

BROWNFIELD REDEVELOPMENT GRANT AND LOAN FACT SHEET

Brownfield grants and loans are available from the Michigan Department of Environment, Great Lakes, and Energy (EGLE) for projects that promote economic development and reuse of brownfield properties. Grants and loans can be used for environmental assessments and cleanups at properties with known or suspected contamination. EGLE grants and loans can help communities:

- Revitalize abandoned properties and return them to tax rolls
- Attract developers to brownfields
- Avoid sprawl by reusing properties with existing infrastructure

WHO CAN APPLY? Applicants may be local units of government including brownfield redevelopment authorities (BRAs), economic development corporations, or other public bodies created pursuant to state law. Applications are accepted year-round.

ELIGIBLE ACTIVITIES

Grants and loans can pay for:

- Environmental evaluations/assessments
- Baseline Environmental Assessments
- Due care planning and implementation
- Response Activities
- Demolition, lead, mold, and asbestos abatement

FUNDING

- Up to \$1 million grant and \$1 million loan per project, or more for projects with significant economic or environmental benefits
- Grants are available to determine whether a property with redevelopment potential is contaminated, and for due care and cleanup at contaminated properties with a specific redevelopment, when economic benefits will exceed the grant amount
- Loans may be used at properties with suspected contamination and economic development potential
- Grants cannot benefit a party responsible for an activity causing contamination. Loans may be available when a responsible party will benefit, but with some restrictions

LOAN TERMS

- Interest rate is 1.5 percent
- 15-year payback, beginning with a 5-year interest-free, payment-free grace period
- Loans may be repaid through a BRA using tax increment financing

HOW TO APPLY

EGLE Brownfield Redevelopment staff collaborate with communities to determine eligibility and the optimal mix of project funding prior to application. Please contact an EGLE grant coordinator to discuss your project.

CONTACT US

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ACT 381 BROWNFIELD TAX INCREMENT FINANCING FACT SHEET

Developers of brownfield sites can be reimbursed for eligible environmental costs with their own property taxes. When development results in higher property values, local brownfield redevelopment authorities (BRAs) may approve reimbursement from increased property taxes. This is known as tax increment financing (TIF) and is authorized under the Brownfield Redevelopment Financing Act, PA 381 of 1996 (Act 381). Even school taxes can be used toward brownfield redevelopment costs when an Act 381 work plan is approved by the Michigan Department of Environment, Great Lakes, and Energy (EGLE). TIF can help:

- Revitalize abandoned properties and return them to tax rolls
- Attract developers to brownfields, creating jobs and investment, and increasing nearby property values
- Provide a source of repayment for EGLE Brownfield Redevelopment Loans
- Reduce sprawl by reusing properties with existing infrastructure

WHO CAN USE TIF? A BRA or developer through a BRA

ELIGIBLE ACTIVITIES

A property must be contaminated to be eligible for EGLE TIF. If contamination is suspected but not known, EGLE TIF can be used for site investigation. Eligible activities include:

Phase I and Phase II Environmental Site Assessments and Baseline Environmental Assessments (BEAs)*

Asbestos, mold, and lead surveys, hazardous materials surveys, and pre-demolition surveys*

Due Care Activities

- Due care investigation and planning*
- Documentation of due care compliance*
- Activities performed to protect human health and the environment, such as removing contaminated soil or installing vapor mitigation systems or exposure barriers

Response Activities

- Remedial actions
- Demolition under some circumstances
- Lead, mold, or asbestos abatement when there is an imminent and significant threat
- And many more (refer to the Act 381 Work Plan Guidance for additional eligible environmental activities)

* School and local taxes are pre-approved. Pre-approved activities may be conducted prior to adoption of a Brownfield Plan and do not require approval by EGLE for the use of school taxes.

TIF APPROVAL PROCESS

1. BRA and local unit of government approve the Brownfield Plan. Public notifications and a public hearing are required.
2. If EGLE school TIF approval will be requested, submit draft Act 381 Work Plan to EGLE (optional).
3. BRA or local government submits Act 381 Work Plan to EGLE.
4. EGLE reviews and provides response within 60 days.
5. Local government or BRA administers TIF capture and is subject to reporting requirements.

HOW BROWNFIELD TIF WORKS

When a contaminated property is redeveloped and the property value increases, the difference between taxes on the base value and taxes on the new value is the tax increment. The tax increment can be reimbursed to a developer or other investor for eligible redevelopment costs. No existing taxes are taken away from a taxing jurisdiction; instead the increment is deferred for the duration of the approved brownfield plan.

CONTACT US

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