



Brownfield Grants and Loans Aid Redevelopment

Jeff Hukill, Brownfield
Redevelopment Coordinator

***MDEQ Brownfield
Redevelopment
Program***



What is a brownfield?



A piece of property that is known to be contaminated



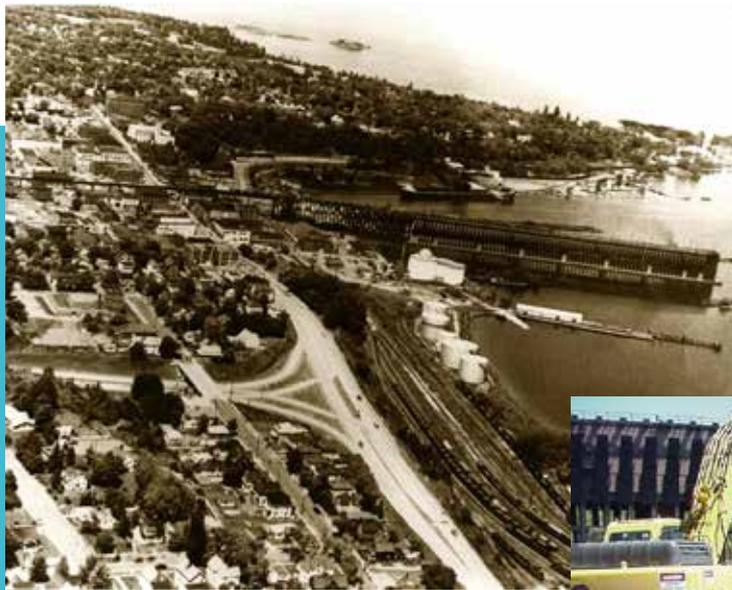
Or suspected to be contaminated based on prior use



What is a brownfield?



Generally excludes residential and agricultural property



Brownfield Projects Near You



Brownfield Projects Near You



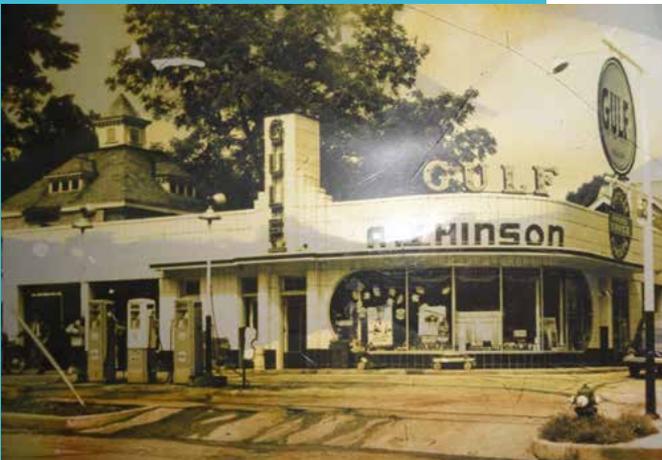
Old Central School, Iron River

Brownfield Staff

- DEQ Brownfield
- DEQ Technical
- MEDC Brownfield
- MEDC Community Development



What tools can I use to redevelop a brownfield?



The Garage, Northville

***MDEQ Brownfield
Redevelopment
Program***

The logo consists of the letters 'R', '4', and 'R' in a bold, sans-serif font. The '4' is yellow, while the 'R's are blue. The letters are set against a white background with a subtle grid pattern and have a slight reflection effect below them.

R4R

Our Role is to Help
Facilitate
Redevelopment on
Brownfield Properties

Leveling the Playing Field



Brownfield Incentives



Grants

Loans

Act 381 Tax
Increment
Financing (TIF)

DEQ Brownfield Incentives

What's Eligible?



- Phase I, Phase II, BEAs
- Due care
- Additional response activities



DEQ Brownfield Incentives

What's Eligible?



Soil Excavation IF:

Excavation is occurring for environmental reasons



DEQ Brownfield Incentives

What's Eligible?



Soil Transport & Disposal IF:

Excavated soils exceed Part 201 criteria



DEQ Brownfield Incentives

What's Eligible?



Demolition IF:

Majority of project (51% of cost) consists of response activities (grants and loans only)



DEQ Grants and Loans



Applicant Annual Limits:

- 1 Grant of up to \$1,000,000
- 1 Loan* of up to \$1,000,000

*Loans:

- 1.5% rate
- 5 years payment & interest free



Old Sullivan Barn, Battle Creek

Who can apply for Grants /Loans?



Only local units of government :

- A county, city, village, or township
- A Brownfield Redevelopment Authority (BRA)
- Another authority created under a county, city, township, or village



Edgewater Transam
Building, Benton Harbor

What is the local role in a grant/loan project?



- Doesn't have to own the property
- Decide what projects are priorities in their communities
- Apply for and administer grant/loan



Lemon Creek Winery
Grand Haven



What is Brownfield TIF?



Tax Increment Financing

It comes from the increase in property taxes paid when a property is redeveloped or improved.



R&B Electronics, Sault Ste. Marie

Brownfield TIF: How It Works



Bridgewater Place, Grand Rapids

- Only a brownfield redevelopment authority can authorize brownfield TIF
- TIF does not exist until the property is improved and the taxes increase
- The developer's property taxes pay back eligible redevelopment costs

Brownfield TIF: How It Works

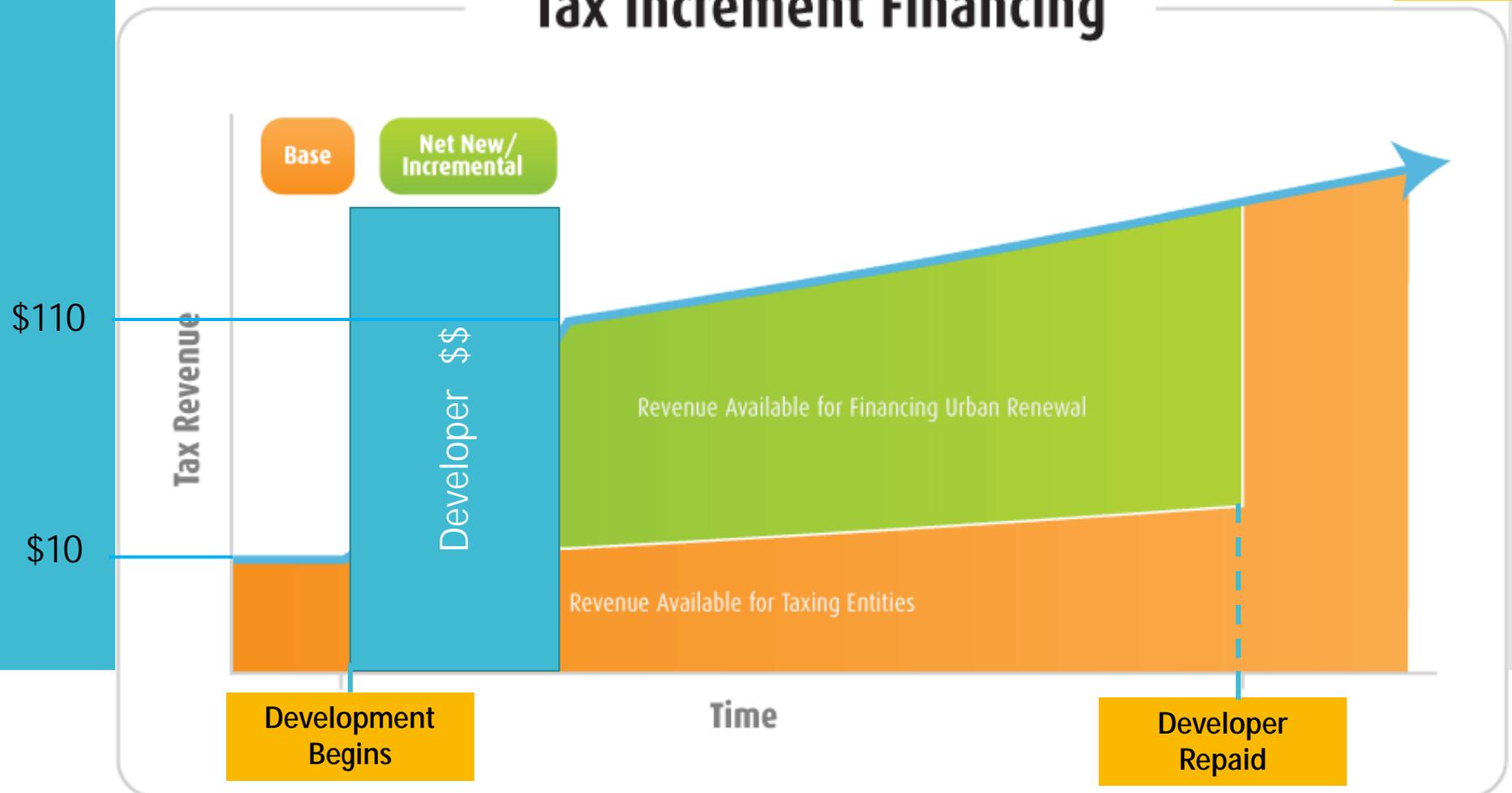


Grand Valley State University downtown GR campus (before and after)

Brownfield TIF: How It Works



Tax Increment Financing



Brownfield TIF: How it works



- Brownfield plan and Act 381 work plan approved and submitted by BRA
- No limits on cost / number of work plans submitted
- TIF repays developer or a brownfield loan



St. Anne Lofts, East Lansing



How do we decide what to fund from which bucket?



Grants

Loans

Act 381 Tax
Increment
Financing (TIF)

How is DEQ funding determined?



- Package may include grant, loan, and/or TIF
- Split between grants / loans negotiated with applicant



Uptown, Bay City

How is DEQ funding determined?



DEQ Grants

- Highest threshold / best projects
- Requires private investment and job creation
- Typically awarded with a loan

Downtown Market
Grand Rapids



How is DEQ funding determined?



DEQ Loans

- Lower threshold as money is returned
- Does not require a development
- Often used in conjunction with TIF



Hotel Indigo, Traverse City

How is DEQ funding determined?



DEQ Act 381 TIF

- Lowest threshold as developer invests their \$\$
- May be used in conjunction with a loan
- Cannot use TIF for grant-funded activities



Rylee's ACE Hardware,
Grand Rapids

Questions?



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