City of Hastings

COUNTY OF BARRY, STATE OF MICHIGAN

City Council Workshop Meeting Agenda November 24, 2025

- 1. Workshop called to order at 6:00 PM
- 2. Roll call
- 3. Pledge to the flag
- * 4. Approval of the agenda
- * 5. Discussion or Presentation Item
 - A. Review and Discuss Draft Brownfield Policy
 - 6. Council Questions/Deliberation
 - 7. Public Comment
 - 8. Adjourn
- * Items with enclosures.
- $\sqrt{}$ Motion under agenda heading requires roll call vote.

Guidelines for Public Comment

Public Comment is welcomed and appreciated. Please follow these simple guidelines to ensure all have an opportunity to be heard.

All comments and questions will be made through the chair. All comments will be made in a courteous and civil manner; profanity and personal attacks will not be tolerated. Please limit the length of your comments to 3 minutes. If you are a member of a group, please appoint a spokesperson to speak on behalf of the group (those speaking on behalf of a group may be provided additional time). Please state your name before offering comment.

City of Hastings – Brownfield Redevelopment Authority

Policy for Administration of Brownfield Redevelopment Projects

PURPOSE: To establish guidelines and priorities for the administration of the Brownfield Redevelopment Program and project agreements.

BACKGROUND: The Brownfield Redevelopment Financing Act, Michigan Public Act 381 (Act 381), was implemented by the state legislature in 1996 and authorized municipalities to create Brownfield Redevelopment Authorities to promote the reuse and revitalization of certain eligible properties. The Brownfield Redevelopment Program (the "Program") provides for the utilization of certain tax increment revenues to pay for or reimburse the costs of eligible activities as defined in the Act. The City of Hastings (the "City") created the Brownfield Redevelopment Authority (BRA) in XXXX.

The goal of this policy is to facilitate the redevelopment of eligible brownfield properties by providing tax increment financing to offset the costs of eligible activities as defined by Act 381. The BRA aims to encourage the development of workforce housing that meets the local housing needs; the reuse of contaminated or blighted property; and enhance the lives of Hastings residents.

POLICY

1. Objective

The Program will provide support for qualified public or private redevelopment projects located in the City. Projects are considered for recommendation based on whether a project meets the goals of the City as described in the following plans as well as any future plans not yet completed:

- City of Hastings Master Plan
- Barry County Housing Toolkit

Projects that are recommended for funding will detail the goals that are achieved by a project.

2. Property Eligibility Criteria

To be eligible to participate in the Program, a property must meet the definition of "Eligible Property" as that term is defined in Section 2 of Act 381.

3. Administration and Evaluation

To be considered for inclusion in the Program, the applicant needs to request a pre-application meeting with City staff or designee who will determine whether the project qualifies for participation in the Program. Once it is determined that the project is eligible for participation, the applicant will begin the formal application process.

4. Application and Review

In order to be considered for inclusion in the Program, an application form must be completed, and the following information should also be submitted:

- a) Documentation of site control
- b) Site plan and floor plans
- c) Renderings, if available

- d) Project Proforma
- e) Cost estimates
- f) Proof of zoning compliance
- g) Draft Brownfield Plan

City staff and the BRA consultant will review the application materials to confirm the project is permissible as proposed, including compliance with the zoning ordinance.

5. Fees

- a) A \$750 application fee is due at the time of application.
- b) Applicants will be responsible for paying the fees of the BRA's legal counsel in connection with review, approval, and processing of the application.
- c) Projects approved under the Program will have an annual administrative fee up to 10% withheld from the tax increment revenue collected to cover expenses related to operating the Program. The actual amount will be determined in the Development and Reimbursement Agreement subject to withholding limits set by Act 381.

6. Miscellaneous Provisions

- a) The BRA recognizes that the Program is a partnership with the State of Michigan. The BRA will only participate in projects that are also approved by the state though the Department of Environment, Great Lakes, and Energy, and either the Michigan Strategic Fund or Michigan State Housing Development Authority, as application. Projects may be considered for approval for local only tax reimbursement only if the benefit of state approval does not provide meaningful value to the project. This will be considered on a case-by-case basis.
- b) Developer reimbursement will be limited to 15 years plus 5 years of capture to fund the Local Brownfield Revolving Fund. A project may qualify for additional years of capture if they meet certain investment criteria.
- c) Interest as an Eligible Activity will be considered on a case-by-case basis and will not generally be approved, unless the applicant can document a significant need for interest. If interest is approved, it will be limited to 3%.
- d) Depending on the size of the request, public infrastructure requests may incorporate a depreciation factor.
- e) Large-scale neighborhood developments exceeding 30 single-family units, duplexes, or townhomes, the City will review potential impacts to City services including police, fire, and public works, which may impact the incentive amount approved.
- f) Requests for the Program coupled with another City incentive (i.e. tax abatements) will be considered based on documented need from the provided project proforma.
- g) Reimbursable Brownfield Plan and Work Plan preparation fees will be limited to a maximum of \$30,000 or \$15,000 in the event the applicant is permitted to apply for a local-only tax reimbursement.

7. Reporting and Compliance

- a) Reporting and compliance requirements will be detailed in a project's Development and Reimbursement Agreement.
- b) The project must be operated and maintained in compliance with all applicable City codes and ordinances.

8. Waiver

The BRA may waive this policy, or any portion of it when the BRA determines that it is in the best interest of the City or the BRA.

Investment Criteria

Projects that meet desired outcomes of the City and BRA will be considered for a higher incentive level as described in the table below.

Project Evaluation	Level of Incentive
Base Level of Support	15 years
Meets one investment criteria	20 years
Meets two investment criteria	25 years

Desired outcomes are:

a) Income and Housing Diversity

- i. Rental At least 20% of residential housing units are affordable to individuals and families earning between 80% and 120% of the Area Median Income for Barry County. The 20% should be spread across all unit types.
- ii. Ownership At least 30% of for-sale residential units are sold to households earning at or below 120% of the Area Median Income for Barry County.

b) Development in certain targeted development areas of the City

- i. E. Railroad Street/E. State Street
- ii. N. Michigan Avenue/E. Mill Street
- iii. N. Broadway/W. Apple Street
- iv. East of Broadway/North Banks of Thornapple River
- v. Hanover Street/Barfield Drive
- vi. Hastings Business Park
- vii. E. Woodlaw Avenue/N. Michigan Avenue
- viii. Development along key transit corridors
- ix. List of other neighborhoods or streets

c) Housing Type Diversity

i. Provides a housing type (i.e. single-family attached, single-family detached, duplex, or multi-family) that makes up less than 20% of the existing housing stock in the City.

AND/OR

Minimum Requirements for Housing TIF

- a) For rental housing, at least 20% of all unit types must be income restricted to households earning between 80% and 100% of the Area Median Income of Barry County.
 - i. Units must be restricted for a minimum of 10 years or up to the term of developer reimbursement, whichever is more.
- b) For owner-occupied housing, at least 30% of all units must be sold to households earning at or below 100% of the Area Median Income of Barry County.
 - i. Potential development loss cannot exceed the lesser of \$100,000 or 25% of construction costs (new construction) or appraised value (rehabilitation) per unit.

ii. The timeframe units must be restricted is based on the total subsidy provided per unit as described in the table below.

Subsidy Amount per unit	Duration
\$10,000-\$14,999	5 years
\$15,000-\$39,999	10 years
\$40,000-\$64,999	15 years
\$65,000-\$100,000	20 years

OR

iii. Units must be restricted for a minimum of 5 years.

OR

iv. Units must be restricted for the term of developer reimbursement.

City of Hastings – Brownfield Redevelopment Authority Important Acronyms to Know

AMI: Area Median Income – measure of middle income in the county

BRA: Brownfield Redevelopment Authority

TIF: Tax Increment Financing

HTIF: Housing Tax Increment Financing

EGLE: Michigan Department of Environment, Great Lakes and Energy

MEDC: Michigan Economic Development Corporation

MSF: Michigan Strategic Fund - approving body associated with the MEDC

MSHDA: Michigan State Housing Development Authority

City of Hastings – Brownfield Redevelopment Authority

Local Brownfield Revolving Fund

1. Funding

The Local Brownfield Revolving Fund (LBRF) is typically funded with tax increment revenues generated from existing Brownfield projects in one or both of the following:

- Annual withholding from developer reimbursement (percentage or set dollar amount)
- Last five years of local capture on brownfield plan

LBRF funding on a project **cannot** exceed the total eligible activity costs approved.

2. Uses

The LBRF can be used to fund **any** Brownfield Eligible Activity on Eligible Property as defined in Act 381 but are sometimes targeted at certain initiatives or activities. Some common initiatives are listed below:

- Environmental Site Assessments Phase I, Phase II, Baseline Environmental Assessment (BEA), Due Care Planning, Hazardous Materials Assessments
 - Note: Other programs also exist to fund these activities, including through EGLE and Barry County EPA grant
- Homeownership
 - Utilized to fill in financing gaps for smaller-scale owner-occupied housing projects.
- Small supportive or affordable housing projects
 - Utilized to fill in financing gaps for smaller, supportive housing projects, or affordable housing projects (like projects seeking Low Income Housing Tax Credits).
- Strategic Development Projects
 - Public or private development projects that demonstrate significant commitment to community priorities (i.e. funding to support Brownfield Eligible Activities for projects being proposed by non-profit organizations for spaces that will not be subject to paying property taxes).
- New/Emerging Developers
 - Provide predevelopment support for items such as environmental site assessments, geotechnical engineering, architectural, and civil engineering.

3. Structure

LBRF funding can provide grants, loans, or both. Different loan types including forgivable, subordinated, and bridge loans are all typical for LBRF funding. Loans can be paid back utilizing the tax increment revenues generated from Eligible Property, or similar to a more traditional loan structure.

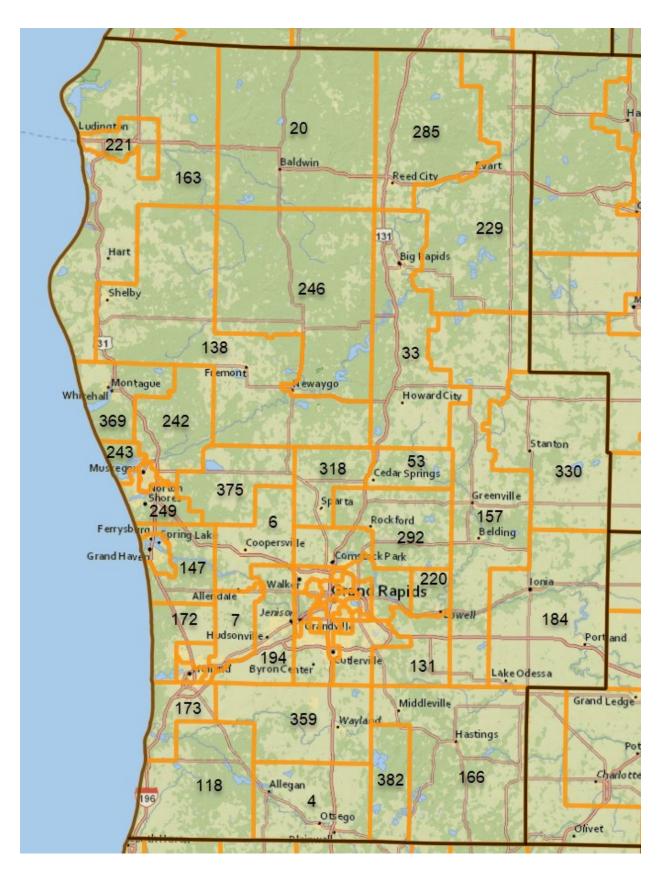
4. Benefits

- Fast approval timeline Can legally be approved in one BRA meeting and does not require a brownfield plan.
- Provide support for smaller projects where a traditional brownfield TIF plan does not make sense.

- Help developers (and the City) save on some front-end due diligence and other predevelopment costs for real estate transactions lowering the early financial risk to move a project forward.
- Provide gap financing by way of grants and loans for projects that might not otherwise be financially feasible. LBRF can be utilized with traditional TIF projects or other incentives.
- Funding mechanism for City projects, including public infrastructure, site preparation activities, etc.

04/01/2025 INCOME AND RENT LIMITS

County: 08	Barry				Effe	ctive Date:	4/1/2025	
Income	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
20%	14,520	16,580	18,660	20,720	22,380	24,040	25,700	27,360
25%	18,150	20,725	23,325	25,900	27,975	30,050	32,125	34,200
30%	21,780	24,870	27,990	31,080	33,570	36,060	38,550	41,040
35%	25,410	29,015	32,655	36,260	39,165	42,070	44,975	47,880
40%	29,040	33,160	37,320	41,440	44,760	48,080	51,400	54,720
45%	32,670	37,305	41,985	46,620	50,355	54,090	57,825	61,560
50%	36,300	41,450	46,650	51,800	55,950	60,100	64,250	68,400
55%	39,930	45,595	51,315	56,980	61,545	66,110	70,675	75,240
60%	43,560	49,740	55,980	62,160	67,140	72,120	77,100	82,080
70%	50,820	58,030	65,310	72,520	78,330	84,140	89,950	95,760
80%	58,080	66,320	74,640	82,880	89,520	96,160	102,800	109,440
100%	72,600	82,900	93,300	103,600	111,900	120,200	128,500	136,800
120%	87,120	99,480	111,960	124,320	134,280	144,240	154,200	164,160
125%	90,750	103,625	116,625	129,500	139,875	150,250	160,625	171,000
140%	101,640	116,060	130,620	145,040	156,660	168,280	179,900	191,520
150%	108,900	124,350	139,950	155,400	167,850	180,300	192,750	205,200
Rent By Person	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
20%	363	414	466	518	559	601	642	684
25%	453	518	583	647	699	751	803	855
30%	544	621	699	777	839	901	963	1,026
35%	635	725	816	906	979	1,051	1,124	1,197
40%	726	829	933	1,036	1,119	1,202	1,285	1,368
45%	816	932	1,049	1,165	1,258	1,352	1,445	1,539
50%	907	1,036	1,166	1,295	1,398	1,502	1,606	1,710
55%	998	1,139	1,282	1,424	1,538	1,652	1,766	1,881
60%	1,089	1,243	1,399	1,554	1,678	1,803	1,927	2,052
80%	1,452	1,658	1,866	2,072	2,238	2,404	2,570	2,736
100%	1,815	2,072	2,332	2,590	2,797	3,005	3,212	3,420
120%	2,178	2,487	2,799	3,108	3,357	3,606	3,855	4,104
125%	2,268	2,590	2,915	3,237	3,496	3,756	4,015	4,275
140%	2,541	2,901	3,265	3,626	3,916	4,207	4,497	4,788
150%	2,722	3,108	3,498	3,885	4,196	4,507	4,818	5,130
Rent By Bedroom		0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	
20%		363	388	466	538	601	663	
25%		453	485	583	673	751	829	
30%		544	583	699	808	901	994	
35%		635	680	816	942	1,051	1,160	
40%		726	777	933	1,077	1,202	1,326	
45%		816	874	1,049	1,212	1,352	1,492	
50%		907	971	1,166	1,346	1,502	1,658	
55%		998	1,069	1,282	1,481	1,652	1,823	
60%		1,089	1,166	1,399	1,616	1,803	1,989	
70%		1,270	1,360	1,632	1,885	2,103	2,321	
80%		1,452	1,555	1,866	2,155	2,404	2,653	
100%		1,815	1,943	2,332	2,693	3,005	3,316	
120%		2,178	2,332	2,799	3,232	3,606	3,979	
125%		2,268	2,429	2,915	3,367	3,756	4,145	
140%		2,541	2,721	3,265	3,771	4,207	4,642	
150%		2,722	2,915	3,498	4,040	4,507	4,974	



(A listing of the partnership's markets is on the next page)

Hastings

Population	Households	Median HH Income	Owner HH Income	Renter HH Income
50,100	19,293	\$69,003	\$73,689	\$41,066

Housing Costs

Owner Units Renter Units

 Home Value
 \$183,790
 2016 Value
 \$145,934
 Gross Rent
 \$905
 \$2016 Rent
 \$893

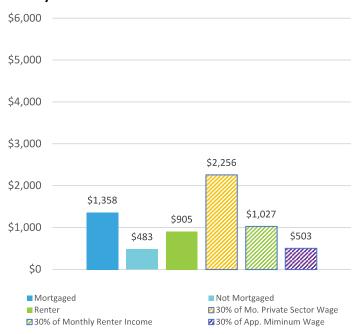
 Cost M/NM
 \$1358/\$483
 Value ▲
 25.9%
 Rent ▲
 1.4%

\$61,263 To afford median home

\$36,200 To afford median gross rent

Affordability Gap

Monthly Costs: Owners and Renters



Cost-Burdened Households



Housing and Development Conditions

Housing Stock

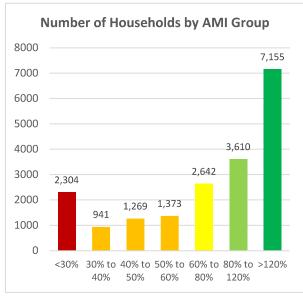
Units 21,123	Owner HH	85% Re	enter HH	15%
Median Year Built	1974	% Built Pre-1970	44.6%	
Median Move Year	2009	% Built After 201	4.6%	
Median Rooms	6.2	SF% 84.3% MI	M% 5.5%	MF% 2.5%

Vacancy Rates

Total 8	3.7%		Owner	0%	Re	enter	0%	
Seasona	I	4.5%	Other	3.1%	# V Rent	81	#V Owner	50

Homeownership Rate by Race/Ethnicity

Black	100.0%	White	85.6%
Asian	100.0%	Other or Multiracial	70.8%
Am. Indian	73.0%	Hispanic	96.2%
Pacific Islnd	100.0%		



Hastings

Housing Policy Indicators

Household Count and Growth	Market	Partnership
Household Change, 2016 to 2021	3.2%	5.3%
Household Count, 2021	19,293	607,624

	I	Market			Partnership		
Housing Affordability	Number	%	% Change	Number	%	% Change	
Home value / partnership income	2.75						
Median Income, 2021	\$69,003		12.2%	\$66,906		15.3%	
Median owner income, 2021	\$73,689		7.0%	\$78,276		13.6%	
Median renter income, 2021	\$41,066		18.4%	\$38,135		17.1%	
Median home value	\$183,790		25.9%	\$186,510		26.3%	
Median gross rent	\$905		1.4%	\$936		12.0%	
Income needed for median rent	\$36,200			\$37,422			
Income needed for median value	\$61,263			\$62,170			
Overburdened households	3,639	19%	-17.4%	140,776	23.2%	-8.7%	

	Market			Partnership		
Housing Quality and Vacancy	Number	%	% Change	Number	%	% Change
"Other" vacancy	645	3.1%	-22.5%	17,331	2.6%	-13.8%
Seasonal vacancy	949	4.5%	-22.1%	47,247	7.1%	-5.1%
For-Sale vacancy	50	0.2%	-69.9%	3,104	0.5%	-50.7%
For-Rent vacancy	81	0.4%	-68.4%	6,237	0.9%	-7.3%
Homes built pre-1940	4,297	20.3%		104,716	15.8%	
Homes built post-1990	7,063	33.4%		235,045	35.4%	

Other Market Indicators

Housing Policy Matchmaker Type* Strength and Need Type** Moderate Cost and Growing High Strength and Low Need (Type IV)

Gap Analysis 2021

	Owner Units	Renter Units	Total Units
Market demand (estimated annual moves)	262	130	393
Market supply (vacant on market, adjusted	for age) 21	35	56
5 year Market production goals (based on 7	5K units) 233	92	325
1 year Market production goals (based on 1	5K units) 47	18	65
5 year Partnership goals (based on 75K units	7,025	6,566	13,591
1 year Partnership goals (based on 15K units	1,405	1,313	2,718

Hastings

Но	me Mort	tgage Disclosure Act Pa	atterns, 202	1	
Total Apps	987	Total Amt/App	\$218,313	% Approved	78.4%
Total Conventional Apps	665	Conventional Amt/App	\$226,263	% Conv Apprved	80.8%
Total Assisted Apps	322	Assisted Amt/App	\$201,894	% Asst Apprvd	73.6%
Applications by Race: White					
Total Apps	793	Total Amt/App	\$216,084	% Positive	78.8%
Total Conventional Apps	543	Conventional Amt/App	\$224,061	% Conv Positive	81.2%
Total Assisted Apps	250	Assisted Amt/App	\$198,760	% Asst Positive	73.6%
Applications by Race: Black					
Total Apps	11	Total Amt/App	\$255,000	% Positive	73%
Total Conventional Apps	6	Conventional Amt/App	\$275,000	% Conv Positive	83.3%
Total Assisted Apps	5	Assisted Amt/App	\$231,000	% Asst Positive	60.0%
Applications by Race: Asian					
Total Apps	6	Total Amt/App	\$295,000	% Positive	66.7%
Total Conventional Apps	6	Conventional Amt/App	\$295,000	% Conv Positive	66.7%
Total Assisted Apps	0	Assisted Amt/App	\$0	% Asst Positive	NA
Applications by Race: Native	American				
Total Apps	0	Total Amt/App	\$0	% Positive	NA
Total Conventional Apps	0	Conventional Amt/App	\$0	% Conv Positive	NA
Total Assisted Apps	0	Assisted Amt/App	\$0	% Asst Positive	NA
Applications by Race: Hawaii	an or Pacif	ic Islander			
Total Apps	2	Total Amt/App	\$145,000	% Positive	100.0%
Total Conventional Apps	2	Conventional Amt/App	\$145,000	% Conv Positive	100.0%
Total Assisted Apps	0	Assisted Amt/App	\$0	% Asst Positive	NA
Applications by Race: Race N	ot Availabl	e			
Total Apps	150	Total Amt/App	\$218,467	% Positive	75.3%
Total Conventional Apps	91	Conventional Amt/App	\$225,110	% Conv Positive	78.0%
Total Assisted Apps	59	Assisted Amt/App	\$208,220	% Asst Positive	71.2%
Applications by Ethnicity: His	panic				
Total Apps	32	Total Amt/App	\$215,313	% Positive	71.9%
Total Conventional Apps	14	Conventional Amt/App	\$208,571	% Conv Positive	85.7%
Total Assisted Apps	18	Assisted Amt/App	\$220,556	% Asst Positive	61.1%

Providing business and residential opportunities in Grand Haven





City of Grand Haven Economic Incentive Policy

THE CITY OF GRAND HAVEN

Economic Incentive Policy

Policy Statement: The City of Grand Haven is committed to maintaining our competiveness within the State of Michigan as being an attractive location for commercial, industrial, and residential development. The City strives to encourage progressive economic development of community desired projects while simultaneously increasing the City's tax base. Providing an Economic Incentive Policy allows guidelines for utilization of tax and local incentives which can assist the private development of these projects where otherwise they would not occur.

As defined by the Michigan Public Acts listed below, the following types of projects may be eligible to utilize these incentives:

- Commercial
- Industrial
- Mixed Use
- Multi-Unit Residential
- Brownfield Sites
- Vacant land using either Brownfield or Commercial Rehabilitation Act (if it was a commercial parcel within the last 15 years)

Tax abatements and incentives, if awarded, are awarded to varying degrees that are in proportion with the degree of public benefit that results. Consideration for tax abatements and/or incentives is viewed as a privilege, not as a property right. This policy establishes minimum requirements and a uniform set of standards and procedures to be used when considering a request for a tax abatement/exemption or incentive. Although this policy provides general guidelines for incentives, Grand Haven City Council remains the final authority on local authorization of these benefits.

In accordance with Michigan Economic Development Commission (MEDC) Redevelopment Ready Community (RRC) guidance, this policy will be reviewed at a minimum of every five years.

Projects with extraordinary circumstances, that may require additional review, interpretation, or information should contact the City Manager's office.

Tax abatements or Incentives include:

Michigan Public Act 146 of 2000:
Michigan Public Act 198 of 1974:
Michigan Public Act 210 of 2005:
Michigan Public Act 255 of 1978:

Obsolete Property Rehabilitation Act
Industrial Property Tax Abatement
Commercial Rehabilitation Act
Commercial Redevelopment Act

Michigan Public Act 381 of 1996: Brownfield Redevelopment Financing Act

I. MINIMUM REQUIREMENTS FOR TAX ABATEMENTS AND INCENTIVES

- A. Tax abatements and incentives shall be subject to duration and amount limits.
- B. Such duration and amount limits shall be for the minimum amount necessary to meet the goals of the project.
- C. Benefits to the City of the proposed tax abatement or incentive shall be at least <u>equal to or greater than</u> the cost of the tax abatement or incentive, and accomplish the objectives outlined in the evaluation criteria.
- D. The taxable value of any proposed tax abatement and/or incentive, considered together with the aggregate taxable value of property exempt under certificates previously granted and in force, shall not exceed seven and a half percent (7.5%) of taxable value of the City of Grand Haven. This amount excludes the Downtown Development Authority TIF.

Example: 2024 City of Grand Haven taxable value - \$840,000,000 7.5% of City of Grand Haven - \$63,000,000

- E. The City will not issue or be a signatory on bonds in connection with tax abatement and/or incentive.
- F. Commencement of any new construction or improvements shall be within the limits set forth within the applicable act related to the tax abatement and/or incentive being applied for.
- G. City Council will not take action on any tax abatement or incentive unless the applicant or legal representative is present at the public hearing and hearing for approval to make a presentation and/or answer questions.
- H. The City reserves the right to waive, modify, or amend any of these policies when it is in the best interest of the City residents.

II. EVALUATION CRITERIA

- A. Development Objectives. The City of Grand Haven will consider using tax abatements and local incentives to help private development projects that strive to achieve three or more of the following objectives:
 - 1. Include investment in recognized RRC sites.
 - 2. Include usage of the Grand Haven Area Community Land Trust.
 - 3. Include restoration, renovation, or historic preservation.
 - 4. Provide or retain build-to lines for development (little or no setbacks).
 - 5. Provide outdoor use, integrating public and private space.

- 6. Include strong pedestrian features and design.
- Include mixed use.
- 8. Provide multiple stories conforming to current zoning.
- 9. Satisfy specific City, Master Plan, MSDDA Planning, Economic Development Plan goals, or sustainability goals.
- 10. Create, retain, or support industrial employment.
- B. Additional Objectives. Some investments and their consequences are difficult to foresee, requiring flexibility in the decision making process. The City of Grand Haven will therefore consider the following factors when evaluating tax abatement and incentive requests to help development projects:
 - 1. Existing businesses seeking to expand and grow within the City.
 - 2. Business that operate year round.
 - 3. Local ownership within Region 4 Prosperity Region (as defined by the MEDC).
 - 4. Whether or not the proposed project provides services not already provided in the City or services which are needed.
 - 5. Whether or not the project will significantly impact environmental/natural resources.
 - 6. The extent to which the project satisfies or requires improvements in City infrastructure, traffic control, or services such as law enforcement.
 - 7. Density consistent with City land use regulations, zoning, and planning policies.
 - The proposed project furthers the goals and objectives of the City and/or community.
 - 9. The level of private financial investment into the project.
 - 10. Applicants MUST demonstrate a financial need through a financial review process and recommendation by the City's Economic Development Corporation (EDC).

III. APPLICATION

- A. The applicant shall submit the appropriate application for all projects for which a tax abatement is sought from the City of Grand Haven.
- B. Applications shall include:
 - 1. A letter from the applicant formally requesting tax abatement or incentive from the City of Grand Haven.

- 2. The applicant will pay a nonrefundable application fee and any additional contracted legal, financial, consultant, or other third party costs not to exceed statutory limits of the applicable act. The application fee for EDC loans will be \$250. The application fee for projects under \$750,000 will be \$500. The application fee for projects over \$750,000 will be \$1,000. Projects that require additional administrative consideration may be assessed additional fees.
- 3. Official forms and applicable documentation developed by the State of Michigan shall be submitted in a timely manner per procedures set forth within the applicable tax abatement or incentive act under which the application is made.
- C. The applicant shall submit completed application to the Grand Haven City Clerk with the nonrefundable application fee.

IV. REVIEW AND APPROVAL PROCESS

- A. At applicant's expense, applications will be assessed by City approved qualified financial reviewers in order to provide a review and/or certification based on the scope and needs of the tax abatement or incentive.
- B. The EDC/BRA Board will evaluate the results of the financial review in order to make a recommendation to City Council and provide a proposed tax abatement or incentive length. The maximum length of the exemption shall be determined by the attached tax abatement and/or incentive schedule.
- C. The City Clerk shall notify applicant and each taxing jurisdiction by certified mail of a request to establish a tax abatement district or an application for tax abatement or incentive at least ten (10) days but no more than thirty (30) days prior to the date of the scheduled public hearing. City Council will not make a decision at the initial public hearing.
- D. The application along with the EDC certification will be provided to the Grand Haven City Council for final approval or denial. The approval for the tax abatement district and approval of an application for tax abatement and/or incentive shall <u>not</u> be addressed at the same City Council meeting. A second meeting will be scheduled for final approval or denial of the application.

V. DEVELOPMENT AGREEMENT AND ANNUAL REPORTING REQUIREMENTS

- A. Tax Abatement or Incentive Agreement. All projects granted tax abatement will be required to enter a tax abatement or incentive agreement with the City of Grand Haven. The tax abatement or incentive agreement will clearly define the responsibilities of the property owner(s) receiving the tax abatement and will require annual reporting.
- B. Annual Reporting Requirements. All projects granted tax abatements and/or incentives shall submit an annual status report on the form developed and provided by the City of Grand Haven. The requirement makes all tax abatement and/or incentive granted consistent with State Tax Commission Administrative Rules, as they pertain to relevant Public Acts, as amended. The report content will meet reporting expectations set in the tax abatement or incentive agreement.

VI. RESCISSION OF TAX ABATEMENT/EXEMPTION

- A. Imposition of any rescission is at the sole discretion of the City of Grand Haven and shall be considered on a case-by-case basis in compliance within the applicable act under review.
- B. Rescission shall not violate the statutory requirements of the applicable act in any way. Consideration may include but are not limited to the:
 - 1. Sale or closure of the facility and departure of the company from the jurisdiction unless tax abatement/exemption or incentive is transferable.
 - Significant change in the use of the facility and/or the business activities of the company not consistent with the requirement of the applicable act for which approved.
 - 3. Significant employment reductions not reflective of the company's (normal) business cycle and/or local and national economic condition.
 - 4. Failure to achieve the minimum number of net new jobs and wage level as specified in the tax abatement/exemption application.
 - 5. Failure to complete the project in a timely manner as specified in the approval resolution.
 - 6. Failure to comply with annual reporting requirements.
 - 7. Failure to pay annual property taxes on real and personal property under the approved tax abatement/exemption.
 - 8. Failure to comply with the City of Grand Haven ordinances and policies.
 - Residential Property Deed Restrictions. For the period of this tax abatement, if it
 is discovered that any of the units are used for short-term rental purposes, the City
 will initiate a review that (if confirmed) will result in immediate reimbursement and/or
 rescission of all tax abatements or incentives.

Abatement and Incentive Guideline

1.	Canital investment		Vears of ta	v ahatement	/incentive	
١.	Capital investment		100130110	Years of tax abatement/incentive		
	\$Up to \$250,000		3			
	\$250,001 to \$1,000,000			5		
	\$1,000,001 to \$5,000,0	000		7		
	\$5,000,001 and up			8		
2.	Job creation <u>as Full Time Equivalent</u>		Years of ta	Years of tax abatement/incentive		
	1-3			2		
	4-7			3		
	8-12			4		
	13-20 21 and up			5 6		
3.	New Job wages (Based on State Min. wage)		Years of ta	Years of tax abatement/incentive		
	3 (
	Average wage > 2x minimui Average wage > 2.5x minimu		2 4			
	Average wage > 3x minimu		6			
4.			Years of ta	Years of tax abatement/incentive		
₩.	. Development Objectives (II.A) <u>Years of tax abatement/incentive</u>			<u> </u>		
	3			1		
	4-5		2			
	6-7 8+			3 4		
_						
5.	5. Brownfield Site Remediation Years of tax abatement/incentive			<u>t/incentive</u>		
	No State Tax Capture 3					
6.	. Brownfield Site Remediation Years of tax abatement/incentive			/incentive		
	With State Tax Capture 6					
7. Percentage of units reserved for middle income housing:						
•	r orderitage or arms received r	10-20%	21-30%	31-40%	41-50%	
<80) AMI	8 years	10 years	12 years	15 years	
80-	100 AMI	5 years	8 years	10 years	12 years	
100	100 - 130 AMI 2 years		4 years	6 years	8 years	

Note:

- This is only a guideline and intended for consideration by reviewers, but in no way constitutes a promise of tax abatement or incentive.
- When layering tax abatement and incentive, the combined years may not exceed the number of years projected in the guideline. Total number of tax abatement and/or TIF years shall not exceed statutory limits.
- Residential If it is discovered during the period of this tax abatement that any of the properties are utilized for short-term rental purposes, the City will initiate a review that (if confirmed) will result in rescission and reimbursement of all tax abatements or incentives.
- Any project proposing use for short-term rental is ineligible for any tax abatement or incentive.
- FTE, as defined by the IRS, is a combination of employees, each of whom individually is not a full-time employee, but who, in combination, are equivalent to a full time employee.
- AMI is based off of the current MSHDA AMI table at the time of application.

Current abatements available

PA 146 – 2000 – Obsolete Property Rehabilitation Act (OPRA)

Properties must meet eligibility requirements including a statement of obsolescence by the local assessor. The property must be located in an established Obsolete Property Rehabilitation District. Exemptions are approved for a term of 1-12 years as determined by the local unit of government. The property taxes for the rehabilitated property are based on the previous year's (prior to rehabilitation) taxable value. The taxable value is frozen for the duration of the exemption. Additionally, the State Treasurer may approve reductions of half of the school operating and State Education Taxes (SET) for a period not to exceed 6 years for 25 applications annually. Applications are filed, reviewed and approved by the local unit of government, but are also subject to review at the State level by the Property Services Division. The State Tax Commission (STC) is responsible for final approval and issuance of OPRA certificates. Exemptions are not effective until approved by the STC.

PA 198 – 1974 – Industrial Property Tax Abatement

Eligible industries: manufacturing, research and development, high-tech, and communications centers.

Maximum eligible award – 50% tax abatement for up to 12 years on real property investments.

PA 210 – 2005 – Commercial Rehabilitation Tax

Eligible industries: multifamily housing or group of contiguous commercial property 15 years old or older covering at least three acres or located in a business district.

Maximum eligible award – Only State Education Tax (SET) and schools operating tax will be levied on the value of restored real property investment for up to 10 years.

PA 255 – 1978 Reinstated 2009 – Commercial Redevelopment Tax

Eligible industries: obsolete and declining property, zoned for commercial/industrial prior to June 21, 1975.

Maximum eligible award – Tax abatement for up to 12 years on replacement or new real property. Zero taxes levied on value of restored real property investment for up to 12 years.

PA 381 – 1996 – Brownfield Redevelopment Financing Act

Act to authorize municipalities to create a brownfield redevelopment authority to facilitate the implementation of brownfield plans; to create brownfield redevelopment zones; to promote the revitalization, redevelopment, and reuse of certain property, including, but not limited to, previously developed, tax reverted, blighted, or functionally obsolete property; to promote the utilization of certain property for housing development; to prescribe the powers and duties of brownfield redevelopment authorities; to permit the issuance of bonds and other evidences of indebtedness by an authority; to authorize the acquisition and disposal of certain property; to authorize certain funds; to prescribe certain powers and duties of certain state officers and agencies; and to authorize and permit the use of certain tax increment financing.

EDC Loans

Outside of these tax abatements and/or incentives, EDC loan options are available to local businesses. The maximum request for each loan is \$100,000 with the interest rate 1% below prime identified at beginning of each year. Length of loan, parameters and approval are at discretion of the EDC/BRA Board.

Grand Haven Tax Abatement and Incentive Policy Procedures

- 1. Initial applicant inquiry of tax abatement or incentive;
 - a. City of Grand Haven Economic Incentive Policy is given to applicant.
 - b. If a qualified district for tax abatement is not in place, applicant is required to request, in writing to City Clerk, a district be established. (In some cases, assessor must receive notification of request for a district to determine obsolescence.) If qualified district has previously been established, skip to 3.
- 2. District establishment (after receipt of requested STC tax abatements only);
 - a. City Clerk prepares resolution to set public hearing for establishing a qualified district.
 - b. City Planner prepares maps and any other data that will assist in making a decision.
 - c. Give qualified district documentation to City Manager's office to be placed on City Council agenda.
- 3. Application submittal (within approved district) to City Clerk;
 - a. City Clerk informs applicable staff that application has been received and gives notice to the City Manager and Assessor.
 - b. City approved qualified financial reviewers coordinate with applicant in order to provide certification and recommendations based upon review.
 - c. Reviewers provide recommendation to EDC/BRA Board.
 - d. EDC/BRA Board approves or denies Financial Need Certification then forwards it to the City Clerk, City Manager, Assessor, and City Treasurer.
- 4. Receipt of Application by City Hall Personnel;
 - a. City Manager prepares report to Ciy Council, again explaining project.
 - b. City Clerk prepares resolution to set public hearing for tax abatement/exemption (hearing not required for local incentives).
 - c. City Manager prepares tax abatement schedule for City Council that determines years for the tax abatement/exemption, not to exceed statutory limits. The applicant is to present cost estimate prepared by contractor or architect.
 - d. Prepare other supporting documents for City Council, such as maps, drawings, copy of City's tax abatement application.

- e. City Manager places application with certification on the City Council agenda. (Note: Application for tax abatement or incentive and district establishment must take place at separate City Council meetings. Applicant must be present for City Council meetings.)
- f. City Council votes to approve or deny application.

TAX ABATEMENT AND INCENTIVE CRITERIA CHECKLIST

I. INITIAL CONSIDERATION

- 1. Are the benefits to the City of the proposed abatement or incentive at least equal to or greater than the cost of the abatement? Yes or No
- 2. In the public interest, will the abatement or incentive accomplish any of the following purposes:
 - a. Provide significant economic and/or employment opportunities? Yes or No
 - b. Provide or help acquire or construct public facilities?

 Yes or No
 - c. Significantly redevelop or renew contaminated, blighted, or functionally obsolete areas?

Yes or No

d. Help provide access to services for residents?

Yes or No

e. Preserve or restore a feature of historical significance?

Include investment in recognized RRC sites?

k. Include remediation of a brownfield site?

I. Applicant have applied for state tax capture?

Yes or No

Yes or No

Yes or No

Yes or No

3. Average wage for new jobs

II. EVALUATION CRITERIA

1. Development Objectives. Will using tax abatement or incentive help the development project strive to achieve three or more of the following objectives:

a.	include investment in recognized KKC sites?	res or ino
b.	Include usage of the Grand Haven Area Community Land Trust?	Yes or No
C.	Include restoration, renovation, or historic preservation?	Yes or No
d.	Provide or retrain build-to lines for development (little or no setbacks)?	Yes or No
e.	Provide outdoor use integrating public and private space?	Yes or No
f.	Include strong pedestrian features and design?	Yes or No
g.	Include mixed use?	Yes or No
h.	Provide multiple stories conforming to current zoning?	Yes or No
i.	Satisfy specific Master Plan or economic development or sustainability goals?	Yes or No
j.	Create, retain or support existing industrial employment?	Yes or No

Office of the City Manager

519 Washington Avenue Grand Haven, MI 49417 citymanager@grandhaven.org



Plainfield Charter Township Brownfield Redevelopment Authority GUIDANCE AND APPLICATION FOR BROWNFIELD PLANS

The Plainfield Charter Township Board established the Plainfield Charter Township Brownfield Redevelopment Authority (PCTBRA) in 2022 pursuant to the <u>Brownfield</u>

<u>Redevelopment Financing Act, 1996 PA 381, as amended (Act 381)</u>. The PCTBRA was established to facilitate redevelopment of properties that are blighted, functionally obsolete, contaminated, a historic resource, owned by a land bank authority, or are housing properties.

Brownfield plans are an economic and community development tool that help equalize development costs for distressed property and workforce housing. This Brownfield Plan Guidance (Guidance) will assist prospective developers and PCTBRA members through the process for Brownfield Plan (Plan) approval. Act 381 authorizes BRAs to use tax increment financing (TIF) to prepare properties for redevelopment, or to help developers with their redevelopment costs.

There is no fee for initial project review and assistance from Township staff. If a developer submits a Plan to the PCTBRA, a \$500 application fee and a \$1,000 escrow fee will be charged for review and potential approval of a Plan. Developers can be reimbursed with TIF for the fees in an approved Plan. Any legal or consulting fees in occurred by the Township will be invoiced to the applicant's escrow account, to be replenished as necessary.

Many of the terms used in this guidance document are explained or defined in the Glossary / Further Information attachment at the end. All terms used in this Guidance are as defined by Act 381 or other applicable State statutes.

Act 381 Requirements

Act 381 defines a "brownfield" as property that is blighted, functionally obsolete, contaminated, owned by a land bank, historic, at a transit hub, or adjacent / contiguous to any of these if developing the adjacent / contiguous property increases the value of the first property. Property that will be developed for housing is also an eligible brownfield property, regardless of any other brownfield conditions, but adjacent and contiguous property is not eligible for incentives under Act 381 if housing is the only qualifying factor. If the property for which incentives are needed does not currently meet one of these criteria, please contact the Community Development Department (contact information on the following page) to discuss options for qualifying the property.

As defined in Act 381, eligible activities for TIF reimbursement in Plainfield Charter Township include:

- Environmental response activities (including pre-acquisition due diligence costs)
- Abatement of lead, asbestos, and other hazardous or toxic materials
- Demolition
- Environmental insurance
- Interest on loans for other eligible activities
- Plan / Act 381 Workplan development

Plainfield Charter Township Brownfield Redevelopment Authority

- Plan administration at 5% of annual TIF revenues
- Plan implementation at \$50,000 or as permitted by Act 381
- TIF collection for a Local Brownfield Redevelopment Fund (LBRF)
- "Housing Activities" as defined in Act 381:
 - o Reimbursement provided to owners of rental housing units for qualified rehabilitation.
 - o Costs for public and private infrastructure and site preparation necessary for a housing project.
 - Costs of demolition and renovation of existing buildings and site preparation, to the extent necessary to accommodate an income qualified purchaser household or income qualified renting household.
 - Temporary household relocation costs for an income qualified household for a period not to exceed 1 year.
 - Acquisition cost for blighted or obsolete rental units, to the extent the acquisition would promote rehabilitation or adaptive reuse of the blighted or obsolete rental unit to accommodate an income qualified purchaser household or income qualified renting household.
 - Reimbursement provided to a developer to fill a financing gap associated with the development of housing units priced for income qualified households.

If housing TIF is approved, rents must stay at or below MSHDA's acceptable range for residents at or below 120% of Area Median Income for the duration of the brownfield plan.

Requests for housing TIF should show the project's financial need, not just the amount allowed by MSHDA's Total Housing Subsidy or Potential Rent Loss calculations. Financial need can be demonstrated by showing a gap in financing that makes the developer's Debt Service Cover Ratio (DSCR) below what their lender will accept for financing, typically 1.2 to 1.4 DSCR. Plainfield Township will use MEDC's range of 6%-12% Internal Rate of Return (IRR) on projects as a guideline for financial need. The developer or their consultant should provide a proforma showing their sources and uses of financing, the DSCR, the IRR, and how much TIF is needed to fill a financing gap to reach a DSCR that satisfies the project lender and a reasonable IRR. Should the below guidance document bonuses not cover the financial need of the project, the PCTBRA may approve additional incentives based on the merits of the project and its proposed community benefits.

A developer may request either reimbursement from local tax increment revenues only, or reimbursement from both state education taxes and local taxes. Reimbursement from state education taxes adds time to project approvals, but eligible expenses are reimbursed more quickly than when only local taxes are approved. The State must approve reimbursement from state education taxes and projects must meet State criteria. Please refer to the Glossary / Further Information page at the end of this document for guidance.

If a commercial or industrial project needs incentives for public infrastructure or site preparation and does not qualify for those incentives, the PCTBRA is willing to consider partnering with the State Land Bank Authority (SLBA) to help developers access tax increment financing for costs that are otherwise not eligible in the Township. This involves transferring ownership or control of property to the SLBA for a "reasonable" period of time (according to Act 381) then returning ownership or control to the developer. Please contact the Township early in the project timeline if SLBA involvement is needed as this step adds time and expense to a project. Township Brownfield Incentive Criteria / Administrative Guidelines

Reimbursement Cap

The PCTBRA may provide tax-increment financing for a period of 1 to 25 years. The PCTBRA shall use the following criteria to determine, within that range, which projects to fund and to what extent.

Exception: The Township Board may, at its discretion, and for a project of exceptional community value, provide tax-increment financing exceeding the limitations set forth in this guidance document.

Base Reimbursement

All eligible Act 381 properties and activities facilitating the desired End Uses and Community Benefits listed below will be considered for a Brownfield Plan of 10 years. Bonus activities are highlighted below, which may increase the duration of the plan. Bonus activities must be documented and approved by the BRA.

Eligibility & Available Bonuses

Community Benefits

Projects must benefit the larger Plainfield Township community and advance the goals of the Township's Master Plan, including the sub-area Reimagine Plainfield plan. To that end, projects should meet at least one of the following criteria. Projects that meet more than one criterion are eligible for a bonus for each additional community benefit met of **1 BONUS YEAR**.

- Provides workforce housing for residents earning 60-120% of the Area Median Income (nurses, police officers, retail clerks, etc.).
- Provide pedestrian-oriented, transit-friendly amenities.
- Utilize sustainable, high-end building materials and practices.
- Balance the natural environment with the built environment through preservation efforts and bestpractice stormwater management tools.
- Increase the number and diversity of high-quality jobs in the Township.
- Remediate blight within a commercial or industrial area.
- Provide infrastructure extension/improvements that benefit the community other than the subject property.

Property Locations

All locations within the Township will be considered, except for greenfield properties or areas of substantial environmental sensitivity or significance, which will not be accepted. Infill greenfield lots defined as vacant, never before developed properties surrounded by developed properties, may be considered on a case-by-case basis.

Reimagine Plainfield: Bonus + 10 years

o Projects within the Reimagine Plainfield plan area are eligible for a bonus of an additional 10 years of TIF reimbursement. This area is defined as the Plainfield Avenue area, from 4 Mile Road to Northland Drive; and the Northland Drive area, from Grand River Avenue to West River Drive. For exceptional projects within this area, the BRA may recommend additional years to the Township Board.

End Uses

End uses which facilitate the below-described Community Benefits will be considered for reimbursement, and the Township is open to a wide variety of projects. However, the following end uses are particularly

desirable and are eligible for bonuses as described:

- Housing Projects: Bonus + 5 years
 - o Favorable housing projects include one or more of the following criteria, each criteria met is eligible for an additional **1 year**
 - Includes one or more Missing Middle Housing Type
 - Provides a housing type that is less than 20% of the existing housing in a census tract, according to the most recent decennial census, or if the census data is more than 5 years old, according to the most recent American Community Survey data.
 - Provides a mix of uses within the development that contributes to the walkability of the area.
 - Office Space for Co-working, Tech Businesses, and Health/Medical Care: Bonus + 1 year
 - Community-Oriented Commercial or Retail: Bonus + 1year
 - Examples: Grocery Stores, Bookstores, Cafés, etc.

Plans should include tables in Section 2.1, Description of Costs to Be Paid With Tax Increment Revenues, similar to the ones below showing eligible costs & bonus criteria the project meets and for what period of years.

Eligible Activities (State and Local Taxes)		
	Total Estimated Cost	
1. Department Specific Activities	\$	
2. Demolition	\$	
Infrastructure (housing or land bank-owned property only)	\$	
4. Housing Gap	\$	
5. Other eligible activity	\$	
6. Contingency on hard costs only	\$	
7. Brownfield Plan / Work Plan Preparation	\$30,000	
8. Brownfield Plan / Work Plan Implementation	\$50,000	
Eligible Activities (Local Taxes Only)		
9. BRA Administration (5% of Developer Eligible Activities)	\$xxxxx	
Eligible Activity Total		

Eligible Bonuses		
	How Project Meets Bonus	Year Total
Community Benefits		
Reimagine Plainfield Area		
Housing Projects		
Office Space for Co-working, Tech Businesses, and Health/Medical Care		
Bonus Year Total:		
Total \$ TIF Eligible based on Bonuses:		

Additional Considerations for the PCTBRA:

- Is the Plan complete?
- Does the Plan demonstrate that the proposed costs are eligible under Act 381?
- Is the existing infrastructure adequate for the project? Will Plainfield Charter Township need to invest in the project beyond the brownfield incentives?
- Are environmental contamination and threats to public health and the environment addressed by the project, if applicable?
- Does the developer have a history of success and financial viability? Is project financing secured?
- Is the developer seeking local TIF only, or local and State school TIF reimbursement?
- Is the project's timeline reasonable?
- Does the proposed project constitute a public purpose, as required by Section 14 of Act 381?
- How much will the site's taxable value increase as a result of the project (the taxable value increase dictates the amount of TIF available for capture)?
- How long will tax increment revenues will be collected to reimburse eligible activities?
- How does the cost of brownfield incentives incurred or subsidized by the public compare to the project's benefits?
- Is the project consistent with Plainfield Charter Township's master plan, Reimagine Plainfield plan, zoning ordinances, and / or redevelopment goals?
- Are the proposed eligible activity costs reasonable, eligible, and necessary?
- Is the project developer responsible for causing or contributing to contamination, blight, or other unsafe conditions at the project site? According to State school TIF cannot be used to reimburse environmental costs to a person who is liable for causing or contributing to

contamination, but local TIF can reimburse a liable party, and State school TIF can reimburse a liable party for non-environmental costs.

This list is not all-inclusive and the PCTBRA may consider other relevant information when deciding whether to approve incentives. The PCTBRA may ask the developer, as a condition of its approval, to include in the Plan PCTBRA administrative costs and up to five years of additional TIF capture for its LBRF. The PCTBRA may condition its adoption of the Plan on the amount and length of time it agrees to capture tax revenues for the project; the eligible activities it will support; and other factors. Developers may be reimbursed under a Plan for a maximum of 25 years (plus 5 years for LBRF capture).

Before Submitting a Plan

A developer who wishes to pursue brownfield incentives should first contact the Community Development Department to discuss their project.

Community Development Department

Plainfield Charter Township | 6161 Belmont Avenue | Belmont, MI 49306

Dept: 616.364.1190 | www.plainfieldmi.org | communitydevelopment@plainfieldmi.org

Community Development Department staff will determine whether the project is eligible for PCTBRA support. They will guide the developer and Plan through PCTBRA and Township board approval.

If Township staff believe the project is viable and in the best interest of Plainfield Charter Township, the prospective developer will be asked to complete the Brownfield TIF application (attached). The application is thorough and used to help the PCTBRA ensure that the project meets legal and administrative requirements before a developer incurs the cost of writing a Plan. Township staff will work with developers to ensure the application is complete prior to review by the PCTBRA.

The vetted application will be included in the PCTBRA's next feasible meeting agenda. The PCTBRA will determine whether and to what extent support will be committed. Projects are not guaranteed approval of all available TIF, and approval may be conditional.

After the PCTBRA agrees to support a project with Act 381 incentives, the developer must submit to Plainfield Charter Township a complete Plan using the State's Plan template (please be sure you are using the updated 2024 template). The complete Plan should be submitted to Township staff at least two weeks prior to the meeting at which the PCTBRA will consider the proposed Plan. At this time, the developer will be required to submit the application fees for brownfield plan processing. The fee helps defray the Township's Plan review and processing costs and is nonrefundable but can be reimbursed through an approved brownfield plan. Developers or their representatives should attend PCTBRA meetings at which their Plan will be discussed.

If the Plan will request reimbursement from State School and State Education taxes, please consult with the appropriate state agency before developing the Plan. The Michigan Economic Development Corporation (MEDC) has a <u>specific process</u> that must be followed for brownfield TIF approval, and the Michigan Department of Environment, Great Lakes, and Energy (EGLE) and the Michigan State Housing Development Authority

(MSHDA) prefer to discuss projects in advance. For more information, please consult the Glossary / Further Information attachment.

Plan Approval

After the PCTBRA has evaluated the Plan, members will vote at a meeting to either:

- Approve the Plan and recommend Plan approval to the Plainfield Charter Township Board.
- Request changes to the Plan and conditionally approve the plan or reconsider it at a subsequent meeting. In this case, the PCTBRA will provide a written response to the developer describing requested changes, and invite the developer to resubmit a revised Plan if necessary.
- Reject the Plan. If the Plan is rejected by the PCTBRA, the PTCBRA will provide a written response describing the reason(s) the Plan was rejected.

Plans approved by the PCTBRA must also be approved by the PCTBRA's governing body, the Plainfield Charter Township Board. The Board must hold a public hearing before it can approve the proposed Plan.

According to Act 381, all affected taxing jurisdictions (Kent County, school districts, community college, and so on) and the public must be notified of the Plan and public hearing at least ten days in advance of the public hearing date. If State tax capture will be requested, the PCTBRA will notify EGLE, MSHDA, and / or the MEDC as applicable. The Plan must be available for public review at least ten days before the public hearing. As a result, the developer must provide the final Plan to the PCTBRA at least five business days before notice of the public hearing is published to allow staff time to post the Plan on the Township website and other public locations and to notify affected taxing jurisdictions.

The developer or their representative must provide all materials required under Section 14 of Act 381 for a public hearing, attend the public hearing, provide a brief presentation of the project, and answer questions about the project.

After the conclusion of the public hearing, the Plainfield Township Board will determine whether the proposed Plan constitutes a public purpose and meets the requirements of Act 381. The Plainfield Township Board, by resolution, may approve, request revisions to, or reject the proposed Plan.

After the Plan is Approved

Following the Plainfield Township Board's approval of a Plan, the developer and PCTBRA will enter into a Development / Reimbursement Agreement describing the terms for reimbursement of eligible activities from tax increment revenues. The Development / Reimbursement Agreement must be signed by both the developer and the Township before the developer can be reimbursed for eligible activities.

For projects using State School and State Education TIF, the developer must create an Act 381 Work Plan (Work Plan) for eligible activities and provide the Work Plan to the PCTBRA for review before the Work Plan is submitted to the State. Projects using only local TIF are not required to create a Work Plan. The PCTBRA will review Work Plans and may request changes to the Work Plan before submitting it to EGLE, MSHDA, and/or the

MEDC for approval. Once appropriate State approvals are obtained, the developer will be notified and can implement the Work Plan.

Amending a Plan

A Plan that has been approved by the PCTBRA may be amended in the event of unexpected project modifications, phased projects, or other conditions. Please follow the steps above for an amendment, beginning with contacting the Community Development Department. The original application for assistance can be modified to reflect new information or a letter may be sufficient to document requested modifications. Amendments are subject to the same approval process as original Plans, including the public hearing and Township Board approval.

After a Project is Completed

Developers must submit a package documenting eligible activities, including the following:

- A table or spreadsheet listing all invoices by invoice number or date, the cost of the eligible activities approved in the Plan, and the actual cost of eligible activities in that invoice.
- Readable copies of invoices for all eligible activities. If invoices include costs that are not eligible activities approved in the Plan, eligible activities should be identified on the invoice or in an attachment. Eligible activities must be clearly identified or the developer may not be reimbursed.
- Proof of payment for all invoices and eligible activities.

Once the new tax increment attributable to the development is collected by the Township Treasurer and eligible activities have been acceptably documented and approved by the PCTBRA, the developer will be reimbursed for eligible activities according to the Development / Reimbursement Agreement.

If TIF is used for a housing financing gap, annual documentation needed by the PCTBRA for state reporting will be described in the development and reimbursement agreement.

Process Summary

What	When
Developer contacts the Community Development Department to discuss the project. Staff and the developer review the project and use the evaluation checklist to determine whether it qualifies for BRA support. If yes, follow the steps below.	
Developer submits a brownfield incentives application to Township staff, who review the project and create a recommendation for the PCTBRA. Project is added to the agenda for the next feasible PCTBRA meeting.	One to two weeks prior to PCTBRA meeting
PCTBRA reviews the application and staff recommendation, and determines what level of brownfield support, if any, it is willing to consider for the project. If the PCTBRA is willing to support the project, it will request a Brownfield Plan (Plan) for the project.	PCTBRA meeting
Developer / their consultant develop a Plan including any conditions requested by the PCTBRA. Developer submits the Plan and Plan fee and will be placed on the next feasible PCTBRA agenda.	At least two weeks prior to the PCTBRA meeting.
PCTBRA reviews and votes on the proposed Plan. PCTBRA may vote to approve the Plan; ask for revisions and reconsider the Plan at a later date; conditionally approve the Plan; or reject the Plan. Approval may include conditions.	PCTBRA meeting
Developer provides a final copy of the Plan.	At least 15 days in advance of public hearing date
A public hearing for the proposed Plan is held at the next feasible Plainfield Township Board regular meeting. Local taxing jurisdictions and the public are notified of the proposed Plan and public hearing date. If State School and State Education TIF will be used for the project, the PCTBRA notifies EGLE, MSHDA, and / or MSF/MEDC of the public hearing. Public notices must state the time and place of the public hearing; that the property description, maps, description of the Plan, and other appropriate information is available for public review at a specified location; and that all aspects of the Plan are open for discussion at the public hearing.	At least 10 days in advance of public hearing date
Public hearing. The developer or their representative must attend the hearing.	Plainfield Township Board meeting or special meeting
Plainfield Township Board approves or rejects the Plan.	Following the public hearing, typically at the same meeting

For approved Plans, PCTBRA and developer enter into a Development /	After Township Board approval of
Reimbursement Agreement.	the Plan

	T
For projects with State School and State Education tax capture, developer drafts an Act 381 Work Plan for PCTBRA review and approval.	Before, after, or concurrent with Development / Reimbursement Agreement
If applicable, PCTBRA reviews the Act 381 Work Plan. PCTBRA will forward the Work Plan to EGLE, MSHDA, and/or MEDC for approval.	As soon as possible or concurrent with Development / Reimbursement Agreement
After the development agreement is signed and, if applicable, the Work Plan is approved, the developer can begin work.	After approvals received from PCTBRA and, if applicable, EGLE, MSHDA, and/or MEDC
Developer submits invoices and evidence of payment for eligible activities to PTCBRA for reimbursement with TIF. If TIF is used for a housing financing gap, documentation of compliance with MSHDA and Work Plan requirements must be provided annually to the PCTBRA for the duration of tax capture.	After eligible activities are completed
PTCBRA reimburses developer according to the approved Plan and Development / Reimbursement Agreement until actual eligible activities are reimbursed, the Plan expires, or the development agreement directs reimbursement to conclude.	Typically beginning with the first tax payment that includes a capturable tax increment, may vary according to the development / reimbursement agreement
PTCBRA reports approved brownfield plans using the State of Michigan reporting portal – <u>info here</u>	Annually by August 31

Plainfield Charter Township Brownfield Redevelopment Authority Staff checklist for project evaluation

Project name:			
Developer / contact name, phone, email:			
Date received:	Date received:		
(Mark one or more) Blighted Functionally	Is the property an eligible brownfield property under Act 381? Is the project site blighted, functionally obsolete, contaminated, a housing project (as defined by the Act), a historic resource, at a transit hub, or owned by a land bank? An adjacent or contiguous property is also qualified if its development increases the value of the blighted, functionally obsolete, etc. property unless the property is qualified only as housing.		
obsolete Contaminated Housing Historic resource Transit hub	to determine whether the site meets criteria (see definitions in the Glossary / Further Information attachment)		
Land bank / will be transferred into a land bank Adjacent or contiguous	If the property may have been contaminated by a prior use, EGLE may be able to do a free environmental assessment. This can add a few months to a project timeline. Otherwise, the developer can hire an environmental consultant to determine whether the property is contaminated.		
(Mark one or more) Environmental	Are there eligible brownfield expenses? Under Act 381, the PCTBRA can approve TIF for environmental costs, housing development activities, demolition, and asbestos, lead, or mold abatement on an eligible property. If a commercial or industrial project needs incentives for public infrastructure, site		
Demolition Housing activities	preparation, or costs of buying and selling, consider transferring control of the property to the State Land Bank Authority to become qualified for incentives, then returned to the developer. This process can add a few months and costs to a project.		
Abatement Other (would require a land bank transfer)			

	Does the project fit Township and PCTBRA priorities? Does it benefit the public?	
	 Is the project consistent with the Township's master plan and/or Reimagine Plainfield plans? 	
Yes	 Is the new use consistent with property zoning or likely to be approved for a variance? 	
	 Does the project increase housing opportunities in the Township? 	
No	 Does the project eliminate blight, create jobs, increase property tax values, create greenspace, improve walkability? 	
	 Is the new use one of those identified by the PCTBRA as a development priority? 	
	 How long does the developer expect to capture township taxes? Is the length of 	
	time acceptable compared to the project's benefits?	
Yes	Is the timeline reasonable?	
	 Can the project be reviewed by the PCTBRA, have its public hearing, and be approved by the PCT Board within the developer's timeline? 	
No	 How long will construction take? Reimbursement to the developer won't begin until increased taxes are being paid on the property. 	
	 Will the developer ask for State TIF approval? Transfer ownership to the State Land Bank Authority? This adds time and expense. 	
Yes	Is the project feasible?	
	 Does the developer have experience appropriate for the proposed project? 	
	 Does the developer have experience appropriate for the proposed project? 	

If the project will be recommended to the PCTBRA, ask the developer to complete the application on the following pages. Once the application is received, review and add it to the agenda for the next feasible PCTBRA meeting. PCTBRA members should have one to two weeks to review the application or a project summary before the meeting.

Questions on eligibility? Contact Susan Wenzlick at Fishbeck, 231-394-1657 / swenzlick@fishbeck.com

Notes:

Glossary / Further Information

Act 381: The Brownfield Redevelopment Financing Act, 1996 PA 381, as amended. Act 381 authorizes local governments to create brownfield authorities. Authorities (with subsequent approval by the local governing body) can approve brownfield plans under which tax increment revenues (TIR) are used to reimburse a developer for the cost of eligible activities at an eligible property.

Act 381 Work Plan: A developer whose eligible activities will be reimbursed in part from state taxes must submit an Act 381 Work Plan to the state agency responsible for approving the eligible activities. Michigan Economic Development Corporation (MEDC) and the Michigan Strategic Fund approve reimbursement from state school taxes for non-environmental eligible activities (in Plainfield Charter Township, that will usually be abatement and demolition plus incidental expenses). The Michigan Department of Environment, Great Lakes, and Energy (EGLE) approves state school tax reimbursement for environmental eligible activities. An Act 381 Work Plan is completed after BRA and local government approval of a brownfield plan, and eligible activities cannot be incurred before the state's approval of the Work Plan. Here are links to the Act 381 Work Plan Guidance, Instructions, and Template.

Brownfield: Under Act 381, a brownfield is an "eligible property" (defined below) – generally, property that is blighted, contaminated, proposed for housing use, functionally obsolete, a historic resource, located at a transit hub, or owned by a land bank authority or certain local governments.

Blighted: Act 381 brownfield incentives can be used at property that is determined by Plainfield Charter Township to be a public nuisance, an attractive nuisance for children, a fire hazard, or otherwise dangerous; has had utilities permanently disconnected, destroyed or removed; has buried demolition debris that makes the property unfit for its intended use; or is tax reverted and owned by the county, State, or a land bank authority. The complete definition is found is Section 2 of Act 381.

Brownfield Plan (Plan): A brownfield plan describes the property and costs that are eligible for reimbursement with tax increment revenues (TIR, defined below), and includes tables that estimate the anticipated increase in the property's taxable value and Tax Increment Financing (TIF, defined below) reimbursement schedule. The State of Michigan provides a <u>brownfield plan template</u> that must be used for a Plan submitted to Plainfield Charter Township (please be sure you are using the updated 2024 brownfield plan template). When the PCTBRA and Township Board approve a Plan, they are authorizing the township to reimburse a developer for their eligible costs from TIR as described in the Plan. A development / reimbursement agreement will describe the process by which the developer is reimbursed.

Contaminated: Act 381 brownfield incentives can be used at property that is a "facility" under Part 201 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), or a "property" under Part 213 of NREPA. Environmental samples must show contamination in excess of state criteria for that contaminant (which makes property a facility or a property under NREPA) to qualify as contaminated for brownfield TIF.

Eligible Activities: Under Act 381, eligible activities in Plainfield Charter Township include demolition; lead, asbestos, and mold abatement; environmental response activities (from due diligence to cleanup or due care); housing development activities (further defined below) and other incidental costs such as environmental

insurance, interest on loans for other eligible activities, brownfield plan and Work Plan preparation, and brownfield authority administration. See Act 381, Section 2(o), for the complete definition.

Eligible activities on a property that is owned by a land bank (Plainfield Township is served by the <u>State Land Bank Authority</u>) also include site preparation, public infrastructure, and costs of buying and conveying property.

Eligible Property: The PCTBRA can approve incentives for property that is located in the township and is an eligible property as defined in Section 2(p) of Act 381. That includes:

- Property for which eligible activities are identified under a brownfield plan AND
- Property that was used or is currently used for commercial, industrial, public, or residential purposes, including personal property located on the property, to the extent included in the brownfield plan; AND
- Property that is contaminated, a historic resource, functionally obsolete, blighted, and parcels that are
 adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is
 estimated to increase the captured taxable value of that property, OR
- Housing property (see definition below), OR
- Property owned by or under the control of a land bank fast track authority, OR
- Property that is or will be part of a transit-oriented development or transit-oriented property, OR
- Housing Property (further defined below).

Functionally Obsolete: Property that is unable to be used for the function for which it was intended due to changes in technology, deficiencies or superinadequacies in design, or other similar factors that affect the property itself or its relationship with surrounding properties. The complete definition is found in Section 2 of Act 381.

Historic Resource: Act 381 refers to another law, the Michigan Strategic Fund Act, 1984 PA 270, MCL 125.2090a, for this definition. Under Act 270, historic resource means a publicly or privately owned historic building, structure, site, object, feature, or open space either manmade or natural, individually listed or located within and contributing to a historic district designated by the national register of historic places, the state register of historic sites, or a local unit acting under the local historic districts act, 1970 PA 169, MCL 399.201 to 399.215.

Housing Development Activities: For projects where the property qualifies as housing property (defined below), housing development activities are defined as:

- Reimbursement provided to owners of rental housing units for qualified rehabilitation.
- Costs for infrastructure available for public use, private use by residents, and safety improvements necessary for a housing project.
- Costs of demolition and renovation of existing buildings and site preparation, to the extent necessary to accommodate an income qualified purchaser household or income qualified renting household.
- Temporary household relocation costs for an income qualified household for a period not to exceed 1
 year.
- Acquisition cost for blighted or obsolete rental units, to the extent the acquisition would promote rehabilitation or adaptive reuse of the blighted or obsolete rental unit to accommodate an income qualified purchaser household or income qualified renting household.
- Reimbursement provided to a developer to fill a financing gap associated with the development of housing units priced for income qualified households and to assist with costs related to infrastructure

improvements and site preparation that are not a response activity and that are necessary for new housing development for income qualified households on eligible property.

Housing Property: Housing Property is defined as either of the following:

- A property on which 1 or more units of residential housing are proposed be constructed, rehabilitated, or otherwise designed to be used as a dwelling, or
- One or more units of residential housing proposed to be constructed or rehabilitated and located in a mixed-use project.

Land Bank: A land bank can assume ownership of property that is reverted to a unit of government for nonpayment of taxes. Land banks can also acquire property by other means, and can accept ownership of property that is not otherwise a brownfield in order to qualify it for brownfield incentives. The State Land Bank Authority serves Kent County, holding the county's tax reverted property and accepting property for short term ownership.

MEDC and EGLE will not extend state brownfield incentives to property that is transferred in and out of a land bank for the purposes of making it qualified for brownfield TIF. Local TIF may still be used in this instance.

LBRF: Local Brownfield Revolving Fund. Tax increment revenues can be collected for up to five years after a developer is reimbursed for eligible activities, and placed into an LBRF for eligible activities. Section 8 of Act 381 describes LBRFs in more detail.

MSHDA: The Michigan State Housing Development Authority.

PCTBRA: Plainfield Charter Township Brownfield Redevelopment Authority. The PCTBRA is an appointed authority consisting of Plainfield Charter Township residents.

State School Tax / State Education Tax: Homestead property tax bills include a 6 mill state school tax and non-homestead tax bills include the 6 mill tax plus an 18 mill state education tax. Under Act 381, with State approval, TIR from these two taxes can be used to reimburse eligible activities.

Tax Increment Financing (TIF) and Tax Increment Revenues (TIR): TIF is a method of paying for eligible activities using the increased amount of property and personal property taxes – the TIR – that result from a property's sale or redevelopment. For example, say that property taxes on a vacant, blighted building are \$500. The property is sold to a developer who demolishes the building (an eligible brownfield activity) and builds a new office. The property taxes increase to \$2,500. The tax increment, or TIR, is \$2,000 – the difference between the original \$500 taxes and the new \$2,500 taxes. The \$2,000 TIR can be reimbursed annually to the developer who paid for building demolition, provided they have an approved brownfield plan, until the demolition cost is reimbursed or the brownfield plan expires. TIF is a plan and TIR is the money, but the two terms are frequently used interchangeably.

Since property taxes are paid both to the local government and the State of Michigan, a Plan can request approval of both the local and state taxes. Approval of State TIF adds time to a project up front, but the eligible brownfield expenses are repaid more quickly. Using the example above, say the \$2,000 TIR is made up of \$1,200 in local taxes and \$800 in state school and state education taxes. If the brownfield Plan includes only local taxes,

the developer will be reimbursed \$1,200 instead of \$2,000, making the payback time longer. If the Plan includes local and State taxes, the developer may be reimbursed the full \$2,000 of TIR, provided their Plan has been approved by the State.

Developers who wish to include state TIF in their Plan should consult with the MEDC, MSHDA, and / or EGLE in advance of drafting a plan to ensure that the state agencies will support the project. MEDC has a specific process for requesting TIF approval.

Sources for more information:

<u>Michigan Economic Development Corporation</u> – fact sheets, webinars, staff contacts, and templates

<u>Michigan Department of Environment, Great Lakes, and Energy</u> – brownfield redevelopment video series, staff contacts, Act 381 Work Plan information

Michigan State Housing Development Authority – Housing TIF guidance, FAQ, Act 381 Work Plan information



Site condition description:

1. Developer contact information:

APPLICATION TO THE PLAINFIELD CHARTER TOWNSHIP **BROWNFIELD REDEVELOPMENT AUTHORITY** FOR BROWNFIELD INCENTIVES PURSUANT TO ACT 381

Please work with Plainfield Charter Township staff to complete this application for brownfield tax increment financing (TIF). The application will help ensure that your project is eligible for brownfield support from the Plainfield Charter Township

Brownfield Redevelopment Authority (PCTBRA) under the Brownfield Redevelopment Financing Act, 1996 PA 381 as amended (Act 381). If you have questions about this application or project eligibility, contact the Community Development Department at (616) 364-1190 or communitydevelopment@plainfieldmi.org.

Name	
Teleph	one
Email a	address
2.	Project address:
3.	Developer experience: Please describe in a paragraph or two your development experience, including any prior experience with brownfield sites and brownfield redevelopment authorities.
4.	Site conditions: Please indicate how the property you wish to develop is eligible for incentives, and describe the current condition of the site, including environmental, if known. If the property is
	contaminated or blighted, describe when and under whose ownership / operation the contamination / blight occurred, to the best of your knowledge. Note that a person who caused or contributed to contamination or blight may not be eligible for brownfield incentives.
	The property is: ☐ Blighted (documented by assessor evaluation)
	☐ Functionally obsolete (documented by assessor evaluation)
	☐ Contaminated (documented by environmental sampling data)
	☐ A Housing Property (as defined by Act 381)☐ Other eligible brownfield designation (describe):
	3

5. **Project description:** Please describe the proposed development project and the anticipated eligible brownfield activities. Include any job creation, number of units for sale or rent, square footage to be renovated or constructed, anticipated zoning variances (if any), and infrastructure needs.

	Eligible activities include:
	☐ Demolition (may include full building, portions of a building, interior walls and structures,
	infrastructure, or other exterior demolition)
	☐ Lead, asbestos, mold, and other hazardous materials abatement
	☐ Environmental response activities pursuant to Part 201 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Part 201)
	☐ Housing Development Activities (as defined by Act 381)
	☐ Other eligible activities allowed under Act 381, including environmental insurance, interest, and plan
	development/implementation. Infrastructure and site preparation can only be approved if the property
	is owned or under control of the State Land Bank Authority.
'roject	t description:
6.	Amount of anticipated investment / property value increase: Understanding these prospective costs
•	will help the PCTBRA estimate the potential tax revenues and TIF reimbursementamounts.
	Property acquisition: \$
	Demolition: \$
	Site preparation: \$
	Environmental due diligence and cleanup: \$
	Renovation / new construction: \$
	Infrastructure: \$
	Other costs: \$
	Total anticipated investment: \$
	Current taxable value: \$
	Have you estimated the increase in the property's taxable value and the estimated tax increment
	available? Anticipated taxable value: \$
7.	Brownfield Plan: Will your Brownfield Plan request State TIF reimbursement? If yes, have you been in
	contact with the appropriate State agency?
8.	Public benefit: How will the project benefit Plainfield Charter Township and/or its residents?
0.	

Brownfield Plan:	
Demolition: ————————————————————————————————————	
Environmental due diligence and cleanup:	
Construction:	
Project completion:	
10. Please briefly describe the project financing and whether	or financing is secured - attach a simple proform
showing sources and uses of funding, including the financin	- · · · · · · · · · · · · · · · · · · ·
showing sources and uses of fariang, melauning the infancin	g gap the Thi is interiord to init
11. Other information: If you have other information to shar	re with PCTBRA, please use the space below.
11. Other information: If you have other information to share	e with PCTBRA, please use the space below.
	Date:



Barry County Brownfield Redevelopment Authority Brownfield Tax Increment Financing (TIF) Policy

Introduction

The Barry County Brownfield Redevelopment Authority (BCBRA) is dedicated to revitalizing blighted, contaminated, or obsolete properties to foster economic growth, environmental sustainability, and community well-being in Barry County, MI. This Brownfield Tax Increment Financing (TIF) plan has been established to provide financial incentives for eligible brownfield redevelopment projects in Barry County.

Purpose

To establish guidelines for the administration of Brownfield Redevelopment Authority Program and project agreements.

Background

In 1996, the State of Michigan Legislature approved Public Act 381, MCL 125.265 *et seq*. ("the Act") to authorize municipalities to create Brownfield Redevelopment Authorities to promote the reuse and revitalization of properties. The Brownfield Redevelopment Program ("the Program") provides for the utilization of certain tax increment revenues to pay for or reimburse the costs of Eligible Activities as defined in the Act. Barry County created the Brownfield Redevelopment Authority ("the Authority") in 2017. This policy guides the administration of the Program under the Act.

The primary goal of this plan is to facilitate the redevelopment of eligible brownfield properties by providing tax increment financing to offset the costs of eligible activities as defined in Section 2 of Public Act 381, MCL 125.265 et seq. The BCBRA aims to encourage the reuse of contaminated or blighted properties, promote sustainable development practices, and enhance the quality of life for Barry County residents.

Administration and Evaluation

To be considered for inclusion in the Program, the applicant will request a pre-application meeting with one or more members of the BCBRA Board of Directors. BCBRA Board members will review the proposed projects and determine whether they qualify for participation in the program.

Once it is determined that the projects are eligible for participation, the applicant will complete the application form and provide any pertinent information that may be requested.

Application

Application form – among other required information based on the individual project, the applicant is to provide:

1. Use Type and Area – planned use, new and/or rehabilitated spaces in the project, and

- 2. Residential unit detail if applicable, unit type, number of units, square footage, monthly rent, income restrictions, percentage AMI of restrictions, proposed method of certification and duration of affordability impact (MS Excel or equivalent, not PDF).
- 3. Project Financials MEDC proforma template preferred, or at a minimum, sources, and uses of fund document (MS Excel or equivalent, not PDF), information on finance structure and financing commitments. Highly recommended that application calculate pro-forma with, and without, Brownfield TIF assistance and provide Debt service Coverage Ratio for each.
- 4. Renderings of proposed project, if available.

Eligibility Criteria

To be eligible for brownfield TIF assistance under this plan, a project must be located within Barry County, MI and meet the definition of eligible property under Act 381. Note, housing properties as defined in Act 90 of 2023 are eligible for TIF assistance.

Review

Staff and Consultants will review the application with County Officials to confirm that the project is permissible as proposed.

Fees

A \$300 application fee is due at the time of application.

Miscellaneous Provisions

If a project is in another tax increment financing district (i.e., Downtown Development Authority, Corridor Improvement Authority, etc.), staff will seek a recommendation from the district's governing Board on the application. If the project warrants it, an Interlocal Governmental Agreement (IGA) may be approved to accommodate the Program.

The local tax capture is limited to a maximum of 15 years or when 100% reimbursement of eligible expenses is achieved, whichever time is shorter. An applicant that meets multiple investment criteria may qualify for additional years of capture adding up to no more than 25 years of local tax total capture. In all cases, an extra five years will be allocated for TIF capture by the Local Brownfield revolving Fund (LBRF).

Reimbursable Brownfield Plan Amendment and Work Plan preparation fees will be limited to a maximum of \$30,000, or to \$15,000 in the event the applicant is permitted to apply for a local-only Brownfield program.

Project Review and Evaluation Criteria

For projects meeting the minimum qualification criteria contained in the Act, the Authority retains an annual TIF capture equal to 10% of the annual increment during the entire capture period of the project to reimburse administrative costs as they are incurred, to cover actual expenses related to operating the Brownfield Redevelopment program, to reimburse Department-specific activities conducted by/on

behalf of the Authority related directly to the work conducted on prospective eligible properties prior to approval of the brownfield plan, and to operate the BRA with the remaining fee balance. Actual administrative expenses will be reimbursed with only local incremental taxes.

If the project meets the above criteria and can assist the County in achieving desired Investment Criteria outcomes below, an additional financial incentive shall be made available. Incentives will be based on the following schedule:

Project Evaluation

Level of Incentive

Base Level of Support	Qualifies for up to 15 years of local tax capture to
(Meets project eligibility criteria, but does not	recover eligible expenses.
meet any County Investment Criteria)	
Meets one of the Investment Critia below	Eligible for reimbursement up to 20 years of local
	tax capture.
Meets two of the Investment Criteria below	Qualifies for payment of interest in carrying costs
	up to 3.5%, eligible for reimbursement up to 25
	years of local tax capture.

Investment Criteria

Outcomes desired by the BCBRA will be incentivized. These criteria shall be applied at the sole discretion of the BCBRA and are not intended to be prescriptive in nature. Desired outcomes are:

- 1. Sustainable development
- 2. Income and Housing Diversity At least 20% of for-lease residential housing units are affordable to individuals or families earning 80% to 120% of the Area Median Income (AMI).

At least one third of the affordable units shall meet the 80%-of-AMI threshold and one third shall meet the 100%-of-AMI threshold, and one third shall meet the 120%-of AMI threshold. At least 50% of the AMI units shall be two bedrooms. Total occupancy costs include rent, plus the allowances for basic utilities included in the current Allowances for Tenant-Furnished Utilities provided by the U.S. Department of Housing and Urban Development, this provision to be construed in conformance with the Michigan Public Act 226 of 1988 (MCL 123.411).

At least 20% of for-sale residential units must be sold to households that earn a maximum of 80-120% of AMI levels for the Kalamazoo-Portage MSA. At least one third of the affordable units shall meet the 80%of-AMI threshold and one third shall meet the 100%-of-AMI threshold, and one third shall meet the 120%-of-AMI threshold

Local Brownfield Revolving Fund (LBRF)

The LBRF will capture excess tax increment revenue for a period not to exceed five years (which must fall within the maximum 30-year capture period).

Waiver

BCBRA may waive this policy, or any portion of it, when it is determined to be in the best interest of the County.

Conclusion: The BCBRA is committed to supporting brownfield redevelopment projects that contribute to the economic, environmental, and social well-being of Barry County. Through the Brownfield TIF Plan, the BCBRA aims to incentivize sustainable development practices and promote affordable housing opportunities for Barry County residents. For more information, please contact the Barry County Chamber and Economic Development Alliance at 269-945-2454.



Policy for Administration of Brownfield Redevelopment Projects

Adopted: October 25, 2023

PURPOSE: To establish guidelines for the administration of Brownfield Redevelopment Authority Program and project agreements.

BACKGROUND: In 1996, the State of Michigan Legislature approved Public Act 381, MCL 125.265 <u>et seq.</u> (the "Act") to authorize municipalities to create Brownfield Redevelopment Authorities to promote the reuse and revitalization of urban properties. The Brownfield Redevelopment Program (the "Program") provides for the utilization of certain tax increment revenues to pay for or reimburse the costs of Eligible Activities as defined in Section 2 of the Act. The City of Grand Rapids (the "City") created the Grand Rapids Brownfield Redevelopment Authority (BRA) in 1997. This policy guides the administration of the BRA's Program under the Act.

POLICY

1. Objective

The Program will provide support for qualified public or private redevelopment projects located in the City. Projects are considered for recommendation based on the extent to which a project meets the goals of the City as described in various plans, primarily including:

- a. City of Grand Rapids Strategic Plan;
- b. Equitable Economic Development and Mobility Strategic Plan;
- c. City of Grand Rapids Master Plan, including Area Specific Plans;
- d. Grand Rapids and Kent County Housing Needs Assessment.

In recommending projects for funding, staff will explicitly detail the goals that are achieved by a project.

2. Property Eligibility Criteria

To be eligible for participation in the Program and included in the BRA's Brownfield Plan, a property must meet the definition of "Eligible Property" as that term is defined in Section 2 of the Act.

3. Application

In order to be considered for inclusion in the Program, an application must be submitted via an online portal. The application must include, at a minimum:

- a. Documentation of Site Control
- b. Site plan and floor plans

- c. Renderings, if available
- d. Project financials (in the proforma format provided by MEDC and/or MSHDA)
- e. Cost estimates dated within six months of application
- f. Rent roll, where housing is included in the project
- g. New and retained job details
- h. Documentation of property eligibility under the Act
- i. Draft Brownfield Plan Amendment
- j. Draft Inclusion Plan

4. Review

Upon receipt of an application, and prior to any public consideration of the application, staff will provide the relevant details of a project to other City departments in order to confirm that the applicant is eligible to do business with the City and the project is permissible as proposed. The results of this review must confirm the following:

- a. That the applicant (including all individuals and non-person entities that will have an ownership interest in the project) are compliant with the City's Income Tax Ordinance.
- b. That the project is compatible with the City's zoning ordinance or plans to comply.
- c. That the applicant is not delinquent on any financial obligation to the City.
- d. That the applicant does not have outstanding written orders or an adverse history of code compliance violations.
- e. That the applicant, including its affiliated entities, have not defaulted on the terms of previously executed agreements with the City or the BRA.

5. Equitable Development Initiatives – Investment Criteria

For projects that meet the above criteria, and to also assist in achieving certain Equitable Development Initiatives Investment Criteria enumerated below, an additional financial incentive shall be available by reducing or eliminating the annual Local Brownfield Revolving Fund (LBRF) withholding and administrative fee of the BRA based on the following schedule:

PROJECT EVALUATION	% ANNUAL LBRF WITHHOLDING AND ADMINISTRATIVE FEE
Meets project eligibility criteria, but does not meet any Investment Criteria	10% LBRF Withholding, 10% BRA Administrative Fee
Meets One Investment Criterion	5% LBRF Withholding, 10% BRA Administrative Fee
Meets Two Investment Criteria	0% LBRF Withholding, 10% BRA Administrative Fee
Meets Three Investment Criteria	0% LBRF Withholding, 5% BRA Administrative Fee
Meets Four Investment Criteria	0% LBRF Withholding, 0% BRA Administrative Fee

The Equitable Development Initiatives Investment Criteria described below have been identified in various plans developed to incentivize outcomes desired by the City and the Grand Rapids community. Defaulting on any of the terms and/or conditions that were utilized to achieve one or more Investment Criteria will result in loss of the additional incentive provided by reducing the annual LBRF withholding and/or BRA administrative fee, as applicable. Any activity utilized for an additional incentive under this Policy may not also be used for an additional incentive under any other City or BRA Policy.

a. Sustainable Development

- i. Achieve LEED Gold or Platinum, WELL, PHIUS, Living Building Challenge or Net-Zero Energy Certification *
- ii. Project includes efforts to utilize electric vehicles (EV) with adequate EV charging infrastructure on site, meaning that no less than 10% of parking spaces have an EV charging station.
- iii. High-efficiency electric implementation (i.e., air source heat pumps, heat pump water heaters, electric appliances, etc.).

b. Housing Type Diversity

- i. Provides a housing type (single-family attached, single-family detached, duplex, or multi-family) that is less than 20% of the existing housing in a census tract, according to the most recent decennial census, or if the census data is more than 5-years old, according to the most recent American Community Survey data.
- ii. 10% or more of the proposed rental units are three-or-more bedroom units.

c. Promote Utilization of Transit

i. Project provides land (by conveyance or easement) for, and/or finances improvements related to a covered/sheltered public transit stop.

d. Emerging developers or Neighborhoods of Focus

i. Projects being proposed by emerging developers or those located in the City's identified Neighborhoods of Focus (see attached map). For the purposes of this policy, an emerging developer is defined as "a person with limited experience in the development or redevelopment of real estate who may be supported by a network of more experienced development professionals, or an organized program designed to support first-time and less experienced developers. If the individual(s) are members of an entity (i.e., a limited liability company) then the individual(s) meeting the definition of an emerging developer must have no less than 25% ownership of the entity, including no less than 25% of the potential financial risk and reward."

e. Housing Development Activities *

i. Project includes "Housing Development Activities" as defined in Section 2(x) of the Act, and that provide income and rent restricted housing as a component of the project.

*Note: May be considered as two Investment Criteria for purposes of recommending a level of incentive, based upon the financial investment, and/or the anticipated housing financial gap, required to achieve these criteria.

6. Fees

- a. Application and processing fees will be levied for applications in accordance with an annually approved fee schedule to be posted on the BRA's website.
- b. Applicants will be responsible for paying the fees of the BRA's legal counsel in connection with review, approval, and processing of the application.

7. <u>Miscellaneous Provisions</u>

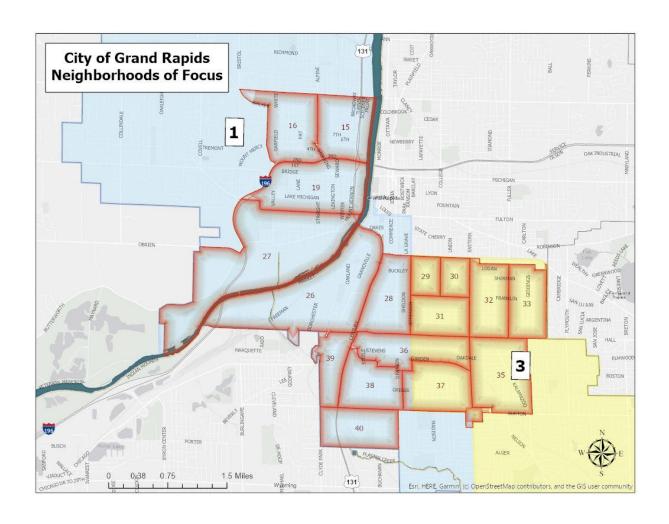
- a. For projects meeting the minimum qualification criteria contained in the Act, the BRA retains an annual LBRF withholding equal to 10% and an annual administrative fee equal to 10% of the annual increment (subject to proportional reductions due to limitations in the Act, or reductions achieved pursuant to Section 5 above) to fund the operation of the Program. The BRA will, where applicable, withhold and provide to the State Treasury an amount required by Section 13b(14) of the Act to fund the State Brownfield Redevelopment Fund. Remaining annual tax increment revenues from a project will be utilized to reimburse the developer for eligible costs incurred, subject to BRA approval.
- b. Upon acquisition of the property included in a Brownfield Plan Amendment, and before becoming eligible to receive reimbursement pursuant to an approved agreement, the applicant shall have filed a completed Michigan Department of Treasury Form 2766 Property Transfer Affidavit L-4260 with the City Assessor related to its acquisition of the property. The Property Transfer Affidavit shall be considered incomplete if the purchase price of the real estate is not entered on the form.
- c. The BRA recognizes that the Program is a partnership with the State of Michigan. As such, the BRA will only participate in projects that are also approved by the State, through the Department of EGLE, and either the MSF or MSHDA, as applicable. Projects may be approved for local tax reimbursement only if the benefit of EGLE and/or MSF/MSHDA approval does not provide meaningful value to the project (e.g., projects that are owner-occupied). The BRA Board of Directors shall explicitly provide approval for a project to be reimbursed only from local tax increment revenues.
- d. Reimbursement will be limited to a maximum of 25 years in order to allow for 5 years of capture for the BRA LBRF established pursuant to Section 8 of the Act, unless the BRA Board of Directors explicitly provides approval for project reimbursement exceeding 25 years.
- e. Reimbursable Brownfield Plan Amendment and Work Plan preparation fees will be limited to a maximum of \$25,000.

8. <u>Compliance</u>

- Reporting and compliance requirements will be detailed in a project's Development and Reimbursement Agreement. At a minimum, a project completion survey must be submitted within 90 days of the issuance of a certificate of occupancy for the project in a format acceptable to the BRA for reimbursement of eligible activity costs.
- b. For projects containing residential rental housing, certification of compliance with Chapter 140 of Title VIII of the Code of the City is required for each residential unit.
- c. The project must be operated and maintained in compliance with all applicable City codes and ordinances.

9. Waiver

The BRA Board of Directors may waive this policy, or any portion of it, when the BRA Board determines that it is in the best interest of the City or the BRA.





Overview of the Interim Guidelines for Brownfield Redevelopment Projects – Housing TIF

October 25, 2023

In 1996, the State of Michigan Legislature approved Public Act 381, MCL 125.265 et seq. (the "Act") to authorize municipalities to create Brownfield Redevelopment Authorities to promote the reuse and revitalization of urban properties. The Brownfield Redevelopment Program (the "Program") provides for the utilization of certain tax increment revenues to pay for or reimburse the costs of Eligible Activities as defined in Section 2 of the Act. The City of Grand Rapids (the "City") created the Grand Rapids Brownfield Redevelopment Authority (BRA) in 1997. Public Act 90 of 2023 established new opportunities to support housing development using the Program by additions to the definition of both eligible property and eligible activity specific to housing projects.

Applicants are encouraged to engage with BRA staff prior to submitting an application and should expect to work collaboratively with BRA and MSHDA staff related to program areas that are yet to be clarified. Additional details and guidance will be provided as projects are evaluated and additional programmatic information becomes available.

HOUSING PROPERTY AND HOUSING DEVELOPMENT ACTIVITIES

In addition to all existing criteria that qualifies property as eligible property under Act 381, *housing property* is also eligible property. *Housing property* is defined as either of the following:

 A property on which 1 or more units of residential housing are proposed be constructed, rehabilitated, or otherwise designed to be used as a dwelling, or • One or more units of residential housing proposed to be constructed or rehabilitated and located in a mixed-use project.

For projects where the property qualifies as *housing property*, the Brownfield Plan Amendment may include, in addition to all other eligible activity costs, the cost of *housing development activities* which are defined as:

- Reimbursement provided to owners of rental housing units for qualified rehabilitation.
- Costs for infrastructure available for public use and safety improvements necessary for a housing project.
- Costs of demolition and renovation of existing buildings and site preparation, to the extent necessary to accommodate an income qualified purchaser household or income qualified renting household.
- Temporary household relocation costs for an income qualified household for a period not to exceed 1 year.
- Acquisition cost for blighted or obsolete rental units, to the extent the acquisition would promote rehabilitation or adaptive reuse of the blighted or obsolete rental unit to accommodate an income qualified purchaser household or income qualified renting household.
- Reimbursement provided to a developer to fill a financing gap associated with the development of housing units priced for income qualified households and to assist with costs related to infrastructure improvements and site preparation that are not a response activity and that are necessary for new housing development for income qualified households on eligible property.

CRITERIA FOR PROJECTS THAT INCLUDE RENT AND INCOME RESTRICTED APARTMENTS

- Projects must include rental units that will be leased at rates that are both (a) below market-rate and (b) below the rental rate for households earning 120% Area Median Income (AMI) or below.
- Units must be leased to households whose income is at or below the applicable AMI level based on household size, not to exceed 120% AMI.
- At least 20% of all unit types (i.e. studios, one-bedroom units, etc.) should be rented below market rate, with greater percentages encouraged based on underwriting.
- Rents for restricted units will be provided annually by the BRA and will be based on the "rent by bedroom" less applicable utility allowance(s), all as provided by MSHDA.
- Rent and income restrictions must be in place for a minimum of 10 years, or the period of reimbursement, whichever is greater.
- Applicants should consider an appropriate balance between income targets, number of units and duration of affordability based on underwriting.
- A calculation of the potential rent loss is required, representing the difference between market rent and the maximum rent allowed for an income restricted unit based on AMI targets.

CRITERIA FOR PROJECTS THAT INCLUDE INCOME AND SALE PRICE RESTRICTED HOMEOWNERSHIP UNITS

- Projects must be proposed by a developer; individual homebuyers are not eligible.
- BRA support will include, but may not be limited to, a potential development loss subsidy in an amount necessary to make the home affordable to an income qualified purchaser household.
- The potential development loss cannot exceed the lesser of \$100,000 or 25% of the

- construction costs (for new construction) or appraised value (for rehabilitation) and must be at least \$10,000.
- The potential development loss is the difference between the total development cost and the amount an income-qualified household can afford based on household income.
- Income-qualified households are those whose household income does not exceed 120% of the area median income based on household size.
- The duration of affordability is expected to range from 5 to 20 years depending on the subsidy amount, as shown in the table below.

Subsidy Amount	Duration
\$10,000 - \$14,999	5 years
\$15,000 - \$39,999	10 years
\$40,000 - \$64,999	15 years
\$65,000 - \$100,000	20 years

• The affordability requirement will run with the land, and the subsidy will be forgiven in equal increments over the affordability period.

APPLICATIONS AND OTHER CONSIDERATIONS

- Application will include all materials currently required by policy. Additional materials will be required, and templates will be provided as they are developed and finalized.
- Projects with other proposed financing sources that have rent/sale price and income restrictions are encouraged to consider the program.
- A calculation methodology will be provided to applicants to determine potential rent loss and potential development loss.
- Applicants should plan to work with BRA staff to pilot initiatives that align with strategic priorities of sustainable development and community engagement, which will be implemented in the future.



Barry County Brownfield Redevelopment Authority Brownfield Tax Increment Financing (TIF) Policy

Introduction

The Barry County Brownfield Redevelopment Authority (BCBRA) is dedicated to revitalizing blighted, contaminated, or obsolete properties to foster economic growth, environmental sustainability, and community well-being in Barry County, MI. This Brownfield Tax Increment Financing (TIF) plan has been established to provide financial incentives for eligible brownfield redevelopment projects in Barry County.

Purpose

To establish guidelines for the administration of Brownfield Redevelopment Authority Program and project agreements.

Background

In 1996, the State of Michigan Legislature approved Public Act 381, MCL 125.265 *et seq*. ("the Act") to authorize municipalities to create Brownfield Redevelopment Authorities to promote the reuse and revitalization of properties. The Brownfield Redevelopment Program ("the Program") provides for the utilization of certain tax increment revenues to pay for or reimburse the costs of Eligible Activities as defined in the Act. Barry County created the Brownfield Redevelopment Authority ("the Authority") in 2017. This policy guides the administration of the Program under the Act.

The primary goal of this plan is to facilitate the redevelopment of eligible brownfield properties by providing tax increment financing to offset the costs of eligible activities as defined in Section 2 of Public Act 381, MCL 125.265 et seq. The BCBRA aims to encourage the reuse of contaminated or blighted properties, promote sustainable development practices, and enhance the quality of life for Barry County residents.

Administration and Evaluation

To be considered for inclusion in the Program, the applicant will request a pre-application meeting with one or more members of the BCBRA Board of Directors. BCBRA Board members will review the proposed projects and determine whether they qualify for participation in the program.

Once it is determined that the projects are eligible for participation, the applicant will complete the application form and provide any pertinent information that may be requested.

Application

Application form – among other required information based on the individual project, the applicant is to provide:

1. Use Type and Area – planned use, new and/or rehabilitated spaces in the project, and

- 2. Residential unit detail if applicable, unit type, number of units, square footage, monthly rent, income restrictions, percentage AMI of restrictions, proposed method of certification and duration of affordability impact (MS Excel or equivalent, not PDF).
- 3. Project Financials MEDC proforma template preferred, or at a minimum, sources, and uses of fund document (MS Excel or equivalent, not PDF), information on finance structure and financing commitments. Highly recommended that application calculate pro-forma with, and without, Brownfield TIF assistance and provide Debt service Coverage Ratio for each.
- 4. Renderings of proposed project, if available.

Eligibility Criteria

To be eligible for brownfield TIF assistance under this plan, a project must be located within Barry County, MI and meet the definition of eligible property under Act 381. Note, housing properties as defined in Act 90 of 2023 are eligible for TIF assistance.

Review

Staff and Consultants will review the application with County Officials to confirm that the project is permissible as proposed.

Fees

A \$300 application fee is due at the time of application.

Miscellaneous Provisions

If a project is in another tax increment financing district (i.e., Downtown Development Authority, Corridor Improvement Authority, etc.), staff will seek a recommendation from the district's governing Board on the application. If the project warrants it, an Interlocal Governmental Agreement (IGA) may be approved to accommodate the Program.

The local tax capture is limited to a maximum of 15 years or when 100% reimbursement of eligible expenses is achieved, whichever time is shorter. An applicant that meets multiple investment criteria may qualify for additional years of capture adding up to no more than 25 years of local tax total capture. In all cases, an extra five years will be allocated for TIF capture by the Local Brownfield revolving Fund (LBRF).

Reimbursable Brownfield Plan Amendment and Work Plan preparation fees will be limited to a maximum of \$30,000, or to \$15,000 in the event the applicant is permitted to apply for a local-only Brownfield program.

Project Review and Evaluation Criteria

For projects meeting the minimum qualification criteria contained in the Act, the Authority retains an annual TIF capture equal to 10% of the annual increment during the entire capture period of the project to reimburse administrative costs as they are incurred, to cover actual expenses related to operating the Brownfield Redevelopment program, to reimburse Department-specific activities conducted by/on

behalf of the Authority related directly to the work conducted on prospective eligible properties prior to approval of the brownfield plan, and to operate the BRA with the remaining fee balance. Actual administrative expenses will be reimbursed with only local incremental taxes.

If the project meets the above criteria and can assist the County in achieving desired Investment Criteria outcomes below, an additional financial incentive shall be made available. Incentives will be based on the following schedule:

Project Evaluation

Level of Incentive

Base Level of Support	Qualifies for up to 15 years of local tax capture to
(Meets project eligibility criteria, but does not	recover eligible expenses.
meet any County Investment Criteria)	
Meets one of the Investment Critia below	Eligible for reimbursement up to 20 years of local
	tax capture.
Meets two of the Investment Criteria below	Qualifies for payment of interest in carrying costs
	up to 3.5%, eligible for reimbursement up to 25
	years of local tax capture.

Investment Criteria

Outcomes desired by the BCBRA will be incentivized. These criteria shall be applied at the sole discretion of the BCBRA and are not intended to be prescriptive in nature. Desired outcomes are:

- 1. Sustainable development
- 2. Income and Housing Diversity At least 20% of for-lease residential housing units are affordable to individuals or families earning 80% to 120% of the Area Median Income (AMI).

At least one third of the affordable units shall meet the 80%-of-AMI threshold and one third shall meet the 100%-of-AMI threshold, and one third shall meet the 120%-of AMI threshold. At least 50% of the AMI units shall be two bedrooms. Total occupancy costs include rent, plus the allowances for basic utilities included in the current Allowances for Tenant-Furnished Utilities provided by the U.S. Department of Housing and Urban Development, this provision to be construed in conformance with the Michigan Public Act 226 of 1988 (MCL 123.411).

At least 20% of for-sale residential units must be sold to households that earn a maximum of 80-120% of AMI levels for the Kalamazoo-Portage MSA. At least one third of the affordable units shall meet the 80%of-AMI threshold and one third shall meet the 100%-of-AMI threshold, and one third shall meet the 120%-of-AMI threshold

Local Brownfield Revolving Fund (LBRF)

The LBRF will capture excess tax increment revenue for a period not to exceed five years (which must fall within the maximum 30-year capture period).

Waiver

BCBRA may waive this policy, or any portion of it, when it is determined to be in the best interest of the County.

Conclusion: The BCBRA is committed to supporting brownfield redevelopment projects that contribute to the economic, environmental, and social well-being of Barry County. Through the Brownfield TIF Plan, the BCBRA aims to incentivize sustainable development practices and promote affordable housing opportunities for Barry County residents. For more information, please contact the Barry County Chamber and Economic Development Alliance at 269-945-2454.