



BROWNFIELD PRESENTATION

March 21, 2018
Commercial Alliance of Realtors



TODAY'S PRESENTATION

- What is a brownfield/eligible property?
- What are eligible activities?
- What's brownfield tax increment financing (TIF) and how is it useful
- Other DEQ incentives and funding
- Other MEDC incentives and funding
- Other incentives and funding
- Case study
- Questions

WHAT IS A BROWNFIELD?

MICHIGAN
BROWNFIELD
REDEVELOPMENT
PROGRAM

**A PIECE OF PROPERTY THAT IS KNOWN
TO BE CONTAMINATED**

**OR SUSPECTED TO BE CONTAMINATED
BASED ON PRIOR USE**



WHAT IS A BROWNFIELD/ELIGIBLE PROPERTY?

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PROGRAM

- A Facility, Site or Property
- Blighted
- Functionally Obsolete
- A Historic Resource
- Adjacent and Contiguous



ENVIRONMENTAL ELIGIBLE ACTIVITIES

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PROGRAM

- Department Specific Activities:
 - Site Assessments
 - BEAs
 - Due Care Planning
 - Pre-Demo/Hazardous Materials, Asbestos, Mold, & Lead Surveys
 - Due Care
 - Response Activities
 - Including demolition and abatement
 - Environmental Insurance
- Interest



Cardinal Health
Detroit

NON-ENVIRONMENTAL ELIGIBLE ACTIVITIES

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- Building and Site Demolition (statewide)
- Lead, Asbestos, & Mold abatement (statewide)
- Site Preparation (Qualified Local Governmental Unit [QLUG])
- Infrastructure Improvements (QLUG)
- Interest (statewide)



WHAT IS BROWNFIELD TIF?

- A financing tool
- Used by local governments
- To help finance qualifying costs for a new development or redevelopment (eligible activities)
- Uses the incremental increase in taxes



Central School
Iron River



WHAT IS BROWNFIELD TIF?

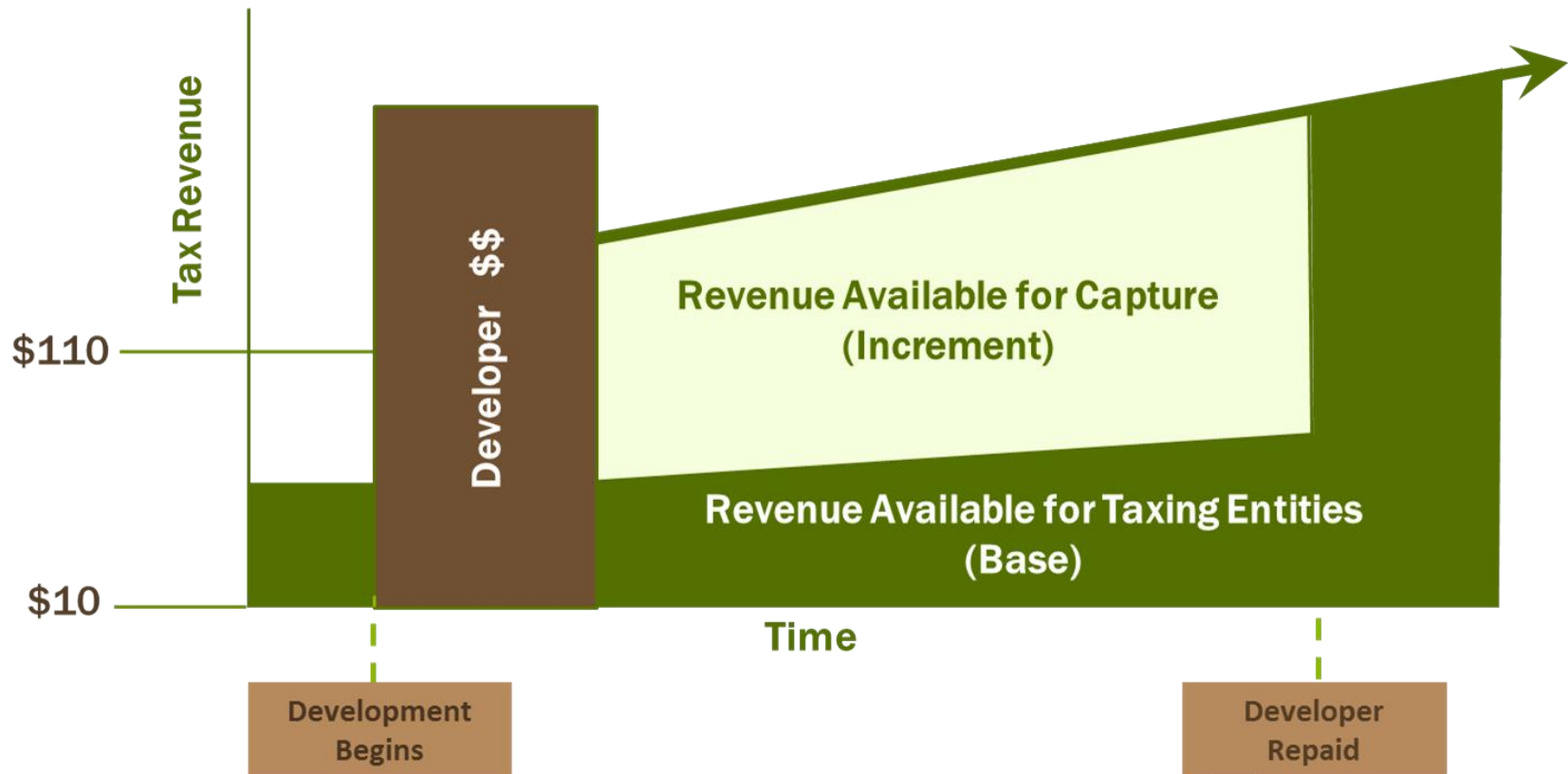
MICHIGAN
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PROGRAM



St. Anne Lofts
East Lansing

WHAT IS BROWNFIELD TIF?

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**MICHIGAN
BROWNFIELD
REDEVELOPMENT
PROGRAM**

Estimated Taxable Value (TV) Increase Rate:		1% per year											
	Plan Year	2018 1	2019 2	2020 3	2021 4	2022 5	2023 6	2024 7	2025 8	2026 9	2027 10	2028 11	2029 12
Base TV		\$ 1,748,996	\$ 1,748,996	\$ 1,748,996	\$ 1,748,996	\$ 1,748,996	\$ 1,748,996	\$ 1,748,996	\$ 1,748,996	\$ 1,748,996	\$ 1,748,996	\$ 1,748,996	\$ 1,748,996
Estimated New TV		\$ 3,000,000	\$ 8,000,000	\$ 13,000,000	\$ 20,616,500	\$ 20,822,665	\$ 21,030,892	\$ 21,241,201	\$ 21,453,613	\$ 21,668,149	\$ 21,884,830	\$ 22,103,678	\$ 22,324,715
Incremental Difference (New TV - Base TV)		\$ 1,751,004	\$ 6,251,004	\$ 11,251,004	\$ 18,867,504	\$ 19,073,669	\$ 19,281,896	\$ 19,492,205	\$ 19,704,617	\$ 19,919,153	\$ 20,135,834	\$ 20,354,682	\$ 20,575,719
School Capture		Millage Rate											
School Operating	18.0000	\$ 31,518	\$ 112,518	\$ 202,518	\$ 339,615	\$ 343,326	\$ 347,074	\$ 350,860	\$ 354,683	\$ 358,545	\$ 362,445	\$ 366,384	\$ 370,363
State Education Tax (SET)	6.0000	\$ 10,506	\$ 37,506	\$ 67,506	\$ 113,205	\$ 114,442	\$ 115,691	\$ 116,953	\$ 118,228	\$ 119,515	\$ 120,815	\$ 122,128	\$ 123,454
	School Total: 24.0000	34.15%	\$ 42,024	\$ 150,024	\$ 270,024	\$ 452,820	\$ 457,768	\$ 462,765	\$ 467,813	\$ 472,911	\$ 478,060	\$ 483,260	\$ 488,512
Local Capture		Millage Rate											
City Operating	17.5891	\$ 30,799	\$ 109,950	\$ 197,895	\$ 331,862	\$ 335,489	\$ 339,151	\$ 342,850	\$ 346,586	\$ 350,360	\$ 354,171	\$ 358,021	\$ 361,908
City Solid Waste/Recycling	1.8250	\$ 3,196	\$ 11,408	\$ 20,533	\$ 34,433	\$ 34,809	\$ 35,189	\$ 35,573	\$ 35,961	\$ 36,352	\$ 36,748	\$ 37,147	\$ 37,551
City Library	2.0000	\$ 3,502	\$ 12,502	\$ 22,502	\$ 37,735	\$ 38,147	\$ 38,564	\$ 38,984	\$ 39,409	\$ 39,838	\$ 40,272	\$ 40,709	\$ 41,151
Lansing Community College (LCC)	3.8072	\$ 6,666	\$ 23,799	\$ 42,835	\$ 71,832	\$ 72,617	\$ 73,410	\$ 74,211	\$ 75,019	\$ 75,836	\$ 76,661	\$ 77,494	\$ 78,336
East Lansing Public Schools - Building & Site	1.2860	\$ 2,252	\$ 8,039	\$ 14,469	\$ 24,264	\$ 24,529	\$ 24,797	\$ 25,067	\$ 25,340	\$ 25,616	\$ 25,895	\$ 26,176	\$ 26,460
Intermediate School District (ISD) Operating	0.1894	\$ 332	\$ 1,184	\$ 2,131	\$ 3,574	\$ 3,613	\$ 3,652	\$ 3,692	\$ 3,732	\$ 3,773	\$ 3,814	\$ 3,855	\$ 3,897
ISD Special Education	4.5062	\$ 7,890	\$ 28,168	\$ 50,699	\$ 85,021	\$ 85,950	\$ 86,888	\$ 87,836	\$ 88,793	\$ 89,760	\$ 90,736	\$ 91,722	\$ 92,718
ISD Vocational Education	1.2925	\$ 2,263	\$ 8,079	\$ 14,542	\$ 24,386	\$ 24,653	\$ 24,922	\$ 25,194	\$ 25,468	\$ 25,746	\$ 26,026	\$ 26,308	\$ 26,594
County Operating	6.3842	\$ 11,179	\$ 39,908	\$ 71,829	\$ 120,454	\$ 121,770	\$ 123,099	\$ 124,442	\$ 125,798	\$ 127,168	\$ 128,551	\$ 129,948	\$ 131,360
County - Animal Control	0.2400	\$ 420	\$ 1,500	\$ 2,700	\$ 4,528	\$ 4,578	\$ 4,628	\$ 4,678	\$ 4,729	\$ 4,781	\$ 4,833	\$ 4,885	\$ 4,938
County - Potter Park Zoo	0.4100	\$ 718	\$ 2,563	\$ 4,613	\$ 7,736	\$ 7,820	\$ 7,906	\$ 7,992	\$ 8,079	\$ 8,167	\$ 8,256	\$ 8,345	\$ 8,436
County - Public Transportation	0.1200	\$ 210	\$ 750	\$ 1,350	\$ 2,264	\$ 2,289	\$ 2,314	\$ 2,339	\$ 2,365	\$ 2,390	\$ 2,416	\$ 2,443	\$ 2,469
County - Special Transportation	0.4800	\$ 840	\$ 3,000	\$ 5,400	\$ 9,056	\$ 9,155	\$ 9,255	\$ 9,356	\$ 9,458	\$ 9,561	\$ 9,665	\$ 9,770	\$ 9,876
County - 911 System	0.8431	\$ 1,476	\$ 5,270	\$ 9,486	\$ 15,907	\$ 16,081	\$ 16,257	\$ 16,434	\$ 16,613	\$ 16,794	\$ 16,977	\$ 17,161	\$ 17,347
County - Juvenile Justice	0.6000	\$ 1,051	\$ 3,751	\$ 6,751	\$ 11,321	\$ 11,444	\$ 11,569	\$ 11,695	\$ 11,823	\$ 11,951	\$ 12,082	\$ 12,213	\$ 12,345
County - Farmland Preservation	0.1400	\$ 245	\$ 875	\$ 1,575	\$ 2,641	\$ 2,670	\$ 2,699	\$ 2,729	\$ 2,759	\$ 2,789	\$ 2,819	\$ 2,850	\$ 2,881
County - Health Services	0.3500	\$ 613	\$ 2,188	\$ 3,938	\$ 6,604	\$ 6,676	\$ 6,749	\$ 6,822	\$ 6,897	\$ 6,972	\$ 7,048	\$ 7,124	\$ 7,202
County - Parks/Trails	0.5000	\$ 876	\$ 3,126	\$ 5,626	\$ 9,434	\$ 9,537	\$ 9,641	\$ 9,746	\$ 9,852	\$ 9,960	\$ 10,068	\$ 10,177	\$ 10,288
Capital Region Airport Authority (CRAA)	0.6990	\$ 1,224	\$ 4,369	\$ 7,864	\$ 13,188	\$ 13,332	\$ 13,478	\$ 13,625	\$ 13,774	\$ 13,923	\$ 14,075	\$ 14,228	\$ 14,382
Capital Area Transportation Authority (CATA)	3.0070	\$ 5,265	\$ 18,797	\$ 33,832	\$ 56,735	\$ 57,355	\$ 57,981	\$ 58,613	\$ 59,252	\$ 59,897	\$ 60,548	\$ 61,207	\$ 61,871
	Local Total: 46.2687	63.85%	\$ 81,017	\$ 289,226	\$ 520,570	\$ 872,975	\$ 882,514	\$ 892,149	\$ 901,878	\$ 911,707	\$ 921,634	\$ 931,661	\$ 941,783
	Total Capturable Taxes: 70.2687	100.00%	\$ 123,041	\$ 439,250	\$ 790,594	\$ 1,325,795	\$ 1,340,282	\$ 1,354,914	\$ 1,369,691	\$ 1,384,618	\$ 1,399,694	\$ 1,414,921	\$ 1,430,295
Non-Capturable Millages - New Tax Revenue		Millage Rate											
City Debt	0.7966	\$ 1,395	\$ 4,980	\$ 8,963	\$ 15,030	\$ 15,194	\$ 15,360	\$ 15,527	\$ 15,697	\$ 15,868	\$ 16,040	\$ 16,215	\$ 16,391
Downtown Development Authority	1.7319	\$ 3,033	\$ 10,826	\$ 19,486	\$ 32,677	\$ 33,034	\$ 33,394	\$ 33,759	\$ 34,126	\$ 34,498	\$ 34,873	\$ 35,252	\$ 35,635
East Lansing Public Schools - Debt	5.2050	\$ 9,114	\$ 32,536	\$ 58,561	\$ 98,205	\$ 99,278	\$ 100,362	\$ 101,457	\$ 102,563	\$ 103,679	\$ 104,807	\$ 105,946	\$ 107,097
	Total Non-Capturable Taxes: 7.7335												

WHAT IS BROWNFIELD TIF?

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

Developer/City Projected Reimbursement	Proportionality	School & Local Taxes	Local-Only Taxes	Total
State	34.2%	\$ 6,070,750		\$ -
Local	65.8%	\$ 13,555,908	\$ -	\$ -
TOTAL		\$ 19,626,658	\$ -	\$ -
DEQ	0.9%	\$ 176,195		
MSF	99.1%	\$ 19,450,463		

Estimated Total Years of Plan: 21

Administrative Fees & Loan Funds*	
State Brownfield Revolving Fund	\$ 1,124,220
BRA Administrative Fees	\$ 315,000
Local Brownfield Revolving Fund	\$ -

* During the life of the Plan

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	1	2	3	4	5	6	7	8	9	10	11	12	13	
Available Tax Increment Revenue (TIR)														
Total State Tax Capture Available	\$ 42,024	\$ 150,024	\$ 270,024	\$ 452,820	\$ 457,768	\$ 462,765	\$ 467,813	\$ 472,911	\$ 478,060	\$ 483,260	\$ 488,512	\$ 493,817	\$ 499,175	
State Tax Increment to Taxing Unit (20%) ("Pass-Through")	\$ 8,405	\$ 30,005	\$ 54,005	\$ 90,564	\$ 91,554	\$ 92,553	\$ 93,563	\$ 94,582	\$ 95,612	\$ 96,652	\$ 97,702	\$ 98,763	\$ 99,835	
Capture for State Brownfield Revolving Fund (3 mills of SET) (25-Yrs)	\$ 5,253	\$ 18,753	\$ 33,753	\$ 56,603	\$ 57,221	\$ 57,846	\$ 58,477	\$ 59,114	\$ 59,758	\$ 60,408	\$ 61,064	\$ 61,727	\$ 62,397	
State TIR Available for Reimbursement to Developer	\$ 28,366	\$ 101,266	\$ 182,266	\$ 305,653	\$ 308,993	\$ 312,366	\$ 315,773	\$ 319,215	\$ 322,690	\$ 326,200	\$ 329,746	\$ 333,327	\$ 336,943	
Total Local Tax Capture Available	\$ 81,017	\$ 289,226	\$ 520,570	\$ 872,975	\$ 882,514	\$ 892,149	\$ 901,878	\$ 911,707	\$ 921,634	\$ 931,661	\$ 941,783	\$ 952,010	\$ 962,341	
Local Tax Increment to Taxing Unit (20%) ("Pass-Through")	\$ 16,203	\$ 57,845	\$ 104,114	\$ 174,595	\$ 176,503	\$ 178,430	\$ 180,376	\$ 182,341	\$ 184,327	\$ 186,332	\$ 188,357	\$ 190,402	\$ 192,468	
Capture for BRA Administrative Fees (\$15,000/year)	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	
Local TIR Available for Reimbursement to Developer	\$ 49,814	\$ 216,381	\$ 401,456	\$ 683,380	\$ 691,011	\$ 698,719	\$ 706,502	\$ 714,366	\$ 722,307	\$ 730,329	\$ 738,426	\$ 746,608	\$ 754,873	
Total State & Local TIR Available for Reimbursement to Developer	\$ 78,180	\$ 317,647	\$ 583,722	\$ 989,033	\$ 1,000,004	\$ 1,011,085	\$ 1,022,275	\$ 1,033,581	\$ 1,044,997	\$ 1,056,529	\$ 1,068,172	\$ 1,079,935	\$ 1,091,816	
DEVELOPER and CITY	Beginning Balance													
	\$ 19,626,658	\$ 19,548,478	\$ 19,230,831	\$ 18,647,109	\$ 17,658,076	\$ 16,658,072	\$ 15,646,987	\$ 14,624,712	\$ 13,591,131	\$ 12,546,134	\$ 11,489,605	\$ 10,421,433	\$ 9,341,498	\$ 8,249,682
MSF Eligible Activities	\$ 19,450,463	\$ 19,372,986	\$ 19,058,197	\$ 18,479,728	\$ 17,499,596	\$ 16,508,592	\$ 15,506,606	\$ 14,493,532	\$ 13,469,253	\$ 12,433,661	\$ 11,386,641	\$ 10,328,083	\$ 9,257,867	\$ 8,175,877
State Tax Reimbursement	\$ 6,016,114	\$ 28,111	\$ 100,355	\$ 180,626	\$ 302,902	\$ 306,212	\$ 309,555	\$ 312,931	\$ 316,342	\$ 319,786	\$ 323,264	\$ 326,778	\$ 330,327	\$ 333,911
Local Tax Reimbursement	\$ 13,433,906	\$ 49,366	\$ 214,434	\$ 397,843	\$ 677,230	\$ 684,792	\$ 692,431	\$ 700,143	\$ 707,937	\$ 715,806	\$ 723,756	\$ 731,780	\$ 739,889	\$ 748,079
DEQ Eligible Activities	\$ 176,195	\$ 175,492	\$ 172,634	\$ 167,381	\$ 158,480	\$ 149,480	\$ 140,381	\$ 131,180	\$ 121,878	\$ 112,473	\$ 102,964	\$ 93,350	\$ 83,631	\$ 73,805
State Tax Reimbursement	\$ 54,636	\$ 255	\$ 911	\$ 1,640	\$ 2,751	\$ 2,781	\$ 2,811	\$ 2,842	\$ 2,873	\$ 2,904	\$ 2,936	\$ 2,968	\$ 3,000	\$ 3,032
Local Tax Reimbursement	\$ 122,002	\$ 448	\$ 1,947	\$ 3,613	\$ 6,150	\$ 6,219	\$ 6,288	\$ 6,359	\$ 6,429	\$ 6,501	\$ 6,573	\$ 6,646	\$ 6,719	\$ 6,794
LOCAL-ONLY Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local-Only Tax Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ANNUAL DEVELOPER/CITY REIMBURSEMENT		\$ 78,180	\$ 317,647	\$ 583,722	\$ 989,033	\$ 1,000,004	\$ 1,011,085	\$ 1,022,275	\$ 1,033,581	\$ 1,044,997	\$ 1,056,529	\$ 1,068,172	\$ 1,079,935	\$ 1,091,816

OTHER DEQ INCENTIVES & FUNDING

MICHIGAN
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PROGRAM

- Grants and Loan
 - Eligibility
 - Annual Limit
 - Loan Terms
 - Timing
- Refined Petroleum Fund (RPF)
- Brownfield Redevelopment Assessments



Cooley Law School Stadium
Lansing

OTHER MEDC INCENTIVES & FUNDING

MICHIGAN
BROWNFIELD
REDEVELOPMENT
PROGRAM

- Community Revitalization Program (CRP)
- Business Development Program (BDP)
- Community Development Block Grant (CDBG)



SkyVue
Lansing



OTHER INCENTIVES & FUNDING

MICHIGAN
BROWNFIELD
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PROGRAM

- EPA
- Tax Abatements
 - Industrial Facilities Tax (IFT) Credit
 - Obsolete Property Rehabilitation Act (OPRA)
 - Commercial Rehabilitation Act
- Historic Tax Credits

TBA Credit Union
Traverse City



CASE STUDY – BROWNFIELD FLIP

MICHIGAN
BROWNFIELD
REDEVELOPMENT
PROGRAM



QUESTIONS?

Lansing district:

Janet Michaluk, 517-643-0314

