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GRATIOT COUNTY BOARD OF COMMISSIONERS – HOUSING TAX INCREMENT FINANCING WORKSHOP

Samantha Mariuz, Economic Development Project Manager,
Fleis & VandenBrink

TODAY'S ROADMAP

- **Brownfield Redevelopment**
  - » Overview of Tax Increment Financing (TIF) & Brownfield Plan Structure and Eligible Activities
  - » Value to Gratiot County
- **Brownfield Plan Reimbursement**
  - » Parties Involved
  - » Process
- **Things to Consider**
  - » Proportionality
  - » Local Brownfield Revolving Fund
  - » Municipal Services Agreement

INCENTIVES FOR REDEVELOPMENT PROJECTS THAT…

- **Create Affordable Housing**
- Create Jobs
- Promote Infill Development
- Remove Blight
- Preserve Historic Resources
- **Remediate Contamination**
- Incorporate Green Infrastructure
- Improve Rail Infrastructure
- Support Planning Initiatives
- **Build New Public Infrastructure**
- Adaptive Reuse of Buildings
- Expand Existing Businesses
- Attract New Business

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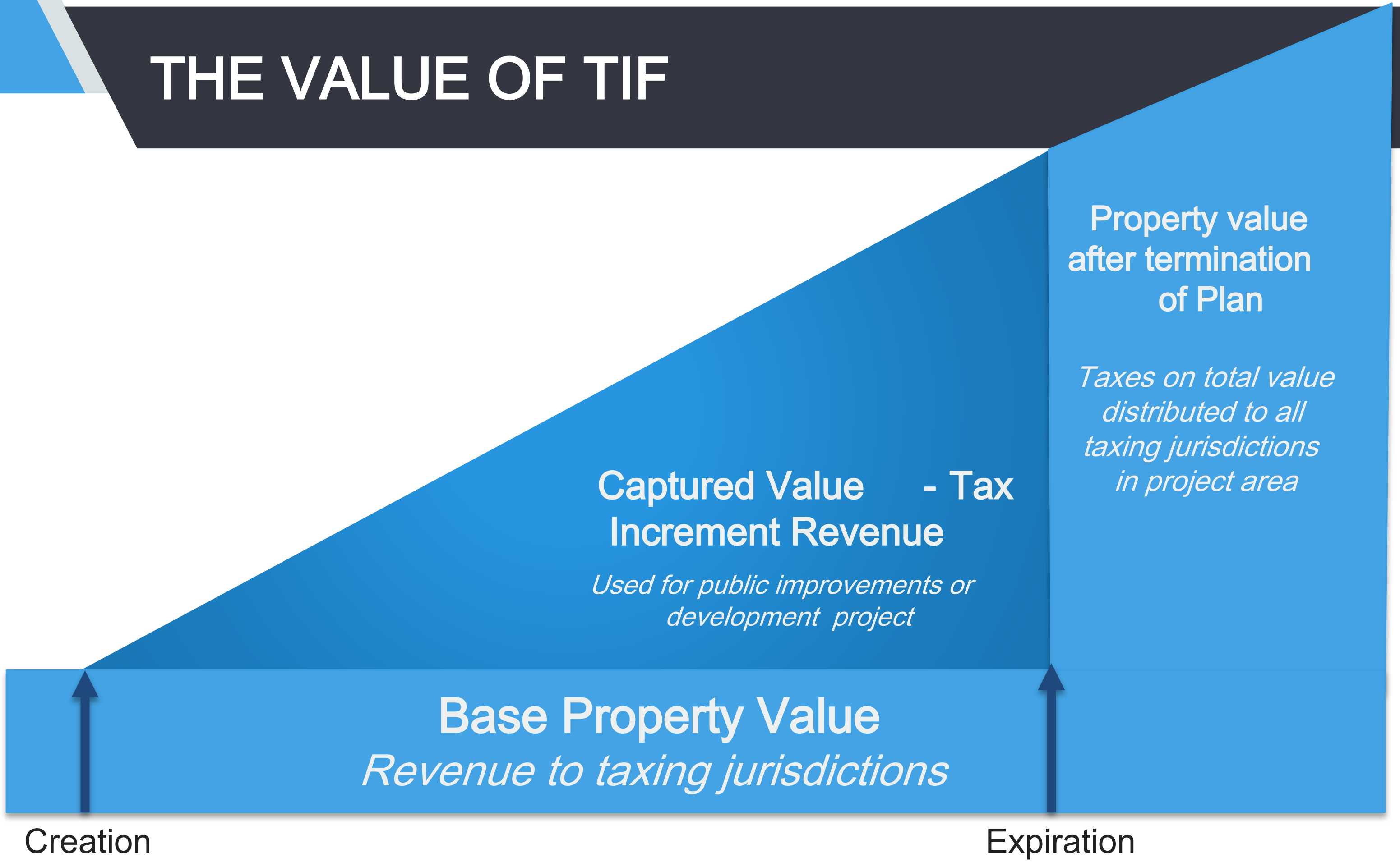
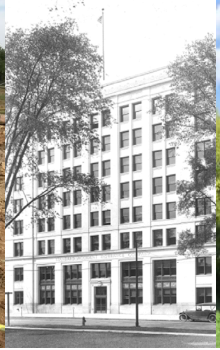
Brownfield Redevelopment

THE VALUE OF TIF



BROWNFIELD REDEVELOPMENT – A DEVELOPMENT INCENTIVE




Property that is…

Contaminated, functionally obsolete, blighted, historic resource, adjacent and contiguous, tax reverted or land bank owned, transit -oriented, **housing property**

ELIGIBLE ACTIVITIES

Environmental	Department Specific Activities -Baseline Environmental Assessments -Due Care Activities -Response Activities	EGLE
Non -Environmental	Demolition Abatement Site Preparation* Public Infrastructure* Some Private Infrastructure	MEDC
Housing	Infrastructure Site Preparation Demolition and renovation of existing buildings Temporary relocation costs Acquisition costs Gap Financing	MSHDA

VALUE OF A BROWNFIELD REDEVELOPMENT AUTHORITY

Administrative Capture

- Capture during the duration of a Brownfield Plan for administration of BRA

Local Brownfield Revolving Fund (LBRF)

- The BRA can capture the tax increment for up to 5 years after developer reimbursement to fund activities that are brownfield eligible. Can use these funds anywhere in the County.
- Site Assessment
- Grants
- Loans

PLAN DEVELOPMENT AND APPROVAL PROCESS

1. Evaluation/Administrative Discussions
2. Plan Preparation
3. Brownfield Redevelopment Authority Meeting
4. Community Resolutions (Concurrence & Understanding)
5. Public Hearing Scheduled – Notices Published
6. County Board of Commissioners Public Hearing
7. Resolution of Approval
8. Reimbursement Agreement → Act 381 (if applicable)

BROWNFIELD REIMBURSEMENT

- Brownfield Plan – maximum amount
- Act 381 Work Plan – State and school taxes
- Reimbursement based on actual cost of eligible activity and availability of TIF
- Incentive for the developer to complete the project
- Limited risk to the community

COMMUNITY BENEFIT

- Increased tax base
- Infrastructure improvement and expansion at developer cost
- Increased enrollment in schools, increases school funding which is based on enrollment

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Reimbursement Agreement

KEY ELEMENTS

1. Parties Involved
2. Eligible Activities
3. Reimbursement Process
4. Tax Increment Financing Provisions
5. Term & Termination
6. Reporting & Oversight
7. Assignment & Transfer
8. Miscellaneous Legal Provisions

QUESTIONS?

Contact Information:
smariuz@fveng.com
248.224.0305

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Things to Consider

THINGS TO CONSIDER

- Limit years of capture for LBRF, or allocate portion for communities that support Brownfield Plans
- Ensure that the brownfield plan has language for proportional reimbursement of eligible activities in the event that MSHDA, EGLE, or MEDC does not approve certain activities.
- Municipal Service Agreement (MSA) considerations by the local unit of government.