

# BROWNFIELD EDUCATIONAL SEMINAR



**MICHIGAN**  
ECONOMIC DEVELOPMENT CORPORATION  
THE UPPER HAND

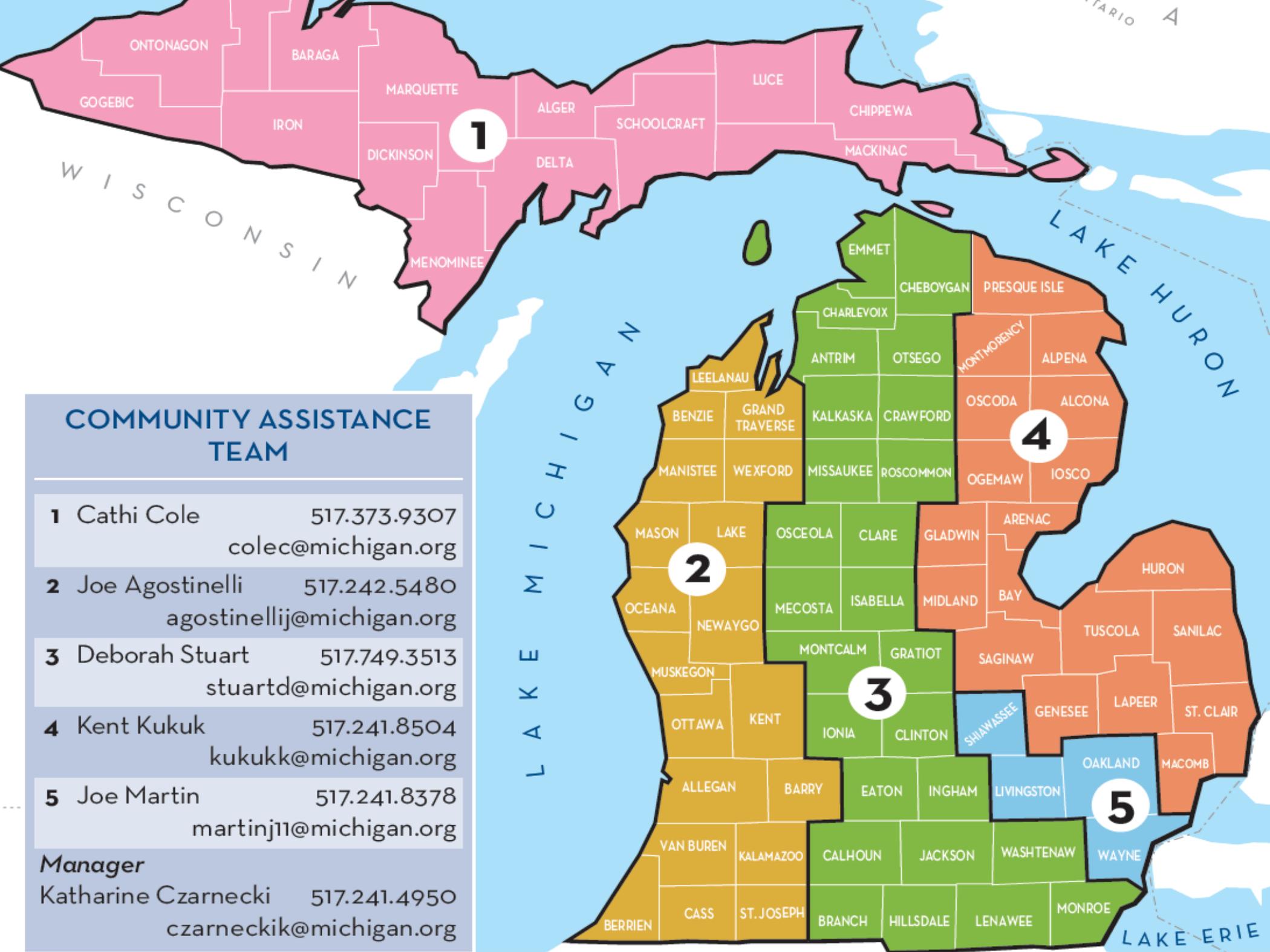


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March 3<sup>rd</sup>, 2009

Joe Martin  
MEDC



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# MEGA Brownfield Program

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- The overall intent of the program is to encourage redevelopment on brownfield sites in the state by promoting (**through tax incentives**) the reuse of contaminated, blighted and functionally obsolete property in our urban areas and other significantly contaminated property throughout the state.

# MEGA Brownfield Guidelines

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- The intent of this program is to have tax increment financing (TIF) capture reimburse the cost difference of developing on a brownfield site as compared to a greenfield site.
- MBT tax credits will also be considered as a tool in addressing such cost differences and risks, and/or other relevant local market conditions. An analysis of market conditions includes, expected return on investment and justification of the ROI versus a non-incented project and other relevant factors.

# MEGA Brownfield Guidelines

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- Locally driven process: Before any State incentives are approved, requires approval of a brownfield plan by Board/Council.
- Local/State Partnership
- MEDC (state) Brownfield incentives will be supported when the host community is a **strong supporter** of the project and host community is making a substantial local financial/fiscal contribution to the project.

# TIF Eligible Activities

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- ▶ **MDEQ** for eligible environmental activities
  - Baseline Environmental Assessments (BEAs), due care and additional response activities
  
- ▶ **MEGA** for eligible non-environmental activities
  - Demolition and lead and asbestos abatement are available statewide.
  - **QLGU (Core Communities)** - Demolition, lead and asbestos abatement, public infrastructure improvements, site preparation, and certain assistance to land banks.

# Brownfield MBT Eligibility

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- ▶ Qualified Local Governmental Units  
“Core-communities”
  - Facility
  - Functionally Obsolete
  - Blighted
- ▶ Other areas in the state must qualify as facility (with one exception)

# Brownfield MBT Tax Credits

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- ▶ Mini Credit and Small Credit = Eligible Investment up to \$10,000,000
- ▶ Large Credit = Eligible Investment greater than \$10,000,000
  - ▶ 20 Total Projects
  - ▶ 3 Non-core community, with 1 non facility.
  - ▶ 1 Jumbo Credit = Eligible Investment greater than \$100,000,000

## 2008 Accomplishments -Statewide

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- ▶▶ Approved 74 MBT (credit) projects and 31 (TIF) Work Plans
- ▶▶ \$1,725,551,725 in MEGA eligible investment
- ▶▶ Approved all 20 Large MBT credits
- ▶▶ Approved \$39,065,405 Small/Mini credits
- ▶▶ Approved \$228,305,272 in local and school tax capture

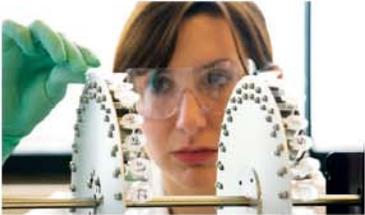
## Accomplishments –Wayne/Oakland

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- ▶▶ **72 Work Plans Approved Since 2001**
  - ▶▶ 37 in Detroit (\$285,977,423 in School and Local Capture Authorized)
  - ▶▶ 35 in Metro (\$204,910,072 in School and Local Capture Authorized)
  
- ▶▶ **153 MBT Credits issued by MEDC since 2001**
  - ▶▶ **108 Projects in Detroit:** Eligible Investment = \$3.2 Billion
    - ▶▶ Completed Investment = apprx. \$700 Million
  - ▶▶ **45 in Metro:** Eligible Investment = \$2.2 Billion
    - ▶▶ Completed Investment = apprx \$390 Million



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# Questions