

# Charter Township of Flint

## Building Department

### MEMO

October 16, 2018

To: Economic Development Corporation Board Members

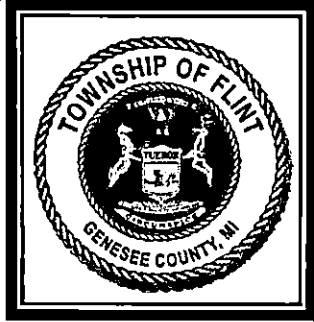
From: Tracey Tucker, Economic Enhancement Director

RE: Projects - Completed and Ongoing Since January 2017

The Charter Township of Flint Board of Trustees has been dedicated to providing for economic development and economic incentives for redevelopment the Township has been able to attract new businesses. The total value of our new commercial investment in 2017 the Township was over \$4.89 million. Our total value for additions and alterations by commercial investors was over \$7.862 million. This is a total of \$12.752 million in new investment in our Township. So far in 2018, our efforts have been making a difference. New commercial investment is at \$1.047 million and reinvestment through additions and alterations is over \$19.85 million for a total of over \$20.897 million.

The Economic Development Department has taken advantage of several incentives and programs to attract investment and to ease the process for investors. The following are just some of the incentives and programs we are involved in to attract investors and developers:

1. Economic Development Corporation
2. Michigan Economic Development Corporation Partner
3. I-69 International Trade Corridor
4. Opportunity Zones
5. Flint Township DDA
6. Bristol Road Corridor Improvement Authority
7. Beecher Road Corridor Improvement Authority
8. Industrial Facilities Tax Exemption Certificates
9. Commercial Rehabilitation Tax Exemption Certificates
10. Brownfield Rehabilitation Authority
11. Redevelopment Ready Certification Process



# **BROWNFIELD REDEVELOPMENT AUTHORITY**

## **POLICIES AND PROCEDURES**

- CHARTER TOWNSHIP OF FLINT  
ECONOMIC DEVELOPMENT CORPORATION  
1490 S Dye Road  
Flint, MI 48532
- Chairman - Don Thompson  
Vice-Chairman - Lawrence Ratliff  
Secretary – Grace Glass  
Treasurer – Ed Burns  
Members –  
Lisa R. Anderson, John Koegel, Karyn Miller,  
Barb Vert, Enrique Rodriguez  
Project Coordinator – Tracey Tucker

# FLINT TOWNSHIP BROWNFIELD REDEVELOPMENT AUTHORITY (FTBRA) POLICIES AND PROCEDURES

## **Introduction**

Brownfields are properties that have been impacted from historical activities and where the expansion, redevelopment, or reuse of the property may be complicated by those historical activities. The Charter Township of Flint (the Township) is dedicated to building a partnership between its citizens, developers and the regulatory authorities in order to return Brownfield properties to active and appropriate reuse. To facilitate this partnership, Brownfield incentives are available in the Township and are provided to assist developers with the extra-ordinary costs of redeveloping impaired properties. The Township encourages anyone developing a Brownfield property in the Township to discuss these incentives with the Flint Township Economic Development Department.

This policy is designed to promote the use of Township Brownfield incentives for projects that will:

1. Incorporate a preference for source control, active remediation, or mitigation;
2. Create full time jobs;
3. Provide an increase in taxable value to the property and a potential beneficial effect in the area that would not have occurred without the incentives; and
4. Use these incentives only after all other sources of funding for eligible activities have been exhausted.

## **Available Incentives**

There are several types of funding incentives that can be used to assist Brownfield redevelopment. These include, among others, tax increment financing, revolving loan funds, low interest loans and grants. All incentives require one or more of the parcels in a project be classified as a "Brownfield" as defined by Public Act 381 of 1996, MCL 125.2651 et. seq. —

The following Brownfield related incentives are currently available through the Township:

- Federal Assistance/Support  
Environmental Protection Agency Loan/Assessment Grant Program
- State Assistance/Support  
Michigan Department of Environmental Quality (MDEQ)  
MDEQ Grants up to \$1 million  
MDEQ Loans up to \$1 million (to be repaid with TIF & requiring full faith and credit of the Charter Township of Flint)

Michigan Economic Development Corporation (MEDC)/Michigan Strategic Fund (MSF)

Community Revitalization Program (CRP) Loan and/or Grant (CRP available to projects in downtowns; loans up to \$10 million; grants up to \$1.5 million)

Business Development Program (BDP) Loan and/or Grant (\$10 million maximum)

Community Development Block Grant (CDBG) Program

- Local Assistance/Support

Brownfield Plans and Act 381 Work Plans-Brownfield TIF  
Tax Abatements

Pursuant to this policy, potential developers may identify Brownfields and apply for local and state Brownfield incentives for redevelopment. The Township will consider each application on a case-by-case basis based on the merits of the particular plan and intended future use of the property. This policy applies only to Brownfield tax increment financing and State of Michigan Brownfield incentives. For information on other incentives, please contact the Flint Township Economic Development Department as listed below.

For Brownfield tax increment financing, the cost of certain eligible activities may be reimbursed through capture of taxes on the increased taxable value resulting from redevelopment. This tax capture can apply to both local and state property taxes. Eligible activities in the Township include:

- Environmental Assessments (e.g., Phase I, Soil and Groundwater Investigations, Baseline Environmental Assessments)
- Response Activities
- Due Care Plans
- Remediation and Engineered Controls
- Demolition
- Pre-demolition asbestos abatement
- Other actions necessary to protect the health, safety, welfare, environment, or natural resources

Interest costs are not considered to be an eligible activity under this policy. However, under extreme circumstances the applicant may attempt to demonstrate to the Township the need for interest to cover a financing gap. Whether or not the applicant successfully demonstrates such a need will be determined at the sole discretion of the Township. In the event that interest is considered eligible, the maximum interest rate or amount of interest will be

determined by the FTBRA.

Applicants are encouraged to obtain approval for school tax capture as appropriate for the eligible activities requested. Local tax capture for eligible activities will be limited to the proportional share that captured local tax mills have to the total property taxes, even in cases where state tax capture is not approved. The exception will be those cases where there is a compelling local interest.

The applicant is responsible for keeping detailed records of all eligible expenses and investments, including purchase orders, invoices, waiver of liens, contracts and records of payment, and for providing these to the Township when requesting the incentive. Final reimbursement will be based on the records provided, and the Township is not responsible for incomplete or inaccurate records.

### **Eligible Projects**

A construction, redevelopment, renovation or reconstruction project can be eligible for Brownfield incentives in the Township if it meets all of the following criteria:

1. The property is located in the Charter Township of Flint;
2. The property is an eligible property as defined by Act 381; and
  - a. For example, it is classified as a facility (as defined Public 451 of 1994, Part 201, or 1994 PA 451, Part 201, MCL 324.20101 et. seq.) by having identified hazardous substance contamination in soils or groundwater that is in excess of the unrestricted residential closure criteria established by the MDEQ, or it is adjacent and contiguous to a facility and the development of the project is estimated to increase the captured taxable value of the parcel that is a facility.
3. The applicant has completed a Phase I ESA prior to purchase, and, if the property is a facility, has, or will, submit a Baseline Environmental Assessment (BEA) to the MDEQ within 45 days of purchase or occupancy.

An eligible project can be considered for Brownfield incentives in the Township if the development will ameliorate threats to public health or the environment that were caused by site conditions through remediation, mitigation or control or redevelopment of an historic resource.

A project cannot be eligible for Brownfield incentives in the Township if it meets any of the following criteria:

1. The applicant is responsible for the hazardous substance contamination identified at the property, or
2. The applicant is not an innocent landowner as defined by Act 381, or
3. The parcel on which development is proposed is not an eligible property as defined by Act 381.

Projects will be evaluated based on, but not limited to, the following criteria:

- Amount of property tax generated
- Amount of investment on a square foot basis
- Job retention, creation and quality
- Location
- Existence of abandoned, blighted or functionally obsolete buildings
- Amelioration of threats to public health or the environment
- Whether the project will provide additional beneficial effects on the surrounding area and the community as a whole.

Eligible projects will be required to submit the following documents to the Township for review. For documents required by MEDC or MDEQ, the Township will submit these to the MEDC and/or MDEQ after review.

- A Brownfield Program Application
- A Brownfield Plan or combined Brownfield Plan/381 Work Plan if school tax capture is requested
- Phase I ESA completed before purchase
- Baseline Environmental Assessment, if applicable
- Reimbursement Agreement

### **Brownfield Plan and 381 Work Plan Submittals**

Applicants may submit a Brownfield Plan, a 381 Work Plan or a Combined Brownfield/381 Work Plan (the Plans). All Plans must be submitted to the Flint Township Economic Development Department. Plans must be written in a font no smaller than 11 point, including all tables and attachments.

Public Act 381 outlines all the necessary information that should be contained in the Plans. However, the Township requires the following additional information be included in each Plan.

- a. The basis for eligibility as a facility under Part 201 of Public Act 451
- b. A map indicating the eligible property and including parcel boundaries and parcel numbers
- c. A map indicating the location and extent of impacts that exceed the unrestricted residential closure criteria established by the MDEQ for soil, if applicable
- d. A map indicating the location and extent of impacts that exceed the unrestricted residential closure criteria established by the MDEQ for groundwater, if applicable
- e. Detailed cost estimates for remediation, mitigation or control methods selected
- f. List of contractors and subcontractors selected for each task
- g. An itemized list for all eligible activities for which reimbursement is being requested, listing any contingency as a separate item
- h. An evaluation of the five-year Internal Rate of Return for the project, including with incentives and without incentives



- i. A separate table for each parcel indicating the annual impact of tax capture on each taxing jurisdiction, and the annual FTBRA administrative fee
- j. Attach the most recent Soils and/or Groundwater Investigation Report or BEA that is the basis for the Brownfield designation.
- k. A statement that the Brownfield Plan duration will be no more than one year beyond the capture period or a maximum of 30 years, whichever is less

Each Plan must include the following in the tax capture calculation:

- The Township requires an annual administrative fee to be paid from tax increment financing. The fee will be 1% of the tax increment captured for each year of capture.

Unless otherwise agreed to in writing by the FTBRA, Plans will expire and no longer be valid if the applicant does not execute a Reimbursement Agreement within one hundred and eighty days of the date the Plan is approved by Township Board of Trustees. To remain eligible for the approved incentives, eligible activities must start within eighteen months of Plan approval, construction must start within two years of the executed Reimbursement Agreement, and construction must be completed within three years of the estimated completion date.

Reimbursement will be adjusted based on actual expenditures on eligible activities and investments, but shall not exceed the total amount listed in the approved Plans, and in no event shall the Plan extend beyond the maximum term allowed by Section 13b(14) of Public Act 381. The reimbursement period will be defined as the number of years required for reimbursement as determined in the Plan. Reimbursement of eligible activities included in the Plan will be provided only during the reimbursement period, regardless of the amount of actual reimbursement provided during that period. Any requests for an extension of the reimbursement period must be provided in writing to the FTBRA one year prior to expiration of the reimbursement period. Tax capture estimates included in the Plans are for illustration purposes only and do not represent actual payments.

### **Brownfield Redevelopment Authority**

The Charter Township of Flint has established a Brownfield Redevelopment Authority (FTBRA). The primary task of the FTBRA is to promote and facilitate the reuse and redevelopment of environmentally impaired, blighted, functionally obsolete, and historic resource properties. The FTBRA is the authority that will review and recommend whether to approve Brownfield incentives in the Township.

### **Contact Information**

The Flint Township Economic Enhancement Director will oversee the implementation of the Brownfield incentives. Applications for any incentives, and any questions or comments, should be directed to the FTBRA at the following address:

Economic Enhancement Director  
c/o Flint Township Economic Development Department  
1490 S Dye Road  
Flint, MI 48532  
(810) 600-3234



## **Application Process**

1. It is recommended that the applicant first contact the Economic Enhancement Director to discuss the project.
2. Submit the Brownfield Program Application Form (copy attached to this Policy) to the Economic Enhancement Director.
3. Schedule an initial project meeting with the Economic Enhancement Director, who will, if you are applying for state tax capture, contact a member of the MEDC Community Assistance Team (CA Team) and/or the MDEQ. The objective of this meeting is to discuss the eligibility of the proposed project and begin the process of considering the applications.
4. A preliminary review of the project will be conducted and, if approved, an invitation to submit a Brownfield Plan will be provided.
5. Submit a Brownfield Plan or combined Brownfield Plan/381 Work Plan to the FTBRA for review and approval (review fee due). For the statutory requirements, A sample Brownfield Plan can be found in Appendix B, Sample G at the following link: <http://www.michiganbusiness.org/cm/Files/Brownfields/Act-381-Guidance.pdf>
6. Attend the FTBRA meeting(s) at which the Brownfield Plan will be considered.
7. A public notice for the public hearing will be placed by the FTBRA in the local paper.
8. Attend the public hearing.
9. If recommended for approval, attend the Flint Township Board of Trustees meeting at which the Brownfield Plan will be considered.
10. If approved, the FTBRA will prepare a Reimbursement Agreement. Please note that projects may also require a Land Improvement Permit and associated proof of financial performance.
11. When eligible activities are completed, submit a reimbursement request to the FTBRA, including invoices and proof of payment, organized by the categories listed in the approved Brownfield Plan or 381 Work Plan (review fee due). Please contact the Economic Enhancement Director for details on the contents of the reimbursement request.

## **Fees**

There is no cost for the initial meeting. There is no fee for submittal of the application. However, due to the additional staff time required to review materials in the Plan, the Township will require a review fee of \$2,500 be paid upon submittal of the Plan. This fee may be subject to future adjustments.



Once processed and approved by the FTBRA, if the Brownfield Plan includes tax increment financing (TIF), an administrative fee of one percent (1%) of the eligible activity expense amount will be assessed and payable prior to the execution of the development reimbursement agreement.

### **Opportunity for Public Involvement and Comment**

The following are times during the incentive process where the public has an opportunity to comment on the potential project:

1. The FTBRA meetings that include review of the Brownfield Plan; and
2. The Public Hearing for consideration of the Brownfield Plan during the Flint Township Board of Trustees review.

### **Schedule**

The approval process for a project that requests all Brownfield incentives (local and state) described in this Policy is typically four to six months, depending on the timing of applications and submittals, completeness of the information provided, and the complexity of the impacts and selected remedies. In general, the Township will make every attempt to complete Township review and approve all incentive requests within two to three months of receipt of an administratively complete application. Please note that review by other agencies is beyond the control of the Township.

Materials must be submitted to the FTBRA fifteen working days before the FTBRA meeting. Minor changes to the submitted documents must be provided to the FTBRA no later than nine business days before the meeting, major changes require the entire Plan be resubmitted. Printed copies of all materials will be provided the FTBRA members five business days prior to the meeting. If changes are made after that period, then the FTBRA retains the right to table the plan to the next meeting.

# Chart 1 – How to Adopt a Brownfield Plan

## FTBRA Reviews -

Does the Brownfield Plan contain all required elements?

NO

Table consideration until an administratively complete Brownfield Plan is presented

YES

Board of Trustees –  
Sets Public Hearing

### Public Notice

At least 10 days prior to the public hearing, provide notice to all taxing jurisdictions informing them about the fiscal and economic implications of the proposed Brownfield Plan

### Board of Trustees

holds public hearing on the date stated and notes all comments and data presented.

### Board of Trustees Reviews –

Does the Brownfield Plan constitute a public purpose?

YES

Board of Trustees  
Adopt the Brownfield Plan by resolution

NO

Deny approval of the  
Brownfield Plan

If school taxes are being captured submit a Work Plan to the MDEQ and/or MSF, as appropriate and include the executed development reimbursement agreement between the Authority and developer.

Submit the Work Plan to the MDEQ for approval.

Submit a Work Plan to MSF for approval of lead & asbestos abatement, demolition, site preparation, and infrastructure activities.