other requirements include minimum thresholds of capital investment depending on the population size of the Municipality in which the development is proposed.

A TBP allows for the capture of five sources of tax revenues associated with a project. The available tax revenues include the following: (1) Construction Period Tax Capture Revenues; (2) Tax Increment Revenues; (3) Income Tax Capture Revenues; (4) Withholding Tax Capture Revenues; and (5) Sales and Use Tax Capture Revenues. These tax revenues can be used in financing a wide array of Eligible Activities where costs were incurred no more than 90 days prior to MSF approval of the TBP, specifically including any demolition, construction, restoration, alteration, renovation, or improvement of buildings or site improvements on Eligible Property, including Infrastructure Improvements that directly benefit Eligible Property. Income Tax Capture Revenues, Withholding Tax Capture Revenues, and Sales and Use Tax Capture Revenues are all limited to up to 20 years. The TBP may also authorize the exemption of construction period Sales Tax and Use Tax (Sales and Use Tax Exemptions).

The MSF is the project-authorizing entity and can approve no more than five TBPs in a calendar year statewide. In the event the MSF approves fewer than five plans in a calendar year, the unused approval authority shall carry forward into future calendar years and remain available until December 31, 2032. No new TBPs can be approved after December 31, 2032, and no unused plans can carry over past that date. A TBP approved prior to that date would remain in effect and could be amended.

Subject to the receipt of qualified TBPs meeting the program criteria, TBPs shall be distributed equally, to the extent practicable, between the following population bands: cities, villages, and townships with a population of less than 100,000; cities, villages, and townships with populations of not less than 100,000 and not more than 225,000; and cities, villages, and townships with a population of more than 225,000.

AMENDMENTS

A TBP may be amended to add parcels of property, increase or reduce capture, or change project scope of work. Amended parcels must qualify as a Facility, Historic Resource, Functionally

Obsolete, or Blighted. Any amendment that proposes to change the project so that it would no longer qualify as transformational will result in the TBP being revoked. Amendments are not considered new plans and TBPs may be amended beyond December 31, 2032.

If specific aspects of the TBP within Act 381 are legislatively amended in the future, the MSF may amend existing TBPs to make conforming and consistent changes to the approved TBPs on an administrative basis, provided that those changes do not result in any increase in the aggregate total amount of reimbursement authorized under the initial TBP.

FEES

Owner or developer shall be responsible for paying all application fees, amendment fees, transfer fees, annual administrative fees, and all costs of independent, MSF-contracted third-party underwriting analysis, third-party fiscal benefit analysis and third-party Sales and Use Tax Capture Revenues underwriting analysis, including, but not limited to, the following shall be paid by the owner or developer of the Eligible Property and are non-refundable.

- Applicant shall pay a non-refundable application fee of \$50,000 prior to the commencement of a formal review of full TBP application materials.
- Prior to TBP consideration by the MSF Board, the applicant shall pay the actual cost of any MSF-contracted third-party analyses for any TBP that either: (i) proposes to use more than \$10,000,000 in combined Income Tax Capture Revenues, Withholding Tax Capture Revenues, and Sales and Use Tax Capture Revenues in any single year, (ii) is using the safe harbor method of calculation and the actual capital investment has a total development cost of \$100,000,000 or more, or (iii) where MSF deems necessary due to project complexity or capacity; provided, however that if a project does not statutorily, or by policy, require third-party underwriting, an applicant may also opt to select the MSF-contracted third-party underwriting at their own cost.
- Annual administrative fees are the greater of (1) one percent (1%) of the annual average projection of Income Tax Capture Revenues, Withholding Tax Capture Revenues, and Sales and Use Tax Capture Revenues or (2) one percent (1%) of the annual average projection of state Tax Increment Revenues at the time of MSF approval or amendment. This fee will remain static until the disbursement of Income Tax Capture Revenues, Withholding Tax Capture Revenues, and Sales and Use Tax Capture Revenues have concluded.
- In the event that an amendment is required for TBP awards greater than or equal to \$10,000,000 in combined Income Tax Capture Revenues, Withholding Tax Capture Revenues, and Sales and Use Tax Capture Revenues in any single year, or that was awarded Sales and Use Tax Capture Revenues regardless of amount, a non-refundable amendment fee of \$30,000 plus actual cost of any necessary MSF-contracted, third-party analyses will be charged and collected by the MSF.
- All other amendments will be subject to a non-refundable \$30,000 fee. The only exception is for an amendment that consists solely of the addition of a new development entity that will incur Eligible Activity costs and receive reimbursement or direct economic benefit. A \$5,000 non-refundable fee will be charged for this type of request.
- Any transfer of a TBP award will be subject to a non-refundable transfer fee of \$7,000.

ELIGIBLE APPLICANTS

A project may be located in any Municipality but must involve a minimum level of capital investment based on the size of the Municipality, as follows:

Population	Investment
Greater than or equal to 600,000	\$500,000,000
150,000 - 599,999	\$100,000,000
100,000 - 149,999	\$75,000,000
50,000 - 99,999	\$50,000,000
25,000 - 49,999	\$25,000,000
Less than 25,000	\$15,000,000

These limitations can be waived by the MSF to allow TBPs in certain areas where:

- the population is under 25,000, if the development would not be economically feasible otherwise;
- the Michigan State Housing Development Authority has approved the expenditure of federal blight elimination funds;
- the Municipality is subject to a state of emergency for drinking water contamination; or
- the Eligible Property is a historic resource and would not otherwise be transformed.

The Municipality's population for the purposes of meeting the capital investment threshold will be based on the most recent federal decennial census.

ELIGIBLE ACTIVITIES

TBP Eligible Activities include any demolition, construction, restoration, alteration, renovation, or improvement of buildings or site improvements on Eligible Property, including Infrastructure Improvements that directly benefit Eligible Property, along with Eligible Activities allowed under Act 381.

ELIGIBLE PROPERTY

The proposed redevelopment must meet the definition of Eligible Property in Section 2 of Act 381 and be a Previously Developed Property within a Mixed-Use and walkable area. Eligible Property for a TBP does not include Housing Property unless the requirements of Section 2(p)(i) of Act 381 are met.

PROGRAM KEY COMPONENTS

1. The project must be a Mixed-Use development, which is defined as a real estate project with planned integration of some combination of retail, office, residential, or hotel uses. The Mixed-Use requirement may be waived by the MSF where the development is located in a Municipality that is not a county and has a population of less than 25,000.
2. The project can be a single development on Eligible Property, or consist of a series of developments on Eligible Properties (even if they are not contiguous) that are part of a related program of investment meeting the following requirements:
 - The developments are proposed to be undertaken concurrently or in reasonable succession.
 - For developments under affiliated ownership, the developments are reasonably contiguous and are a part of a program investment in a logically defined geographic area,

including, but not limited to, a Downtown District (as defined in the Recodified Tax Increment Financing Act, Act 57 of 2018) or a principal shopping district or business improvement district (as defined in the Shopping Areas Redevelopment Act, Act 120 of 1961). Other areas related to those districts that will promote in-fill development may also be considered.

- For developments with unrelated ownership, projects must meet the provisions above, and are part of a master development plan, area plan, sub-area plan, or similar development plan that has been approved or adopted by resolution of the Governing Body.
 - The designation of the developments as a related program of investment is consistent with the purposes of this act and is not a combination of unrelated or minimally related projects calculated to meet the minimum investment threshold.
3. For projects approved or amended after July 22, 2026, a project that includes a new or increased residential housing component, must also include an Affordable Housing component, as defined within Act 381. A minimum of 5% of residential units on Eligible Property must be Affordable Housing as defined in Act 381 in order for a TBP to be eligible for any amount of Income Tax Capture Revenues.
 4. A TBP may authorize the use of Sales and Use Tax Exemptions, Construction Period Tax Capture Revenues, Income Tax Capture Revenues, Withholding Tax Capture Revenues, Sales and Use Tax Capture Revenues, and Tax Increment Revenues for Eligible Activities as follows:
 - Construction Period Tax Capture Revenues: Funds equal to the amount of Income Tax levied and imposed in a calendar year on wages paid to individuals physically present and working within the Eligible Property for the construction, renovation, or other improvement of the Eligible Property that is an Eligible Activity within the TBP. Excluded are wages paid to employees of the owner or developer of the project.
 - Sales and Use Tax Exemptions:
 - a. A Sales Tax exemption for the purchase of tangible personal property for use in Eligible Activities on Eligible Property included in a TBP, to the extent that the tangible personal property will be affixed and made a structural part of the real property or Infrastructure Improvements included within the TBP.
 - b. A Use Tax exemption on tangible personal property acquired by a person engaged in the business of altering, repairing, or improving real estate for others, or to the manufacture of a specific product if the property or product is to be affixed or made a structural part of the real property included within a TBP, to the extent that those improvements are Eligible Activities on Eligible Property within a TBP.
 - c. The MSF shall require the owner or developer of the Eligible Property to report the actual value of the Sales and Use Tax Exemptions each tax year of the construction period and at the end of the construction period.
 - Income Tax Capture Revenues: Funds equal to the amount for each tax year by which the aggregate Income Tax from individuals domiciled within the Eligible Property subject

to a TBP exceeds the Initial Income Tax Value A TBP cannot propose to use more than fifty percent (50%) of the Income Tax Capture Revenues, with the following exceptions:

- a. The proposed Eligible Property is designated as a Renaissance Zone and otherwise meets the criteria in Section 13c(13) of Act 381.
 - b. The applicable Eligible Properties are subject to a written binding Affordable Housing agreement with the local governmental unit that provides that not less than twenty percent (20%) of the residential housing units on the Eligible Property must be used for Affordable Housing. Affordable Housing means residential housing units that are rented or sold to Income Qualified Households. This exception may include a proposal of up to one hundred percent (100%) of Income Tax Capture Revenues, subject to an underwriting and financial analysis.
 - c. A minimum of 5% of residential units on Eligible Property must be Affordable Housing as defined in Act 381 in order for a TBP to be eligible for any amount of Income Tax Capture Revenues.
- Withholding Tax Capture Revenues: The amount for each calendar year by which the Income Tax withheld from individuals employed within the Eligible Property subject to a TBP exceeds the Initial Withholding Tax Value. Excludes those domiciled within the Eligible Property and Construction Period Tax Capture Revenues. A TBP cannot propose to use more than fifty percent (50%) of the withholding tax capture revenues.

For TBPs approved after July 22, 2026, Withholding Tax Capture Revenues do not include Income Tax withholdings attributable to Withholding-Disqualified Employees or employees of a Withholding-Disqualified Entity.

- Sales and Use Tax Capture Revenues: Funds equal to the amount for each calendar year by which the Sales Tax and Use Tax collected from persons within the Eligible Property exceeds the Initial Sales and Use Tax Value.

The capture of post-construction Income Tax Capture Revenues, Withholding Tax Capture Revenues, and Sales and Use Tax Capture Revenues is limited to up to 20 years.

For projects approved after December 31, 2026, an election by the owner or developer to utilize the safe harbor method for the calculation of Income Tax Capture Revenues and Withholding Tax Capture Revenues at the time of MSF consideration. The detailed parameters of the safe harbor option can be found in the Program Limits section of these guidelines.

5. If the MSF supports a TBP, that project(s) may also be considered for additional funding programs as necessary to fill financing gaps and make the project feasible. Additional MSF incentive requests must consist of no more than one incentive request per incentive program per TBP request and must be presented at the same MSF Board meeting that the TBP request will be considered.
6. Project construction for TBPs undertaken on a single site must start within twelve (12) months of MSF Board approval. For projects that are considered a related series of investment, construction on at least one of the sites must start within twelve (12) months of MSF Board approval.
7. The owner or developer must certify the actual capital investment upon completion of TBP construction, or completion of a specific phase, or prior to the MSF initiating reimbursement

from the Construction Period Tax Capture Revenues, Income Tax Capture Revenues, Withholding Tax Capture Revenues, and Sales and Use Tax Capture Revenues. If the actual capital investment is less than the amount included in the MSF-approved TBP, the MSF has the right to modify the amount of reimbursement and take other recourse, as deemed necessary.

8. The MSF is required to approve a proposed change in ownership of Eligible Property subject to a TBP for which reimbursement will continue, prior to the assignment or transfer of the development and reimbursement agreement.
9. An Eligible Property may only be included in a TBP request if Eligible Activities are required to complete the proposed project on the proposed Eligible Property and the underwriting analysis concludes there is a financial need. Furthermore, a parcel with a completed and operational building shall not be included in a TBP request, unless Eligible Activity costs will be incurred as required to renovate, expand or enhance the capacity of the building.
10. An applicant may not formally request a TBP approval by the MSF until the financial analysis of the TBP is complete.
11. Solely with respect to a related program of investment, subject to the approval of the Governing Body and MSF, the Brownfield Redevelopment Authority (BRA) may amend the beginning date of capture for Withholding Tax Capture Revenues, Income Tax Capture Revenues, and Sales and Use Tax Capture Revenues for an Eligible Property to a date later than five (5) years following the date the MSF approved the inclusion of the Eligible Property in the TBP. The Governing Body and the MSF must determine that the developer has proceeded in good faith and made reasonable and substantial progress in the implementation of the project. An amendment to request a new beginning date of capture may not be submitted prior to three (3) years following MSF approval of the TBP or later than seven (7) years following MSF approval of the TBP.
12. The reimbursement agreement for the approved TBP must be executed by all parties within eighteen (18) months following MSF approval. Otherwise, the TBP will require reapproval by the MSF. If additional third-party analyses are required for reapproval, the developer of the TBP shall pay those costs prior to MSF consideration of the reapproval.

PROGRAM LIMITS

The MSF may authorize TBP incentives totaling Income Tax Capture Revenues, Withholding Tax Capture Revenues, Sales and Use Tax Capture Revenues, Construction Period Tax Capture Revenues, and Sales and Use Tax Exemptions of up to \$3.4 billion across all TBPs for the duration of the program.

1. Income Tax Capture Revenue, Withholding Tax Capture Revenues, and Sales and Use Tax Capture Revenues:
 - Commitments and disbursements of post-construction Income Tax Capture Revenues, Withholding Tax Capture Revenues, and Sales and Use Tax Capture Revenues are limited to \$3.2 billion over the life of the program.
 - Commitments and disbursements of post-construction Income Tax Captures Revenues, Withholding Tax Capture Revenues, and Sales and Use Tax Capture Revenues are limited to \$80 million annually across all TBPs approved prior to July 22, 2026.

- For TBPs approved after July 22, 2026, an additional \$80 million in total annual post-construction Income Tax Capture Revenues, Withholding Tax Capture Revenues, and Sales and Use Tax Capture Revenues may be committed for disbursement.
 - If the \$160 million threshold is not reached in a given year, a maximum of \$30 million of uncommitted amounts will be carried forward into subsequent years for commitment or disbursement.
 - Any amounts committed under an approved TBP but not disbursed in a given year are available to be disbursed in a subsequent calendar year and are in addition to the above annual limits.
- A TBP cannot use, or propose to use, more than fifty percent (50%) of the Income Tax Capture Revenues to reimburse Eligible Activities, with the following exceptions:
 - The proposed Eligible Property is designated as a Renaissance Zone and otherwise meets the criteria in Section 13c(13) of Act 381; or
 - The applicable Eligible Properties are subject to a written binding agreement with the local governmental unit that provides that not less than twenty percent (20%) of the residential housing units on the Eligible Property must be used for Affordable Housing. Affordable Housing means residential housing units that are rented or sold to Income Qualified Households, in which case the MSF Board may approve a TBP that proposes to use up to one hundred percent (100%) of Income Tax Capture Revenues, subject to an underwriting and financial analysis.
 - A TBP cannot use, or propose to use, more than fifty percent (50%) of the post-construction Withholding Tax Capture Revenues to reimburse Eligible Activities.
 - A TBP cannot commit more than twenty-five percent (25%) of the annual allocation of post-construction Income Tax Capture Revenues, Withholding Tax Capture Revenues, or Sales and Use Tax Capture Revenues to any one project per year, not including amendments. With amendments, no more than a total of fifty percent (50%) of annual allocation of post-construction Income Tax Capture Revenues, Withholding Tax Capture Revenues, or Sales and Use Tax Capture Revenues can be awarded to a single project.
 - The available aggregate amount from any source for a TBP will be limited to an amount that is needed to make the project economically viable based on estimates at time of TBP application.
 - For TBPs approved after July 22, 2026, the incentive award cannot exceed \$300 million in combined Construction Period Tax Capture Revenues, Sales and Use Tax Exemptions, Income Tax Capture Revenues, Withholding Tax Capture Revenues, and Sales and Use Tax Capture Revenues.
 - For projects approved prior to July 22, 2026, in lieu of traditional calculations of Income Tax Capture Revenues, the owner or developer may have elected to utilize the safe harbor method of calculating Income Tax Capture Revenues, which election, once made, cannot be rescinded.
 - The MSF shall establish the safe harbor amount by imputing no more than ninety percent (90%) of the estimated annual taxable income for households residing within the Eligible Property or portion of the Eligible Property.
 - The owner or developer must elect to utilize the safe harbor method at the time of consideration for projects approved after December 31, 2026.

- Safe harbor shall be effective only to the extent that the residential units within the Eligible Property or portion of the Eligible Property are actively leased or, in the case of units made available for sale, sold in an arms-length transaction. The owner or developer will be required to certify as to the percentage of space in the project or specific phase of project that is leased or sold with each request for reimbursement and submit copies of leases and documentary evidence of each sale as required by the MSF.
- The MSF may adjust the safe harbor amount after approval to reflect changes in the TBP, provided that any changes to the TBP do not result in an aggregate increase in the level of Income Tax Capture Revenues from the initial approval amount.
- For projects approved prior to July 22, 2026, in lieu of traditional calculations of post-construction Withholding Tax Capture Revenues, the owner or developer may have elected to utilize the safe harbor method of calculating Withholding Tax Capture Revenues, which election, once made, cannot be rescinded.
 - The MSF shall establish the safe harbor amount by imputing no more than ninety percent (90%) of the estimated average annual taxable wage for the individuals employed within the Eligible Property or portion of the Eligible Property.
 - The owner or developer must elect to utilize the safe harbor method at the time of MSF consideration for projects approved after December 31, 2026.
 - The safe harbor method shall be effective only to the extent the Eligible Property or portion of the Eligible Property is actively occupied, as evidenced by the existence of a binding lease agreement or similar instrument. The owner or developer will be required to certify as to the percentage of Eligible Property occupied with each request for reimbursement and submit copies of leases or other similar instruments as required by the MSF.
 - The MSF may adjust the safe harbor amount after approval to reflect changes in the TBP, provided that any changes to the TBP do not result in an aggregate increase in the level of Withholding Tax Capture Revenues from the initial approval amount.
- No Income Tax Capture Revenues, Withholding Tax Capture Revenues, or Sales and Use Tax Capture Revenues will occur after the earlier of when permitted reimbursements under the TBP are met or twenty (20) years from the start of capture.

2. Construction Period Tax Capture Revenues and Sales and Use Tax Exemptions:

- Prior to July 22, 2026, up to \$200 million can be captured from Construction Period Tax Capture Revenues program wide. Beginning on July 22, 2026, the total aggregate capture from Construction Period Tax Capture Revenues for all TBPs and approved Sales and Use Tax Exemptions amounts for all TBPs approved after July 22, 2026, cannot exceed \$200 million.
- A TBP can capture one hundred percent (100%) of the Construction Period Tax Capture Revenues for transmittal to the BRA or developer.
- Disbursements of Construction Period Tax Capture Revenues and the value of the Sales and Use Tax Exemptions do not have an additional annual reimbursement cap.
- The available reimbursement or economic benefit from any source for a TBP is limited to an amount that is needed to make the project economically viable based on estimates at time of TBP application.

- No reimbursements using Construction Period Tax Capture Revenues will occur after the earliest of: when permitted reimbursements under the TBP are met, construction is complete and certified, or five (5) years after the date the MSF approves the TBP.
- No economic benefit using Sales and Use Tax Exemptions will occur after the earliest of: (1) when permitted costs under the TBP are met or (2) construction is complete and certified.

3. Sales and Use Tax Capture Revenues:

For persons with multiple business locations, the applicable amounts of Sales Tax and Use Tax are only the Sales Tax and Use Tax collections attributable to the business location within the Eligible Property. To calculate Sales and Use Tax Capture Revenues for a calendar year under a TBP, the state treasurer or the MSF shall do all of the following:

- a. The state treasurer shall develop methods and processes that are necessary for each applicable person within the Eligible Property to report the amount of Sales Tax and Use Tax from that location.
- b. The MSF shall include all the following provisions in the redevelopment or reimbursement agreement for any TBP that utilizes Sales and Use Tax Capture Revenues:
 - i. The owner or developer of the property shall require each applicable person or entity occupying the Eligible Property to comply with the reporting requirements through a contract requirement, lease requirement, or other similar means.
 - ii. Reimbursement of Sales and Use Tax Capture Revenues is limited to amounts that are reported in accordance with Act 381; and this state has no obligation with respect to Sales and Use Tax Capture Revenues that are not reported or paid.

UNDERWRITING CRITERIA

TBPs will be awarded based on financial need for the incentive and the award amount will be determined based on programmatic standard underwriting criteria.

TBPs proposing to use more than \$10,000,000 in any one year in combined Withholding Tax Capture Revenues, Income Tax Capture Revenues, and Sales and Use Tax Capture Revenues, any TBP proposal requesting approval of Sales and Use Tax Capture Revenues, or any TBP proposing to use the safe harbor method of calculation and the actual capital investment has a total development cost of \$100,000,000 or more will require an independent underwriting analysis conducted by a third-party entity, paid for by the developer. MSF will determine the third-parties eligible to conduct such an analysis. Developer must provide all necessary information (details of which will be relayed to the developer at the time of the project) to the appropriate MEDC contact before the analysis is conducted. TBPs not meeting the criteria listed above may undergo analysis through the MEDC. The MSF reserves the right to require an independent third-party underwriting analysis for any project requesting a TBP award and that it deems necessary due to project complexity or capacity.

1. Evaluation of specific underwriting criteria, including at minimum the following:

- Assessment of how much traditional debt the project should be able to support/attract.
- Developer and consultant fees limited to four percent (4%) of the total development cost of the project.
- Reasonableness assessment of any related-party costs and expenses.

- Minimum Owner Equity Investment: twenty percent (20%) of total development costs (net of developer and consulting fees). Deferred fees will not be counted in the calculation.
 - Minimum Debt Service Coverage Ratio: 1.20:1.00, calculated based on all scheduled debt service requirements following stabilization and conversion to permanent financing.
 - Returns in relation to the land use mix, location, size and complexity of the project and the risk involved. Unleveraged Internal rate of Return (IRR) and yield on cost will be evaluated if financing is preliminary. If financing term sheets are provided, leveraged IRR will be evaluated.
2. Reasonableness assessment of the proposed rental structure and assumptions.
 3. Reasonableness assessment of the proposed operating expenses.
 4. Reasonableness assessment of the proposed development costs.
 5. Reasonableness assessment of underlying TBP revenue input assumptions.
 6. Process conducted to analyze and determine the project's economic viability.
 7. A full financial and underwriting review will be completed on any future amendments and requests for project support.

PROJECT EVALUATION, PROCESS AND MSF SUPPORT

The process below is a high-level overview of the TBP consideration process from TBP identification through execution of a final reimbursement agreement. TBP projects require the approval of the BRA, the Governing Body, and the MSF. If Department-Specific Activities are included in the project, approval of 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, TBP questionnaire and a projected Tax Increment Revenues table.
2. The TBP will undergo an internal review. Upon initial determination of appropriate TBP fit, the MEDC will issue an Invitation to Apply. The developer will be required to submit information necessary to complete the full underwriting and financial review.
3. Development team and BRA prepare a combined TBP and financial review package, including the application and applicable third-party fees, and submit to MEDC staff for review.
4. MEDC will conduct a background check in accordance with MSF Background Review Policy and evaluate the full TBP package.
5. Projects anticipating more than \$10,000,000 of Income Tax Capture Revenues, Withholding Tax Capture Revenues, and Sales and Use Tax Capture Revenues, or using the safe harbor

method of calculation and the actual capital investment has a total development cost of \$100,000,000 or more in any single year are required to undergo an MSF-contracted third-party underwriting analysis and fiscal benefit analysis. In addition, any TBP proposal requesting approval of Sales and Use Tax Capture Revenues is required to undergo an MSF-contracted third-party analysis of the Sales and Use Tax Capture Revenues estimates.

6. The fiscal benefit analysis must demonstrate an economic benefit of the TBP request to the State of Michigan through an individual component, or as a whole plan, in order to receive a recommendation for approval by MEDC staff.
7. Development team will provide any additional materials and fees necessary to finalize the TBP analysis and MEDC staff recommendation.
8. Following feedback from MEDC (and any applicable third-party analyses) the TBP documents will be updated and submitted for BRA and Governing Body approval.
9. Following approval by the BRA and Governing Body, the final TBP package is submitted to MEDC for MSF consideration.
10. MEDC presents the TBP recommendation to the MSF Board with the local partner and development team. Following approval of the TBP by the MSF, a final reimbursement agreement will be drafted by the MEDC and executed between MSF, Treasury, the BRA and the development entity(ies).
11. The developer is required to report project information to the MEDC, Treasury and the BRA. The BRA is required to report information to the MEDC via the MEDC's online portal.

ADDITIONAL TERMS AND CONDITIONS

1. Owners or developers that receive a TBP incentive will be subject to the MSF Background Review Policy, as may be revised from time to time by the MSF. Additional due diligence may be required at the discretion of the MSF.
2. Owners or developers that receive a TBP incentive from the MSF will be required to execute a reimbursement agreement with the BRA, MSF, and the Department of Treasury, which will be performance-based and will set forth the terms and conditions of the TBP designation including, but not limited to, the term of the TBP, the total amounts of tax capture revenues the owner or developer may receive, and periodic reporting requirements.
3. Owners or developers are expected to maintain detailed records demonstrating that the award recipient incurred and paid the required investment at the project location. Failure to maintain adequate records may result in adverse action by the MSF, up to and including termination of the reimbursement agreement. In addition, the MSF, MEDC, Auditor General, and the Department of Technology, Management, and Budget shall have access to all records related to the project and reserve the right to conduct on-site reviews and inspections to confirm compliance with the terms and conditions of the agreement.