

## BROWNFIELD REDEVELOPMENT OVERVIEW

Brownfield redevelopment is not a tax abatement, exemption or loan. It is a means of identifying property which is less desirable than so-called “greenfield” properties because of contamination, or suspected contamination. In certain “core communities,” such as Escanaba, Brownfields can include property which is functionally obsolete or blighted, rather than contaminated. Brownfield designation, along with the required PA 381 plan, allows a property owner to be reimbursed for certain eligible expenses. This reimbursement money basically comes from property taxes paid by developers of Brownfield redevelopment properties over a period of years.

Brownfield redevelopment is overseen by a Brownfield Authority as designated by the Escanaba City Council. The Authority may review properties for possible inclusion in the city’s Brownfield Redevelopment Plan, review Act 381 plans presented by potential developers for possible inclusion in the city’s plan, approve and recommend adoption of such plans by council, arrange financing through grants, loans and TIF (tax increment financing) and any other functions defined in the Act.

Inclusion in the City’s Brownfield Plan as an eligible property may be initiated by the Brownfield Authority or by the request of a potential developer. Either method can begin the process of rating and prioritizing a property. The Brownfield Authority may adopt a system for rating potential Brownfield sites that complement the city’s Comprehensive Plan and consider development needs.

An Act 381 plan includes site identification, site activities to be undertaken, costs, pre-improvement taxable value and those activities for which the developer will be reimbursed through the Authority. The plan also projects estimated taxable value of the completed development and the amount of taxable value eligible to be captured under TIF. The 381 plan must comply with the legislation.

After notice to all local taxing entities, followed by a public hearing for council to approve the plan, based on pre- and post-improvement taxable value, a 381 plan may capture all local taxes except K-12 school taxes under TIF without the approval of the MDEQ. The means for approval of the capture of school taxes is outlined by the MDEQ.

Captured taxes may be used to reimburse a developer for certain approved eligible activities, to repay loans or bonds and to finance the activities and administration of the Authority.

Limited grants and loans with very specific requirements regarding contamination are available through the federal government and through the State of Michigan. MDEQ funds include low-interest loans with deferred payments of principal and interest for 5 years. Under federal guidelines, Brownfields involve the potential presence of a hazardous substance, pollutant or contaminant.

Under MDEQ, the term “facility” as applied to Brownfields has a very specific meaning: an area, place or property where a specific concentration of a hazardous substance in excess of certain requirements has been determined to exist. In a core community, such as Escanaba, a Brownfield may be blighted or functionally obsolete without being a facility.

Determination of the presence of a hazardous substance is made in several steps: Phase I Environmental Site Assessment, Phase II Environmental Assessment and Baseline Environmental Assessment.

Phase I ESA determines the likelihood through analysis of the history of the property without material sampling. Phase II ESA determines if conditions suspected in Phase I are present. BEA evaluates conditions at the site and provides a protective barrier between property owner and a potential new property owner from existing contaminants.

Developer expenses which may be reimbursed by a Brownfield Authority include environmental assessments, demolition, lead and asbestos abatement, infrastructure improvements, paving, curbs and gutters, site preparation, etc. Some expenses to be considered for reimbursement may have certain criteria attached to them. Brownfields are not one-size-fits-all.

### ***Suggestions for Potential Brownfield Applicants***

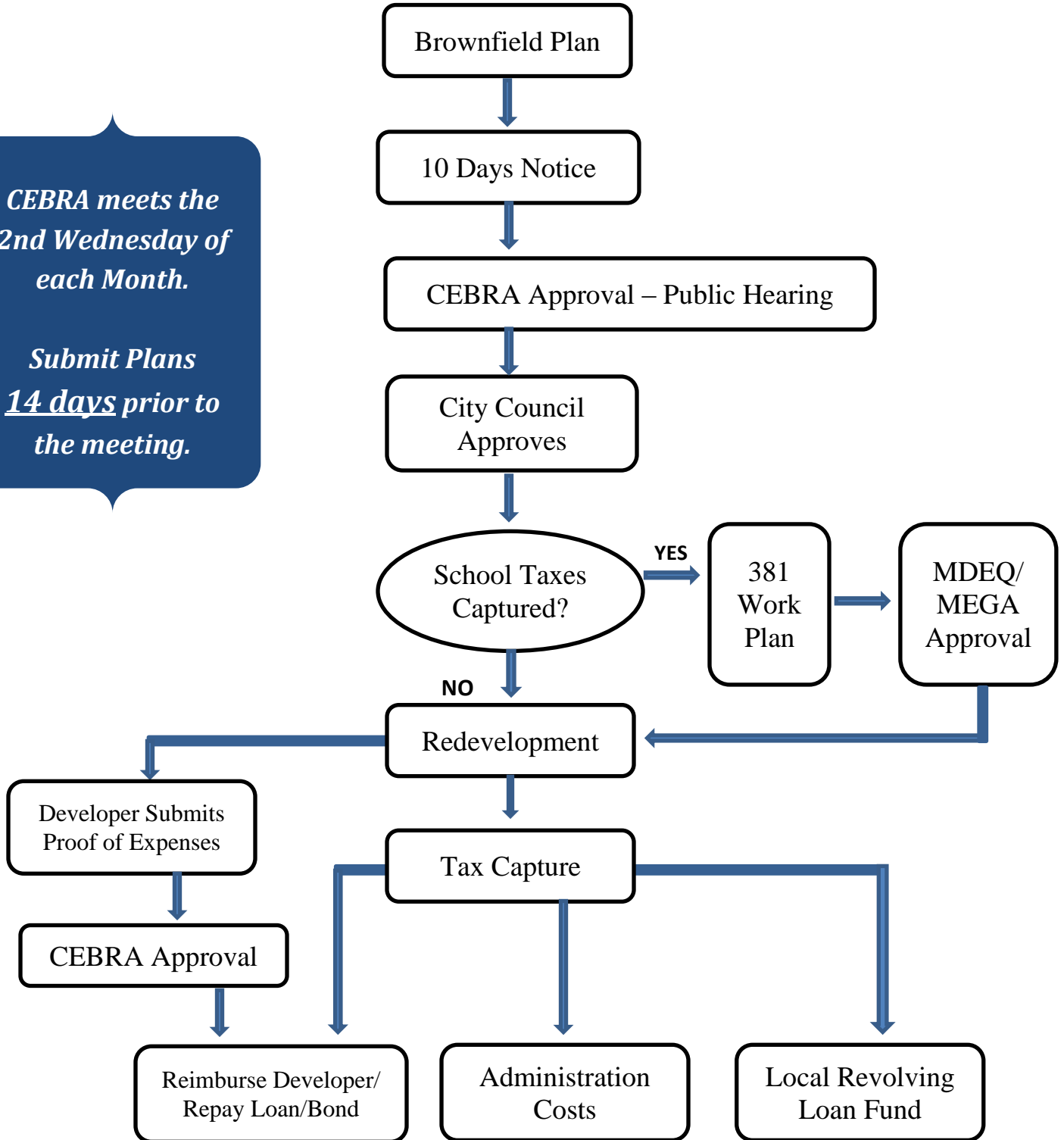
If you are considering purchasing property which may be contaminated and/or which you believe may qualify for inclusion in the City of Escanaba's Brownfield Redevelopment Plan, there are some precautionary steps you should take:

1. If there is any possibility of contamination, you should not take possession of the property by any means - lease or conveyance through deed or land contract or by moving equipment and materials to the site. You will want to establish a protective barrier between existing contamination and yourself prior to taking possession of this property. You may enter into a purchase agreement without actually closing on the purchase.
2. You may wish to begin the process to determine and measure the existence of contamination - Phase I ESA; Phase II ESA; BEA - studies and measurements that may be made by environmental specialists as needed.
3. You may present a request to the City of Escanaba Brownfield Redevelopment Authority for inclusion in the city's plan (see form on reverse)
4. You may apply for reimbursement of allowable expenses through the Brownfield Redevelopment Authority through preparation of a PA 381 plan. This step will require a formal plan and must be approved by both the Brownfield Redevelopment Authority and City Council.

**Act 381 (Brownfield) Plan Process**

*CEBRA meets the 2nd Wednesday of each Month.*

*Submit Plans 14 days prior to the meeting.*



## Potential Brownfield Parcel Information

### 1. Applicant Info:

Name:	Date:	Phone:
Address:		Email:

### 2. Owner Info: (if not applicant)

Name:	Phone:
Address:	Email:

### 3. Property Information

Parcel ID:	Property Address:
Legal Description:	
Historical Use:	
Proposed Use:	

### 4. Buildings/Improvement Information

Describe Buildings & Improvements:	Age of Building(approximate):
	Will there be demolition?:
Historical Use:	Can building be used in current state?:

### 5. Brownfield Information

Is the building functionally obsolete?
Is the site blighted? Can it be occupied in its current state?
Is there reason to believe the site may be contaminated?

## **Reimbursement Payment Policy**

The City of Escanaba Redevelopment Authority (CEBRA) is authorized by P.A. 381 of 1996 to reimburse qualified developers of Brownfield projects for certain pre-approved expenses. Funds for reimbursement are derived from a portion of the annual property taxes captured on each individual approved plan. CEBRA hereby adopts the following policies to authorize the City Controller's office to continue to make necessary payments after initial payment requests are approved by CEBRA, without explicit approval for each payment. Reimbursement amounts not previously officially approved by CEBRA will continue to require review and approval at a public meeting of the Authority.

- In order to qualify for any reimbursement, a project must have prior CEBRA designation as an approved plan and must have been added to the City's development plan by City Council. No reimbursements can be made which would result in total reimbursements to date exceeding CEBRA reimbursement approvals as included in an individual plan.
- Each October 1<sup>st</sup> and March 1<sup>st</sup>, the City Controller will review the tax records of all approved Brownfield plans. If no tax payments were made between the date of the most recent review and the current review, no reimbursements will be made on that plan. Reimbursement payments will not be made while property taxes are delinquent.
- If tax payments have been received during the period under review, the City Controller's office will calculate the amount of the reimbursement due to the taxpayer. In no case can the current reimbursement calculation, when added to all previous reimbursements, exceed the CEBRA-approved reimbursement, even if the approved plan limit is greater than the specific reimbursement amount approved by CEBRA.
- After individual reimbursements have been calculated for all approved and eligible plans, the City Controller's office will make every reasonable effort to prepare reimbursement checks by November 1<sup>st</sup> and April 1<sup>st</sup>, respectively.
- The City Controller's office will be responsible for maintaining the records used in determining reimbursement calculations. As reimbursement checks are calculated and prepared, these records will be updated as required.

**Plan Amendment Policy**

The City of Escanaba Brownfield Redevelopment Authority (CEBRA) is authorized by P.A. 381 of 1996 to review and adopt Brownfield plans for various projects that meet the requirements of the Act allowing reimbursement to qualified developers of Brownfield projects for certain pre-approved expenses. CEBRA also has the authority to adopt amendments to those plans within certain limitations.

CEBRA hereby adopts the following guidelines and policies for developers or property owners to follow when requesting an amendment to previously approved plans.

- No plan amendment request will be considered after completion of the project(s) delineated in the original plan.
- Amendment requests involving abatement or containment of environmental issues, including demolition costs, plan amendments, hauling and disposal of contaminated materials, etc., may be considered at any time prior to completion of the total project.
- Amendment requests for additional unanticipated allowable non-environmental expenses or for increasing the scope or size of the project may be considered only before work on that portion of the project is completed.
- All plan amendment requests must be made in writing to the City of Escanaba Brownfield Redevelopment Authority and must include documentation of all additional expenses, revised plan drawings showing increased scope or size (where appropriate), and revised tables and reimbursement schedules.
- Amendments to Brownfield plans will be considered at a public hearing of CEBRA. If the plan amendment is adopted, CEBRA will recommend final approval to Escanaba City Council at its next regularly scheduled meeting.

Adopted by CEBRA June 16, 2010.