

A RESOLUTION ADOPTING THE BROWNFIELD REDEVELOPMENT PLAN FOR  
WASHTENAW COUNTY

WASHTENAW COUNTY BOARD OF COMMISSIONERS

October 18, 2000

WHEREAS, the Washtenaw County Board of Commissioners established the Washtenaw County Brownfield Redevelopment Authority (Res. 99-0110), which prepared a Brownfield Redevelopment Plan to facilitate the implementation of plans for the sustainable redevelopment of sites designated as brownfields;

WHEREAS, on August 2, 2000, the Washtenaw County Board of Commissioners set a hearing to receive comment on the adoption of the proposed Brownfield Plan and on September 6, 2000, held this hearing;

WHEREAS, pursuant to the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of the State of Michigan of 1996, As Amended, the governing body (i.e., Board of Commissioners) shall determine whether the plan constitutes a public purpose and in making such a determination shall approve or reject the plan;

WHEREAS, on August 14, 2000, the Board of Directors of the Brownfield Redevelopment Authority voted to recommend that the Board of Commissioners approve the adoption of the Brownfield Redevelopment Plan, as proposed;

WHEREAS this matter has been reviewed by the County Administrator's Office, the Finance Department, Human Resources, Corporation Counsel, and the Ways & Means Committee

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby adopts the Brownfield Redevelopment Plan for Washtenaw County, as attached hereto and made a part hereof;

BE IT FURTHER RESOLVED that the Board of Commissioners determines that the Brownfield Redevelopment Plan constitutes a public purpose.

**PROPOSED  
BROWNFIELD REDEVELOPMENT PLAN**

**WASHTENAW COUNTY  
BROWNFIELD REDEVELOPMENT AUTHORITY**

**WASHTENAW COUNTY, MICHIGAN**

**October 16, 2000**

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**PROPOSED BROWNFIELD REDEVELOPMENT PLAN  
WASHTENAW COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY**

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**PROPOSED BROWNFIELD REDEVELOPMENT PLAN  
WASHTENAW COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY**

*GLOSSARY OF TERMS*

**Blighted and Functionally Obsolete Properties** – Includes blighted properties that have been declared a public nuisance according to local building codes, an attractive nuisance to children in its physical condition, a fire hazard or otherwise dangerous to people or property, have been disconnected from necessary utilities making it unfit for its intended use, or tax-reverted property. Also includes functionally obsolete properties that can no longer be used for its intended use based on overcapacity, changes in technology, deficiencies in design, or other similar factors.

**Brownfield Plan** – A plan prepared by the local brownfield redevelopment authority and adopted by the local governing body that meets the requirements of Section 13 of the Michigan Brownfield Redevelopment Financing Act, P.A. 381 of 1996, as amended. Such plans generally describe the responsibilities and priorities of the local brownfield redevelopment authority and outline how tax increment financing and other incentives will be used to support the costs of eligible activities for specific redevelopment projects.

**BRA** - Brownfield Redevelopment Authority.

**Capture of Tax Increment Revenues** – Collection of the annual amount by which the current taxable value of an eligible property subject to a brownfield plan exceeds the property's initial taxable value or base year value after redevelopment. Such revenues may be collected by the BRA annually to support the costs of eligible activities under the adopted brownfield plan.

**DEIS** – Washtenaw County Department of Environment and Infrastructure Services.

**Due Care Activities** – Means those environmental response activities identified as part of a site-specific brownfield plan that are necessary to allow the owner or operator of an eligible property in the plan to comply with the requirements of Section 20107(a) of Part 201 of the Natural Resources and Environmental Protection Act, P.A. 451 of 1994, as amended.

**Eligible Activities** – Includes one or more of the following: baseline environmental assessment, due care, and additional response activities. In qualified local governmental units also includes infrastructure improvements that directly benefit eligible property, demolition of structures and site preparation that is not a response activity under Part 201 of the Natural Resources and Environmental Protection Act, P.A. 451 of 1994, as amended, and lead or asbestos abatement.

**Eligible Properties** – Includes properties that are “facilities” with evidence of environmental contamination that exceeds the State of Michigan’s Generic Residential Cleanup Criteria as defined by Part 201 of the Natural Resources and Environmental Protection Act, P.A. 451 of 1994, as amended. May include adjacent or contiguous parcels if the development of such parcels is estimated to increase the taxable value of the property that is a “facility” and is subject to a brownfield plan. In qualified local governmental units also includes blighted and functionally obsolete properties. In Washtenaw County, must be located in a participating municipality.

**Facility** – Any area, place, or property where a hazardous substance in excess of the clean-up criteria for unrestricted residential use has been released, deposited, disposed of, or is otherwise located, as defined by Section 20101 of Part 201 of the Natural Resources and Environmental Protection Act, P.A. 451 of 1994, as amended.

**Local Site Remediation Revolving Fund** – A local revolving fund capitalized by tax increment financing revenues collected by the local brownfield redevelopment authority for up to five years after project reimbursement obligations are satisfied for a specific brownfield redevelopment project. Funds may be utilized to support eligible activities on other eligible properties under jurisdiction of the local brownfield redevelopment authority.

**LUG** – Local unit of government.

**MDEQ** – Michigan Department of Environmental Quality.

**MEGA** – Michigan Economic Growth Authority.

**Member Municipality** – Municipality whose local governing body has adopted a resolution of support to be included within the jurisdiction of the Washtenaw County Brownfield Redevelopment Authority.

**NREPA** – National Resources Environmental Protection Act, P.A. 451 of 1996, as amended.

**Obsolete Property** – Includes either blighted or functionally obsolete properties as defined by the Obsolete Property Rehabilitation Act, P.A. 146 of 2000, as amended, as well as properties that are facilities as defined by Part 201 of the Natural Resources and Environmental Protection Act, P.A. 451 of 1996, as amended.

**Participating Municipality** – Municipality whose local governing body has adopted a resolution of support to be included within the jurisdiction of the Washtenaw County Brownfield Redevelopment Authority.

**Qualified Local Governmental Units** – Under the Obsolete Property Rehabilitation Act, P.A. 146 of 2000, as amended, meets certain demographic and socio-economic conditions to be eligible for this “core communities” designation. Such a designation allows for the use of additional incentives to support brownfield and other redevelopment activities within such communities.

**SBT** – Single Business Tax.

**Site-Specific Brownfield Plan** – Detailed plans that are prepared and adopted for specific redevelopment projects and include a description of the proposed land use and site redevelopment plan, environmental or other redevelopment issues of concern, a proposed plan for conducting eligible activities, the projected amount of private investment and resulting tax increment revenues, the anticipated cost of eligible activities, and the method and schedule by which tax increment financing revenues will be utilized to support such costs.

**Tax Increment Financing Revenues** – Means the amount of ad valorem property taxes and specific taxes attributable to the application of the levy of all taxing jurisdictions upon the captured taxable value of each parcel of eligible property subject to a brownfield plan after redevelopment and including personal property located on that property.

**TIF** – Tax Increment Financing.

**WCBRA** – Washtenaw County Brownfield Redevelopment Authority.

## **WASHTENAW COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY PROPOSED BROWNFIELD REDEVELOPMENT PLAN**

### *INTRODUCTION*

The Washtenaw County Board of Commissioners unanimously approved the creation of the Washtenaw County Brownfield Redevelopment Authority (WCBRA) on May 19, 1999 in accordance with the Michigan Brownfield Redevelopment Financing Act, Public Act 381 of 1996, as amended. The WCBRA was established to facilitate the redevelopment of environmentally contaminated and underutilized properties located within participating municipalities through the use of tax increment financing and other incentives authorized by Act 381, as amended. Pursuant to this Act, the WCBRA is required to develop a Brownfield Plan to establish its project priorities and guide its implementation activities, in cooperation with its participating municipalities and subject to approval by the Washtenaw County Board of Commissioners.

This Brownfield Plan (the Plan) has been compiled to fulfill the requirements of Section 13 of Act 381, as amended, and describes the roles and responsibilities of the WCBRA, its ability to utilize tax increment financing to support eligible activities under the Plan, its brownfield redevelopment project priorities, and procedures for amendment of this Brownfield Plan. The Plan also describes the availability of single business tax credit incentives for redevelopment projects.

#### *1.0 THE BROWNFIELD REDEVELOPMENT AUTHORITY*

The Washtenaw County Brownfield Redevelopment Authority (WCBRA) was established on May 19, 1999 by a unanimous vote of the Washtenaw County Board of Commissioners in accordance with the Michigan Brownfield Redevelopment Financing Act, Public Act 381 of 1996, as amended. The WCBRA was granted authority to facilitate brownfield redevelopment projects within the Brownfield Redevelopment Zone defined to include any municipality within the Washtenaw County limits interested in participating in this program.

To assist implementation of this program, the Washtenaw County Board of Commissioners appointed members to serve on the Board of Directors for the WCBRA. The Board of Directors is comprised of one member from each of the following representation categories: Washtenaw County Board of Commissioners, Washtenaw County Administration, County-wide Development Organization, County Municipality with an existing local BRA, Development, Non-Profit Community Organization, and a Non-Profit Environmental Organization. In addition, there are two General Public representatives who serve on the WCBRA Board of Directors. A copy of the WCBRA by-laws is provided in Appendix A of this Plan and is also available on the WCBRA website at <http://www.co.washtenaw.mi.us/depts/EIS.HTM>.

### **1.1 Mission and Purpose**

The WCBRA mission is to “*use the incentives of Public Act 381 of 1996, as amended, to facilitate the redevelopment of previously developed sites, in a manner that protects public health and safety, consistent with the community’s commitment to sustainability and its vision for the future*”. In general terms, the WCBRA will utilize the **laws**, tools and incentives available under the State of Michigan’s Brownfield Redevelopment Program to encourage and support the redevelopment of underutilized and environmentally contaminated properties in partnership with member communities in Washtenaw County.

This Brownfield Plan is intended to outline how the WCBRA will administer the County’s Brownfield Redevelopment Program and utilize the various incentives authorized by Act 381, as amended, and its related Acts to support specific brownfield redevelopment projects in local communities in Washtenaw County. The WCBRA strategic role in facilitating brownfield redevelopment initiatives includes, but is not limited to, the following responsibilities and activities:

- Promoting the reuse of established residential, commercial, industrial, and other underutilized sites while providing a mechanism for the assessment and remediation of environmentally contaminated properties.
- Working in cooperation with local municipalities, to identify priority projects and target areas, to utilize and to develop, review, and approve redevelopment and project financing plans.
- **Assuring that all member communities are informed, regarding the range of cleanup standards and methods for site remediation.**
- Providing developers with access to redevelopment incentives pursuant to Act 381, as amended, to assist in positioning brownfield redevelopment projects to be more market competitive with traditional development projects.
- Assisting in securing public and private financing for redevelopment projects.
- Supporting countywide efforts to enhance the local tax base while increasing job creation and retention opportunities.
- Assisting member communities with the facilitation of brownfield redevelopment projects, while limiting the duplication of services, supporting cooperative land use and development planning, and allowing potential preservation of greenfields with the concurrent redevelopment of brownfields.

## **1.2 Local Municipal Participation**

The WCBRA is authorized to facilitate brownfield redevelopment projects only within those local municipalities that have adopted local resolutions indicating their interest in participating in Washtenaw County's Brownfield Redevelopment Program. The following local municipalities have adopted such resolutions allowing the WCBRA to facilitate redevelopment projects within their local jurisdictions.

Cities: Saline and Ypsilanti.

Townships: Ann Arbor Charter, Bridgewater, Lima, Lodi, Manchester, Pittsfield Charter, Scio, Sharon, Superior Charter, York Charter, and Ypsilanti Charter.

Villages: Chelsea and Dexter.

A map showing the locations of these participating municipalities within Washtenaw County is provided in Appendix B. The WCBRA anticipates that additional municipalities will join the WCBRA as participating member communities, as the benefits and opportunities for local revitalization initiatives that are available through the WCBRA become more widely known and understood.

## **1.3 Project Selection Guidelines**

The WCBRA will utilize the following project selection guidelines to evaluate project applications for potential participation under the Washtenaw County Brownfield Redevelopment Program. Each of the following guidelines is of equal importance and the numerical listing is not intended to indicate a priority ranking.

- 1.3.1 The proposed project is located on a site that meets the definition of an "eligible property" as defined by Section 2(m) of Act 381, as amended.
- 1.3.2 The proposed project is located within a participating municipality.
- 1.3.3 The proposed redevelopment for the subject property is consistent with the master plan, zoning ordinance, and community and economic development goals of the local municipality participating in the WCBRA.
- 1.3.4 The existing character of the subject property is such that redevelopment activities would be limited or prohibited without the provision of assistance through Act 381, as amended.
- 1.3.5 There is evidence that the project applicant has made a commitment to maximize the use of all other available private and public funding sources, as determined in consultation with the WCBRA.

- 1.3.6 A fiscal analysis demonstrates that the required eligible activities can be satisfactorily completed within the available resources under this program. Supplemental funding sources, such as grants or loans, may be utilized to complement the financial resources available for proposed projects, and are encouraged.
- 1.3.7 The project applicant must provide evidence of a firm commitment with a demonstration of sufficient experience, financial resources, and development capabilities to implement the proposed redevelopment project.
- 1.3.8 The proposed project site has adequate access to the necessary public infrastructure and utilities needed to serve the proposed redevelopment project, as determined in consultation with the participating municipality.
- 1.3.9 The proposed project is located within priority brownfield redevelopment areas as may be determined in consultation with the WCBRA participating municipality.
- 1.3.10 The WCBRA may consider other related factors applicable to a specific project or participating municipality as part of the process of evaluating proposed projects for potential participation in the Washtenaw County Brownfield Redevelopment Program.
- 1.3.11 The WCBRA may elect to designate funds to initiate eligible activities on a project site in an effort to facilitate interest in selected redevelopment properties, if consistent with the goals, objectives, and desires of the local member municipality. This may include use of the Local Site Remediation Revolving Fund as described in Section 2.2 of this Plan.

#### **1.4 Project Application and Review Procedures**

The WCBRA will coordinate the review of proposed brownfield redevelopment projects in collaboration with the affected local municipality. Project applicants will be required to submit a completed project application form to initiate the WCBRA review process. A copy of the current application form is provided in Appendix C of this Plan and may be revised as needed to provide for a comprehensive and efficient project review process. The application form is also available on the WCBRA website at <http://www.co.washtenaw.mi.us/depts/EIS.HTM>.

The WCBRA will solicit input from the local municipalities early in the project application and review process to ensure that potential projects meet local development goals and objectives. Applicants are invited to submit copies of the completed application form to the WCBRA, and the WCBRA will forward a copy to the applicable member municipality. The WCBRA will consider local municipal support when initiating review and planning procedures for individual projects.

The WCBRA recognizes the importance and fiscal implications of timeliness for development review procedures and is committed to streamlining its review and approval procedures, in cooperation with the local municipalities, to the maximum extent feasible. Upon approval of the project application, the WCBRA and/or its staff will develop a timeline for each project in consultation with the local municipality and project applicant. As part of this effort, the WCBRA will work to coordinate its review and approval schedules with the development permitting processes required by the local municipality. For example, the WCBRA will coordinate its review schedules with those of the local planning commission, zoning board of appeals, local governing bodies, or other development review authorities to ensure that all reviews are processed in a timely manner.

## *2.0 TAX INCREMENT FINANCING INCENTIVES*

In July 1996, the State of Michigan enacted legislation to provide local communities with a comprehensive set of financial incentives to assist in the redevelopment and cleanup of environmentally contaminated properties. The Michigan Brownfield Redevelopment Financing Act, Public Act 381 of 1996, as amended, allows communities to establish local Brownfield Redevelopment Authorities that are responsible for developing and implementing brownfield plans to establish goals and priorities for these redevelopment activities. In general terms, these brownfield plans describe how an Authority will capture the increase in property taxes from the redevelopment of an environmentally contaminated site in order to support the costs of “eligible activities” on “eligible properties”.

Act 381 was amended in June 2000 by Public Act 145 of 2000, which expanded the level of incentives and opportunities for local brownfield redevelopment authorities in administering their programs and activities and facilitating local brownfield redevelopment projects. This section of the WCBRA Brownfield Plan is intended to provide an overview of how tax increment financing can be utilized by the WCBRA according to the provisions of Act 381, as amended, to support redevelopment initiatives in Washtenaw County.

In general terms, the Act allows local brownfield redevelopment authorities to collect or “capture” the increase in tax revenues resulting from a redevelopment project to support the upfront costs of environmental assessment, clean-up, or other eligible activities needed to prepare the eligible project site for redevelopment. The tax increment revenues may be used to reimburse the developer for these upfront costs or the local authority may secure financing to support these costs and utilize the tax increment revenues for loan or bond repayment. Projects must be included within an adopted brownfield plan to be eligible to utilize these tax increment revenues.

The tax increment revenues may only be used to support certain “eligible activities”. Act 381, as amended, defines “eligible activities” to include one or more of the following: baseline environmental assessment activities, due care activities, and additional environmental response activities. Act 145, as amended, expands the definition of “eligible activities” for qualified local governmental units to also include

infrastructure improvements that directly benefit eligible property; demolition of structures and site preparation that is not a response activity under Part 201 of the Natural Resources Environmental Protection Act (NREPA), Public Act 451 of 1994; and lead or asbestos abatement. In Washtenaw County, the Cities of Ann Arbor and Ypsilanti are the only communities designated as qualified local governmental units. This designation is further discussed in Section 2.3 of this Plan.

Tax increment revenues may also only be used to support eligible activities on “eligible properties”. Act 381, as amended, defines “eligible property” as a “facility” as that term is defined in Section 20101 of Part 201 of the NREPA, Public Act 451 of 1994, as amended. In the case of county brownfield plans such as this Plan, eligible properties must be located within a participating municipality that has adopted a resolution of support to be included within the jurisdiction of the county Authority. Eligible property may include adjacent or contiguous parcels if the development of the adjacent or contiguous parcel is estimated to increase the captured taxable value of the facility for which eligible activities are proposed under a brownfield plan. Eligible property shall include personal property located on the facility, to the extent included in the adopted brownfield plan. Act 145, as amended, expands the definition of “eligible properties” in qualified local governmental units to also include blighted and functionally obsolete properties. As noted previously, the Cities of Ann Arbor and Ypsilanti are the only communities in Washtenaw County designated as qualified local governmental units.

### **2.1 Intent to Capture Property Taxes for Plan Purposes**

The concept of tax increment financing is based on the premise that tax revenues generated from new property developments and improvements to existing properties can be "captured" and utilized by a local brownfield redevelopment authority to finance eligible activities on eligible properties to support and encourage private redevelopment investments and the cleanup of environmental contamination.

Act 381, as amended, defines “captured taxable value” as the annual amount by which the current taxable value of an eligible property subject to a brownfield plan exceeds the property’s initial taxable value or base year value after redevelopment. The “initial taxable value” is defined as the taxable value of an eligible property identified in and subject to a brownfield plan at the time the resolution adding that eligible property to the brownfield plan is adopted, as shown by the most recent assessment roll for which equalization has been completed at the time the resolution is adopted. The initial taxable value can be the taxable value of all real and personal property in the eligible property, as equalized by the state. However, certain real and personal property may be subject to various tax exemptions and/or abatements.

Tax increment revenues eligible for capture include all local and state ad valorem property taxes and other specific taxes with the exception of the following:

- Ad valorem property taxes specifically levied for the payment of principal and interest on either obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit, and specific taxes attributable to those ad valorem property taxes; and
- Ad valorem property taxes or specific taxes captured by a downtown development authority, tax increment finance authority, or local development finance authority if those taxes were captured by these other authorities on the date that eligible property became subject to a brownfield plan.

Under Act 381, as amended, municipalities may establish one or more authorities that will develop and implement plans for the redevelopment of brownfield properties. These brownfield plans identify the eligible properties for which an Authority will conduct eligible activities and capture taxes to reimburse the costs of such eligible activities. As specific redevelopment projects are identified, a brownfield plan may be amended to include those projects.

To utilize tax increment financing, the WCBRA must prepare a brownfield plan for submittal to the Washtenaw County Board of Commissioners for approval by resolution following certain public notice and hearing requirements as set forth in Act 381, as amended. This Act also mandates that following approval of the plan, the municipal and County treasurers must transmit to the WCBRA that portion of the tax levy of all taxing jurisdictions paid each year on real and personal property and specific taxes on the eligible properties on the captured taxable value. Such funds are tax increment revenues and may be utilized to support the costs of eligible activities pursuant to Act 381, as amended.

The WCBRA may capture local and/or state property taxes (for both real and personal property), including taxes levied for school operating purposes, and specific taxes as authorized by Act 381, as amended, resulting from the increased taxable value of eligible properties over the taxable value of these properties prior to the year the eligible property is added to this Brownfield Plan. The WCBRA may elect to utilize these tax increment revenues to support the costs of a variety of eligible activities, including baseline environmental assessments, due care activities, and additional response activities. The preparation of a baseline environmental assessment also includes the preparation of Phase I and II environmental site assessment reports.

If a site-specific brownfield plan (see Section 4.2) includes the capture of school operating taxes to support the costs of these environmental assessment and remediation activities, the Michigan Department of Environmental Quality (MDEQ) must approve work plans for performing baseline environmental assessments, due care activities, and/or additional response activities. If school operating taxes are not captured to support these project costs, then the WCBRA has the authority to approve work plans for such activities.

The WCBRA may capture tax increment revenues from eligible properties to support the cost of relocation of public buildings or operation for economic development purposes with prior approval of the Michigan Economic Growth Authority (MEGA).

The WCBRA may also capture tax increment revenues from eligible properties located within the boundaries of qualified local governmental units, as authorized by Act 145, to support the cost of other eligible activities, including infrastructure improvements that directly benefit eligible property; demolition of structures and site preparation that is not response activity under Part 201 of the NREPA, Public Act 451 of 1994, as amended; and lead or asbestos abatement. These redevelopment activities do not necessarily need to address environmental contamination issues.

If a site-specific brownfield plan includes the capture of school operating taxes for these additional eligible activities, MEGA must approve a work plan for performing such infrastructure improvements, demolition of structures, lead and asbestos abatement, or site preparation activities. Projects requiring MEGA review also must provide documentation of an executed developer agreement with the local community.

The WCBRA has the authority to consider tax capture options to meet the needs of redevelopment projects on a project-by-project basis, based on the nature of the property and project in question, and in collaboration with the applicable participating municipality.

A summary of the June 2000 tax levy for all taxing jurisdictions within Washtenaw County is included in Appendix D. The WCBRA will utilize the most current tax levy information in developing tax increment financing strategies for specific projects. The tax levy on the entire captured taxable value is to be utilized by the WCBRA in the manner as set forth in this Plan, excluding any taxes levied by taxing jurisdictions to support ongoing debt service and other current obligations.

## **2.2 Use of Tax Increment Revenues to Support Project Financing**

Act 381, as amended, authorizes the WCBRA to issue revenue and tax increment bonds and notes, or allocate funds from available public or private sources in order to finance eligible activities and capture tax increment revenues from the eligible property to reimburse the obligations. The WCBRA may elect to pursue such financing if necessary and appropriate to support specific project needs.

Pursuant to Act 381, as amended, the WCBRA also may establish a Local Site Remediation Revolving Fund with tax increment revenue from eligible properties in excess of the amount required for reimbursing the costs of eligible activities. The period for capture of excess taxes for each individual property shall not exceed five years after the necessary tax increment revenues are captured to reimburse eligible activities for that property. The WCBRA may utilize these additional funds in the Local Site Remediation Revolving Fund only to pay the cost of eligible activities on other eligible properties located within participating municipalities in Washtenaw County.

Washtenaw County may also transfer County funds to the WCBRA or to another person on behalf of the WCBRA to support activities under Act 381, as amended, in anticipation of repayment by the WCBRA utilizing tax increment revenues.

## **2.3 Additional Incentives for Qualified Local Governmental Units**

The Obsolete Property Rehabilitation Act, Public Act 146 of 2000, as amended, provides additional incentives to encourage rehabilitation projects in certain core communities that are defined as “qualified local governmental units”. As noted previously, in Washtenaw County, the Cities of Ann Arbor and Ypsilanti have been designated as qualified local governmental units and eligible for these additional incentives to spur increased redevelopment initiatives.

Key components of the additional incentives for these qualified communities include the following provisions:

- The definition of eligible properties has been expanded for these qualified communities to include “blighted and functionally obsolete properties”, even if such sites are not contaminated. Pursuant to Act 146, this includes blighted property that has been declared a public nuisance according to local building codes, an attractive nuisance to children in its physical condition, a fire hazard or otherwise dangerous to people or property, has been disconnected from necessary utilities making it unfit for its intended use, or is tax-reverted property. It also includes functionally obsolete property that can no longer be used for its intended use based on overcapacity, changes in technology, deficiencies in design, or other similar factors.

- Act 146 allows qualified communities to establish “obsolete property rehabilitation districts” including obsolete commercial or commercial housing properties. Owners of such properties are then eligible to apply for an obsolete property rehabilitation exemption certificate, which if approved provides an exemption from ad valorem taxes for up to 12 years on the rehabilitated facility. The exemption does not apply to the land on which the rehabilitated facility is located or to certain personal property and it is transferable to subsequent owners if approved by the local community.
- In exchange for the abatement, Act 146 requires property owners to pay an “obsolete property tax,” for distribution to all taxing jurisdictions. The WCBRA may elect to capture the revenues from this specific tax, if applicable, to support eligible activities according to the provisions of Act 381, as amended.

#### **2.4 Use of Tax Increment Revenues for Administrative and Operating Costs**

The WCBRA can use local tax increment revenues, as specified by Act 381, as amended, to support its reasonable and actual administration and operating costs up to a maximum of \$75,000 per year. This annual limit applies to the cumulative amount the WCBRA may reimburse for administration and operating costs that the WCBRA has incurred on an annual basis in fulfilling its duties, and is not calculated on a project-by-project basis. In addition, the cost of activities such as baseline environmental assessments, due care activities, and other response activities related to prospective eligible properties, both before and after a project-specific brownfield plan is adopted, can be considered eligible administration and operating expenses.

#### ***3.0 SINGLE BUSINESS TAX CREDIT INCENTIVES***

In addition to the tax increment financing incentives made available through Act 381, as amended, the Michigan Brownfield Redevelopment Program legislation also offers significant financial benefits through single business tax (SBT) credits. In July 1996, the State of Michigan enacted Public Act 382 to provide SBT credits to encourage qualified taxpayers to invest in the redevelopment of eligible properties. Act 382, as amended, provides such taxpayers a credit against their SBT liability of up to 10 percent of the eligible investment costs that the taxpayer has incurred to redevelop or expand the eligible property in the tax year, with a \$1 million limit on the total credits that any taxpayer may claim. That portion of the credit that exceeds the tax liability for the tax year may not be refunded, but may be carried forward to offset tax liabilities in subsequent tax years for up to 10 years or until fully utilized, whichever occurs first. This SBT credit applies to tax years beginning December 31, 1996 and ending January 1, 2001.

It should be noted that Act 382 requires that an eligible property is either a “facility” as that term is defined in Section 20101 of Part 201 of the NREPA, Public Act 451 of 1994, as amended, or is a property that was a facility prior to the completion of eligible activities pursuant to an adopted brownfield plan under Act 381, as amended.

Public Acts 143 and 144 of 2000 have significantly expanded the level of SBT credit incentives available for brownfield and other redevelopment projects. Together, these Acts are expected to spur large-scale redevelopment projects in Michigan, strengthen efforts to attract and support the growth of high-tech industries in the state, while continuing to provide incentives for smaller-scale redevelopment initiatives. The following paragraphs provide a summary of the expanded SBT credit provisions. However, it should be noted that the WCBRA has a limited role to play in the SBT credit approval process. This information is included within the Brownfield Plan to demonstrate how the SBT incentives complement the tax increment financing tools available through Act 381, as amended.

With limited exceptions, the SBT credits apply only to projects conducted within qualified local governmental units by “qualified taxpayers that have pre-approval letters issued after December 31, 1999 and before January 1, 2003. SBT credits apply to eligible investments pursuant to a brownfield plan adopted according to Act 381, as amended.

The cap on SBT credits has been increased from the previous \$1 million to a new maximum of \$30 million with certain limitations. MEGA is responsible for the review and approval of SBT credits over \$10 million, with annual limitations on the number of such credits approved. For SBT credits over \$1 million, MEGA must determine that the project would not occur without this extent of state support.

The State Treasurer is responsible for approving SBT credits of \$1 million or less, with annual limitations on the number of such credits approved.

SBT credits are also available for redevelopment projects for certain high-technology businesses. These projects do not require a brownfield site location. MEGA is responsible for the review and approval of SBT credits for high-tech businesses with certain annual limitations on the number of such credits approved.

The new regulations allow one SBT credit per project, a significant change over the previous limit of one SBT credit per year per taxpayer. This will allow individuals or tax-paying entities to apply for more than one SBT credit per year if multiple projects are conducted to encourage increased redevelopment activities.

Under Act 382, SBT credits were limited to the owners of redevelopment properties, but this limited the ability for property owners to attract suitable tenants using this financial tool. With the recent amendments, SBT credits may be transferred from a property owner to lessees and other flow-through entities such as partnerships, under certain circumstances, in an effort to further attract redevelopment investments.

In summary, although the WCBRA has limited responsibility in the review and approval process for SBT credits, these credits are a complementary incentive tool for property redevelopment projects.

#### *4.0 BROWNFIELD REDEVELOPMENT PROJECT PRIORITIES*

The WCBRA may identify and prioritize brownfield redevelopment sites and target areas in collaboration with the participating municipalities for inclusion into this Brownfield Plan. In addition, the WCBRA may develop site-specific brownfield plans for particular redevelopment projects located in participating municipalities. This section describes how each of these activities will be administered by the WCBRA.

##### **4.1 Local Project Priorities and Target Areas (reserved)**

This section is reserved for the insertion of information related to local project priorities and target areas for WCBRA involvement as such information may be compiled in consultation with the member communities.

The Authority may develop and maintain the list of eligible properties within Washtenaw County herein incorporated into this document by reference. Additional eligible properties may be considered by the WCBRA for inclusion by amendment into this Brownfield Plan. Individuals interested in initiating such project amendments are encouraged to contact the WCBRA staff at (734) 994-6361.

##### **4.2 Site-Specific Brownfield Project Plans (reserved)**

This section is reserved for the insertion of site-specific brownfield plans that are required to be developed for specific brownfield redevelopment projects located within member municipalities. It is intended that the WCBRA and Washtenaw County Board of Commissioners adopt each future site-specific brownfield plan as an amendment to this Brownfield Plan in compliance with Act 381, as amended.

In accordance with Act 381, as amended, these site-specific plans will provide a detailed description of a particular redevelopment project including, but not limited to, the proposed land use and site redevelopment plan, environmental or other redevelopment issues of concern, a proposed plan of conducting eligible activities, the projected amount of private investment and resulting tax increment revenues, the anticipated cost of eligible activities, and the method and schedule by which tax increment financing revenues will be utilized to support such costs.

The WCBRA shall also coordinate the development of a site-specific plan in consultation with the applicable participating municipality. Section 3 (4) of Act 381, as amended, specifies that county Authorities may only exercise its powers with respect to eligible property in a city, village, or township if that city, village, or township has concurred with the provisions of a brownfield plan for that specific eligible property.

Individuals interested in pursuing such project specific plans are encouraged to contact the WCBRA at (734) 994-6361 to obtain information on the application and review procedures. A copy of the current project application form is provided in Appendix C of this Plan. A copy of the application form is also available on the WCBRA website at <http://www.co.washtenaw.mi.us/depts/EIS.html>.

#### *5.0 BROWNFIELD PLAN ADOPTION AND AMENDMENT*

Act 381, as amended, establishes the procedures necessary for adoption of local brownfield plans. The WCBRA shall be responsible for developing this Brownfield Plan and recommending its adoption by the Washtenaw County Board of Commissioners. The Board of Commissioners shall conduct a public hearing on the Plan in accordance with the public notification procedures of Section 13 of Act 381, as amended. Notice shall also be provided to the applicable taxing jurisdictions prior to the public hearing pursuant to Section 13 of Act 381, as amended.

This Brownfield Plan may be amended by the WCBRA and Washtenaw County Board of Commissioners as necessary to include additional participating municipalities within the brownfield zone, to include additional eligible properties and projects, to adopt site-specific brownfield plans, to respond to changing regulatory requirements, or to address other factors as may be identified by the WCBRA. The amendment process shall adhere to the requirements of Act 381, as amended, and ensure for thorough opportunities for public participation and involvement of the participating municipalities, including a public hearing as required by the Act.

#### *6.0 CONCLUSION*

The WCBRA is committed to facilitating the redevelopment of environmentally contaminated and otherwise underutilized properties in Washtenaw County by maximizing the use of the variety of tax increment financing and other incentives made available through Michigan's Brownfield Redevelopment Program legislation. This Brownfield Plan has established the guidelines that the WCBRA will follow in administering its activities on behalf of local redevelopment endeavors under the provisions of Act 381, as amended, and the other complementary brownfield redevelopment legislation. The WCBRA is further committed to working in partnership with its participating member municipalities and project applicants to facilitate redevelopment projects in a timely manner. As such, the WCBRA will play a significant role in support of Washtenaw County's ongoing efforts to encourage cooperative land use and development planning and while furthering the long-range goals of sustainable community development in Washtenaw County.

## APPENDIX A

### WASHTENAW COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

#### BYLAWS



#### I. Purpose

The purpose of the Washtenaw County Brownfield Redevelopment Authority is to facilitate the implementation of plans relating to the identification and remediation of environmentally distressed areas and to promote site revitalization in Washtenaw County.

#### II. Legal Basis

The Washtenaw County Brownfield Redevelopment Authority is created pursuant to and in accordance with the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of the State of Michigan of 1996, As Amended, and Resolutions 99-0072, Intent to Create a Brownfield Redevelopment Authority, and 99-0122, Appointing Members to the Brownfield Redevelopment Authority, of the Washtenaw County Board of Commissioners.

#### III. Directors

- A. General Powers. The business and affairs of the Authority shall be managed by its Board of Directors, except as otherwise provided by statute or by these Bylaws.
- B. Board of Directors. The Board of Directors (hereinafter referred to as the "Board") of the Authority shall consist of one representative, unless otherwise noted, from each of the following:

- Board of Commissioners
- County Administration/Designee
- County Municipality
- Countywide Development Organization
- Development Company
- Nonprofit Environmental Group
- Nonprofit Community Group
- Public/Community At-Large – Two (2) representatives

- C. Appointment, Replacement and Vacancies. Directors of the Washtenaw County Brownfield Redevelopment Authority Board shall be appointed by the Washtenaw County Board of Commissioners for a term of three years, staggered for implementation. A Director whose term has expired shall continue to hold office until his/her successor has been appointed. A Director may be reappointed, with the advice and consent of the Board, to serve additional terms. If a vacancy is created by death, resignation, or removal, a successor shall be appointed within (30) thirty days to hold office for the remainder of the term of office so vacated.
- D. Removal. After notice and an opportunity to be heard, a Director may be removed for cause by the Washtenaw County Board of Commissioners. The Board may recommend the dismissal of any Director if the Director is considered a detriment to the viability of the Board. The recommendation shall be made by four (4) Directors, and is subject to the approval of the Washtenaw County Board of Commissioners.
- E. Conflict of Interest. A Director who has a direct interest in any matter before the Authority shall disclose his/her interest prior to any discussion of that matter by the Authority, which disclosure shall become a part of the record of the Authority's official proceedings. The interested Director shall further refrain from participation in the Authority's action relating to the matter. Each Director, upon taking office and annually thereafter, shall acknowledge in writing that he/she has read and agree to abide by this section.

#### **IV. Board Operations**

- A. Meetings. The Board holds regularly scheduled meetings and may hold special meetings at the call of the chair or any two Directors. Directors shall be contacted 48 hours in advance of any special meeting.
- B. Open Meetings. Meetings of the Board of the Authority shall be open to the public in accordance with the Open Meetings Act, Public Act 267 of 1976. Appropriate notice shall be provided.
- C. Quorums; Voting. A majority of the Directors appointed and serving shall constitute a quorum for the transaction of business at any meeting of the Board, provided, that a majority of the Board present may adjourn the meeting from time to time without further notice. The vote of a majority of those Directors present at any meeting at which a quorum is present is the vote of the Board, unless the vote of a larger number is required by statute or by these Bylaws.

- D. Committees. The Board may, by resolution passed by a majority of the full Board, designate one or more committees, each committee to consist of one or more of the Directors of the Authority. The Board may designate one or more Directors as alternate members of a committee, who may replace an absent or disqualified member at a meeting of the committee. In the absence of or disqualification of a member of the committee, the members thereof present at a meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another Director to act at the meeting in place of such an absent or disqualified member.

A committee and each member thereof, shall serve at the pleasure of the Board. A committee so designated by the Board, to the extent provided in the resolution by the Board, will act in an advisory capacity to the Board in the management of the business and affairs of the Authority. A committee shall not have the power or authority to: (a) recommend to members a dissolution of the Authority, or a revocation of dissolution; or (b) amend the Bylaws of the Authority.

## V. **Officers**

- A. Officers. Directors shall elect a Chairperson, Vice Chairperson and Secretary/ Treasurer to serve as the officers of the Authority. Two or more offices may be held by the same person, but an officer shall not execute, acknowledge, or verify an instrument in more than one capacity if the instrument is required by law or Bylaws to be executed, acknowledged or verified by two or more offices.
- B. Nomination, Election. The officers of the Authority shall be elected following the initial adoption of the bylaws and, subsequently, at the first meeting held during the second calendar quarter of each year. Candidates shall be nominated by the Directors. The term of each office shall be not less than one (1) year. Each officer shall hold the same office until his/her successor is appointed. No person shall hold the same office for more than three successive terms.
- C. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled at any meeting of the Board for the unexpired portion of the term of such office.

- D. Chairperson and Vice Chairperson. The Chairperson shall be the chief executive officer of the Authority, but he or she may from time to time delegate all or any part of his/her duties to the Vice Chairperson. The Chair, or in his or her absence, the Vice Chair, shall preside over meetings of the Board, have general and active management of the business of the Authority and shall perform all the duties of the office as provided by law or these Bylaws.
- E. Secretary/Treasurer. The Secretary/Treasurer or his/her designee shall attend all meetings and record all votes of the Board in the meeting minutes, and may perform like duties for standing committees when required. He or she shall further perform all duties of the office as provided by law or these Bylaws and shall serve as Chair in the absence of both the chair and vice chair.
- F. Recording Secretary. A Department of Environment and Infrastructure Services (DEIS) employee or other Washtenaw County staff person will be designated by the County Administration/Designee as the attendance and minute taker and should be present at all meetings.
- G. Delegation of Duties. In the absence of any officer of the Authority, or for any other reason that the Board may deem sufficient, the Board may delegate, from time to time and for such time as it may deem appropriate, the powers or duties, or any of them, of such officer to any other officer, or to any Director, provided a majority of the Board then in office concurs therein.
- H. Executive Committee. The Chairperson, Vice Chairperson, and Secretary/Treasurer shall comprise the Executive Committee. The Executive Committee may, upon a majority vote, authorize the expenditure of up to \$5000 for any expense listed as an eligible item under Act 381 of 1996, As Amended. The Executive Committee must report any such expenditures to the Board at the next regularly scheduled Board meeting.

## **VI. Financial Transactions**

- A. Public Record. All financial records of the Authority shall be open to the public under the Freedom of Information Act, Act 442 of the Public Acts of 1976.
- B. Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authorization may be general or confined to specific instances.

- C. Loans/Grants. No grant or loan shall be contracted on behalf of the Authority and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board and approved by the Washtenaw County Board of Commissioners. Such authority may be general or confined to specific instances.
- D. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority, shall be signed by such officer or officers, agent or agents or the Authority and in such manner as shall from time to time be determined by resolution of the Board.
- E. Fiscal Year. The fiscal year of the Authority shall correspond at all times to the fiscal year of Washtenaw County.

## **VII. Cooperation with Local Units**

- A. Notice and Review. The Authority shall give notice and an opportunity of not less than 10 business days for review and comment to local government units for a site included in the Authority's Brownfield Plan and within the local government unit's jurisdiction prior to adoption by the Board. The above process will apply to any subsequent Work Plans.
- B. Waiver of Notice. When the Board or any committee thereof may take action after notice and lapse of the prescribed period of time, the action may be taken without further notice or without lapse of the period of time if at any time before the action is completed the person entitled to notice or to participation in the action to be taken submits a signed waiver of such requirements.
- C. Program Policy. Separate Program Policy will outline parameters for local government involvement and criteria for the formal project review process.

## **VIII. Adoption; Amendment**

- A. These bylaws shall be effective upon adoption by a majority of the Board.
- B. These bylaws are subject to the review and approval of the Washtenaw Board of Commissioners.
- C. These rules may be amended in the same manner as the initial adoption.

These Bylaws were adopted by the Washtenaw County Brownfield Redevelopment Authority Board at a meeting of the Board on October 22, 1999 and approved, as adopted, by the Washtenaw County Board of Commissioners on February 2, 2000 per Resolution 00-0035.

*Adopted: 10/22/1999*

*Amended: 4/14/2000*

**APPENDIX B**

**WASHTENAW COUNTY**

**BROWNFIELD REDEVELOPMENT AUTHORITY**

**BOUNDARIES**

**AND**

**PARTICIPATING MUNICIPALITIES**

**NOT AVAILABLE IN ELECTRONIC  
FORMAT**

## APPENDIX C

### Washtenaw County Brownfield Redevelopment Authority Project Application Form

*This application form must be completed and signed by the applicant to initiate the project review process by the Washtenaw County Brownfield Redevelopment Authority (WCBRA). Two (2) sets of the completed application forms and any supplemental materials must be submitted to the Washtenaw County Department of Environment & Infrastructure Services, 110 N. Fourth Avenue, Ann Arbor, Michigan 48104. One application set will then be submitted to the appropriate representative of the local municipality within which the proposed project is located. There are no deadlines for the submittal of applications -- applications will be accepted on an ongoing basis.*

*For assistance in completing this application form, please contact the Washtenaw County Department of Environment & Infrastructure Services at (734) 994-6361 or (734) 994-2459 fax. This form and information on the application process is also available on the WCBRA website at <http://www.co.washtenaw.mi.us/depts/EIS.HTM>.*

#### PROJECT APPLICANT INFORMATION

Project Applicant Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_  
\_\_\_\_\_

Contact Person for Applicant: \_\_\_\_\_

Telephone/Fax Numbers: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Property Owner Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_  
\_\_\_\_\_

Contact Person for Property Owner: \_\_\_\_\_

Telephone/Fax Numbers: \_\_\_\_\_  
\_\_\_\_\_

E-mail Address: \_\_\_\_\_

- If the property owner is not the project applicant, please attach a signed and notarized letter from the property owner authorizing the applicant to submit this application form for consideration by the WCBRA.*
- Attach copy of current title commitment and proof of ownership.*

**PROJECT INFORMATION**

**Project Address:** \_\_\_\_\_

**Parcel ID Number(s):** \_\_\_\_\_

**Legal Description:** \_\_\_\_\_

**Located within Member Municipality:** \_\_\_\_\_ **(yes)** \_\_\_\_\_ **(no)**

**Proposed Project**  
**Description:** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- Attach copies of proposed preliminary site development or concept plans to illustrate how the proposed redevelopment and land uses will be situated on the subject property, and documenting access to all necessary utilities and infrastructure.*

**Proposed Redevelopment Use(s):** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Anticipated Project Schedule/Critical Dates:** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
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**Status of Development Permits and Applications:** \_\_\_\_\_

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**Description of Known or Suspected Environmental Contamination Concerns**

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- Attach additional pages if needed and supporting documentation or reports if available.*

**Summary of Needed Eligible Activities and Projected Costs (if known):**

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- Attach additional pages if needed and supporting documentation or reports if available.*

**Projected Private Investment in Redevelopment:** \_\_\_\_\_

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- Attach detailed project budget illustrating all related project expenses, sources of financing, and project financing needs.*

**Anticipated Job Creation or Retention Impacts:** \_\_\_\_\_

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**Other Significant Project Information:** \_\_\_\_\_

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**APPENDIX D**

**CURRENT COUNTY AND LOCAL TAX LEVY INFORMATION**

**WASHTENAW COUNTY  
EQUALIZATION AND PROPERTY DESCRIPTION  
DEPARTMENT**

**JUNE 2000**

**NOT AVAILABLE IN ELECTRONIC  
FORMAT**