

City of Muskegon
Brownfield Redevelopment Authority
Application for Inclusion in the Muskegon Brownfield Plan

Introduction

The purpose of the City of Muskegon Brownfield Redevelopment Authority is to provide financial incentives for economic development projects within the City of Muskegon where environmental contamination, blight, or functional obsolescence create an impediment to redevelopment of property. Inclusion of a project in the Muskegon Brownfield Plan can result in certain eligible activities being financed through tax increment financing. The statutory authorization for Brownfield Authorities and Brownfield tax increment financing are found in Michigan's Public Act 381 of 1996, as amended, the Brownfield Redevelopment Financing Act (Act 381).

What are the advantages of being included in the Muskegon Brownfield Plan?

Tax Increment Financing

Inclusion in the Brownfield Plan allows the developer/business the use of tax increment financing for reimbursement of "eligible activities". These may include:

- 1) *Environmental Response Activities, including Baseline Environmental Assessments, Due Care Activities, and other environmental response activities.*
- 2) *Demolition*
- 3) *Public Infrastructure Improvements*
- 4) *Site Preparation*
- 5) *Lead and Asbestos Abatement*

Do you want to be in the City of Muskegon Brownfield Plan?

First, you need to ask yourself the following questions:

- 1) Is the property where the project proposed a "facility"? ("Facility" is defined by Part 201 of NREPA as property where the concentration of a hazardous substance in soil or groundwater exceeds the applicable Michigan Residential Generic Cleanup Criteria.)
- 2) Is a building on the property where the project is proposed considered "Blighted"? Blighted is defined by Act 381, as property that meets any of the following criteria:
 - a) Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance;
 - b) Is an attractive nuisance to children because of physical condition, use, or occupancy;
 - c) Is a fire hazard or is otherwise dangerous to the safety of persons or property;
 - d) Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.
- 3) Is the property where the project is proposed considered "Functionally Obsolete"? Functionally Obsolete is defined by Act 381, as "unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property." The City would be involved in making this determination through a qualified assessor.

If you answer yes to any of the questions above, the following steps should be taken.

- 1) Contact the City of Muskegon Planning & Economic Development Department to discuss your project and discuss the project feasibility (appropriate development, proper zoning, eligible according to the applicable statute, etc).
- 2) City staff and/or Brownfield Consultant will work with you to discuss project eligibility and to evaluate the Brownfield incentives as they may apply to the proposed project (does it make sense for your company to pursue this incentive, or are other avenues more appropriate?)
- 3) Once the decision is made to proceed to prepare an amendment to the Brownfield Plan, the applicant then files an application to the City to be included in the Muskegon Brownfield Plan (see Fees below). The City staff and/or its Brownfield Consultant, and the applicant will identify the “eligible activities” that may be eligible for reimbursement through tax increment financing. Review and approval of eligible activities by the Michigan Strategic Fund (MSF) and/or the Michigan Department of Environmental Quality (MDEQ) will be required if school operating taxes will be captured for certain eligible activities. The applicant must submit a proposed amendment to the Muskegon Brownfield Plan. After review and discussion with the City staff, the proposed amendment to the Brownfield Plan will be presented to the Brownfield Redevelopment Authority for approval, then to the City Commission for a public hearing.
- 4) If approved by the Muskegon City Commission, the Brownfield Plan will be amended to include the project.
- 5) If eligible activities are identified and approved for reimbursement through tax increment financing, it will be necessary for the developer/business to pay the initial costs for MDEQ “eligible activities” and/or MSF eligible activities. Public infrastructure improvements may have alternative financing mechanisms. Act 381 also authorizes bonding; this is entirely subject to consideration and approval by the City. The financing and reimbursement of “eligible activities” through the Brownfield Plan amendment will be addressed in a Development and Reimbursement Agreement between the City and the Developer/Business.

Fees

There is an administrative fee for inclusion in the City of Muskegon Brownfield Plan. These costs include staff time to review and evaluate the proposed Plan Amendment and Development and Reimbursement Agreement, coordination between the developer/business, consultants, and city preparation of and mailing of notices, etc. **The fee for inclusion in the Brownfield Plan is \$5,000**

Process for Adoption of Brownfield Plan Amendment

- I. Potential Brownfield Plan Amendment Applicant contacts the City of Muskegon Department of Planning and Economic Development regarding the City’s interest in helping to facilitate the proposed brownfield redevelopment project. If the project is **located in the City of Muskegon**, and is a “**facility**” (as defined in Part 201 of the Natural Resources and Environmental Protection Act, Act 451, Public Acts of Michigan, 1994, as amended), or is “**functionally obsolete**” or “**blighted**”, as defined by the Brownfield Redevelopment Financing Act, Act 318 of 1996, as amended, and it appears that the proposed project is consistent with the City’s Master Land Use plan and any associated plan, the developer/business will coordinate with planning staff and/or the City Brownfield Consultant.

- II. The applicant works with the City of Muskegon staff/ Brownfield Consultant and evaluates whether inclusion in the Brownfield Plan is appropriate and beneficial to the proposed development project. If it is, the applicant **prepares and submits a Brownfield Plan Application**, (see Fees above). The Plan Amendment is required to be completed by the applicant and/or their consultant/attorney.
- III. The Applicant works with the City Planning & Economic Development Staff/Brownfield consultant to refine/ modify the Plan Amendment as necessary
- IV. The City schedules a Brownfield Redevelopment Authority (BRA) Meeting. The Brownfield Redevelopment Authority considers a resolution approving the Brownfield Plan Amendment and, if approved, recommends approval to the City Commission.
- V. The Developer/business prepares and submits a Development and Reimbursement Agreement to the City. This is reviewed and negotiated. When finalized, it is presented to the BRA for approval and forwarded to the City Commission for approval.
- VI. The City Commission adopts a resolution providing notice to taxing jurisdictions and applicable State Agencies (MDEA and/or MSF) setting a public hearing (the City Commission meets on the second and fourth Tuesday of each month, agenda items must be prepared by the Tuesday prior to City Commission meeting).
- VII. The City posts a notice of the public hearing. Not less than 10 days prior to the public hearing. The City sends notice of the public hearing to the legislative body of each taxing unit levying taxes subject to capture, as well as the MDEQ for plans including eligible environmental response activities and to the Michigan Strategic Fund (MSF) for plans including eligible non-environmental costs, not less than 10 days prior to the public hearing. The City Commission holds a public hearing on the adoption of the resolution approving the Brownfield Plan (not less than 10 days after sending notice of the proposed Brownfield Plan Amendment to the taxing jurisdictions).
- VIII. If the City Commission approves the Brownfield Plan Amendment, the Developer/Business develops an Act 381 work plan for the “eligible activities”. The Brownfield Authority submits the Act 381 to the appropriate state agency (MDEQ for eligible environmental response activities, MSF for Demolition, Public Infrastructure Improvements, Site Preparation, Lead and Asbestos Abatement) for review and approval.
- IX. The City of Muskegon will notify the County Assessor of the Plan Amendment.

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This application requests information that may be utilized to amend the "City of Muskegon Brownfield Redevelopment Authority Brownfield Plan", as originally approved by the City Commission of the City of Muskegon on April 14, 1998. Please complete the information requested below and return to the Planning Department, City of Muskegon. In order to process the application, a fee of \$5,000 is required.

Applicant Information

Company Name (Developer/Business): _____

Contact Person and Title: _____

Contact Person Mailing Address: _____

Contact Person's Phone Number: _____ Fax No. _____

Contact Person's E-Mail Address: _____

Project Information

Location of Eligible Property: _____

Legal Description/Parcel Number: _____

Property Ownership: _____

Current Use of Property: _____

Type of Brownfield Amendment Requesting: (Please check all that apply:)

Tax Increment Financing for Eligible Activities _____

Is the proposed site a "facility" (as defined by Part 201)? _____ (Please provide a copy of the executive summary of any environmental reports available, such as a Phase I or II Environmental Site Assessment, or Baseline Environmental Assessment.)

Is the applicant's property "blighted" (as defined by P.A. 381 of 1996)? _____ (Please provide supporting information.)

Is the applicant's property "functionally obsolete" (as defined by P.A. 381 of 1996)? _____ (Please provide supporting information.)