Summary of Site Reclamation Rules Committee Meeting #1
March 5, 2014

Below is a summary of the discussions of the Site Reclamation (Rec) Rules Committee, regarding the relevancy and significance of each of the Rules that were evaluated. In many cases, it was determined that a rule was no longer relevant and the recommendation was to eliminate it completely. In other cases, the issue was relevant, but could be better represented in legislation, policy, or procedure. In those cases, the committee looked at the Part 196 Clean Michigan Initiative (CMI) legislation to determine if the issue was already addressed. In many circumstances it was, in other circumstances, it was recommended that the wording be slightly modified or that new wording be added to Part 196 and the rules could thereby be eliminated.

All rules, with the exception of Rule 1 – Definitions, have been evaluated. There are a few topics that will need a little more discussion. These topics include: defining economic benefit, defining application requirements, discussing how to best incorporate an anti-sprawl concept, and review of all definitions. A meeting scheduled for March 13, 2014, should allow for this discussion.

Below is a summary of the evaluation of each rule and any items identified as needing to be addressed:

Rule 1 – This rule still needs discussion, but we wanted to keep the existing definition or some iteration thereof of Measurable Economic Benefit, and create a definition for Measurable Environmental Benefit – retaining some of the sense of the existing rule that the site will be cleaner and/or lower risk to public health and the environment, and potentially adding that the project discourages sprawl. Not sure if this is the place to address the sprawl issue, but this needs discussion.

Rule 2 – The majority of this rule is no longer relevant and can be eliminated. The relevant components ((3) and portions of (8)) are already incorporated in section 19608a, or are being recommended as additions. Note: A document comparing the Application Requirements for both CMI and Site Rec Rules has been prepared and will be discussed further to determine if application requirements in Part 196 need any modifications.

Rule 3 - The majority of this rule is no longer relevant and can be eliminated. Many of the relevant components are already incorporated in Part 196. Issues identified for further discussion:

1. Award amount and a number of projects/year (R299.5053(g)) – referred to Program Implementation Committee. Discussed adding wording such as "may be limited to one project per year depending on funding availability."
2. Relieving potentially responsible parties of obligations with grant funds (R299.5053(n)) - Referred to Liability Committee
3. Identify measurable economic benefit (R299.5053(k)) - How should we do this? See note above for Rule 1. Consensus was to keep jobs, investment, and increased tax value.

Rule 4 – Focuses on determination of economic benefit. The rule can go away as this approach is no longer relevant, but a method needs to be determined to assess this. (TBD- see above) We wanted to keep the requirement for a resolution, which is also in Rule 2(8)(n)

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Rule 5 – There is no need for this rule. If public health issues are involved, the appropriate agencies will be contacted.

Rule 6 - This rule is no longer relevant and can be eliminated.

Rule 7 - The majority of this rule is no longer relevant and can be eliminated. Many of the relevant components are already incorporated in Part 196 for loans. Adding grants to what is already in 19608a would address much of the relevant parts of this rule. Issues identified for further discussion:

1. Add requirement for both grants and loans of a resolution showing community support for the project. (R299.5057(h)). (See above under rules 2 and 4.)
2. Add priority for preservation of open space and undeveloped lands to Part 196? See above for possible inclusion in definition of Measurable Environmental Benefit (Rule 1 discussion)
3. Address Economic Benefit (299.5057(g)). (S*ee also Rules 1, 3 and 4 above.*)

Rule 8 - This rule is no longer relevant and can be eliminated.

Rule 9 - This rule is no longer relevant and can be eliminated.

Rule 10 - This rule is no longer relevant and can be eliminated.

Rule 11 - The majority of this rule is no longer relevant and can be eliminated. Many of the relevant components are already incorporated in Part 196 for loans. Other portions are considered more of a procedure than legislation or rule worthy. Specifically:

1. R299.5061 (1) and (2) are procedures the department can provide as part of an application package, with the following exception:
2. R299.5061 (2)(a). *For grants, funds will be dispersed on a reimbursement basis upon receipt of appropriate documentation. For loans, funds will be dispersed in draws based on an approved work plan, and supporting documentation will be submitted after expenses are incurred. Documentation requirements will be specified by the department on a form prescribed for requesting reimbursement.* This language should be added to 19608a(6).
3. R299.5061(5) – add this to 19612(2). (Addresses ability to withhold payment if not complying with contract, permits, etc.) Specific language we talked about was "revoke or suspend" so the grantee/borrower could correct or we could cancel the grant/loan.

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Items to delegate to other committees:

To Program Implementation Committee:

1. Examine if the one million dollar/grant/year/community and a $1M/loan/year/community in CMI is still appropriate. Site Rec Rules had a cap of $2M/project/year and one project per community. Is the CMI standard what we want to keep? Key issues to discuss include: Can the "project" only receive the specified max or is it the max funding amount during a year (so additional funding could be accessed in the next year). Can more than one community apply for funding on a single project (such as city, county, etc…)? Does the max include all funding (grant + loan) or do we cap a max grant and a max loan (as is done in CMI)? Suggested wording: *Max award of $**x** M per project (or per year). LUGS **may** be limited to only one project per fiscal year. Note: This group meets again on 4/4/14*

To Legislative Committee:

1. Need to modify 19608a so that it applies to **both** grants and loans. Much of this is currently detailed in the Rules for grants. Only a few loan specific items appear in this section and could be addressed as follows:

   Section 19608a(1): Tweak so it is not loan-specific...including changing facility and development requirements to reflect those associated with grants.

   Section 19608a(4)(k): (insert 2 words) For loans, "a resolution from the governing body of the applicant committing to repayment of ……."

2. For grants and loans need to add the following:

   Section 19608a(4)(m): A resolution from the governing body of the applicant including all of the following: a provision that if funding is awarded the project will be undertaken, a provision that the proposed development is consistent with the local development or redevelopment plans, zoning ordinances, or master plan; and the designation of the authorized project representative for the applicant.

To Liability Committee:

1. From Rule 299.5053(n): Funds do not relieve potentially responsible parties from their obligation or responsibility for response activities and do not permit potentially responsible parties to profit from the investment of public funds.
   a. Define "profit:"
   b. Define "relieve PRP from obligation:"
   c. Identify intent and clarify this issue to eliminate misinterpretation