AGENDA
CITY OF THE VILLAGE OF DOUGLAS
DOUGLAS BROWNFIELD REDEVELOPMENT AUTHORITY
86 W. CENTER ST., - DOUGLAS, MI 49406
THURSDAY, July 11, 2019
1:00 PM

1. Call to Order: Chair

2. Roll Call: Secretary

3. Approval of Agenda:
   A. July 11, 2019 Meeting Agenda
   Motion to approve the July 11, 2019 as (presented/amended)

4. Approval of Meeting Minutes:
   A. June 13, 2019 Meeting Minutes
   Motion to approve the June 13, 2019 Meeting Minutes as (presented/amended)

5. Approval of Invoices: None

6. Public Communications:
   A. Verbal (limit of 3 minutes)
   B. Written:
      i. PM Environmental Brownfield Projects – Adam Patton
      ii. EGLE Brownfield Redevelopment Contacts
      iii. EGLE Brownfield 2018 Consultant Workshop

7. Unfinished Business:
   A. 200 Blue Star Hwy.

8. New Business

9. Reports
   A. Committee Reports
   B. Staff Reports

10. Authority Member Comments

11. Adjourn

MINUTES-DRAFT
THE CITY OF THE VILLAGE OF DOUGLAS
BROWNFIELD REDEVELOPMENT AUTHORITY
86 W. CENTER ST, DOUGLAS, MI
JUNE 13, 2019 – 7:00 P.M.

1. Call to Order by Chair Harvath at 7:00 P.M.
2. Roll Call: Present – LeFevere, Sapita, Dixon, Harvath
   Absent – Balmer
   Also present – City Manager Rich LaBombard, City Attorney Phil Erickson
3. Agenda:
   A. June 13, 2019
   Motion by Dixon, with support by LeFevere, to approve the June 13, 2019 agenda as presented. Motion carried by voice vote, (Yes) LeFevere, Sapita, Dixon, Harvath (No) None (Absent) Balmer
4. Minutes:
   A. May 16, 2019
   Motion by Dixon, with support by Sapita, to approve the May 16, 2019 meeting minutes as presented. Motion carried by voice vote, (Yes) LeFevere, Sapita, Dixon, Harvath (No) None (Absent) Balmer
5. Invoices: None
6. Public Communication:
   A. Verbal – None
   B. Written – None
7. Unfinished Business:
   A. P.M. Environmental – J. Adam Patton CHMM, Site Investigation Services.
   Mr. Patton began the discussion by identifying the contaminants on the property located at 200 Blue Star Hwy. The PCB's, if left undisturbed, will not travel. The chlorinated solvents that are present are migrating to the north and venting into the nearby creek. According to Mr. Patton the building located at 200 Blue Star Hwy. is a good model for Brownfield Grants.
   Harvath questioned the level of contaminants allowed by E.G.L.E (Dept. of Environmental, Great Lakes, and Energy) as compared to the level of contaminants located at 200 Blue Star Hwy.
   Mr. Patton stated the allowable parts are 3, ooo parts per billion and the Haworth site is low hundreds thousands. Discussion continued with the suggestion that the Douglas Brownfield Redevelopment Authority contact and begin discussions with E.G.L.E. It was also suggested that the Authority determine what the use of the property would be as well as establish an overall forecast tax value.
   Dixon has strong concerns as to why the city traded uncontaminated land with contaminated land, stating she does not see the benefit to the community as a whole. She is also concerned with the proposed developer involved, stating he had begun to move soil on the vacant contaminated land and was shut down by OSHA due to workers improperly outfitted for work related to contaminated soils.
   Sapita requested a timeline or outline be submitted by P.M. Environmental and questioned how the cleanup will proceed.
   City Attorney Erickson supported Sapita's request and stated he has questions as well.
   Motion by Dixon, with support from LeFevere, to accept the property located at 200 Blue Star Hwy. from the city. Motion carried by roll call vote. (Yes) LeFevere, Dixon, Harvath, Sapita. (No) None. (Absent) Balmer
8. New Business: None

9. Reports:
   A. Committee Reports: None
   B. Staff Reports

   LeFevere informed BRA members there have been two letters of request received for equipment removal from the building located at 200 Blue Star Hwy.

   Saugatuck Township Fire Dept. has requested the sprinkler system and valve as well as a few obsolete sprinkler system components for the purpose of educational & instructional training for the Allegan County Fire Academy students.

   Kalamazoo Lake Sewer Water Authority has requested the removal of five (5) hose reels and three (3) wall mounted fans.

   Motion by Dixon, with support from Sapita, to grant permission to the Saugatuck Township Fire Department and Kalamazoo Lake Sewer Water Authority for the removal of requested items from the building located at 200 Blue Star Hwy. Motion carried by voice vote of those present.

10. Authority Comments:

    Dixon requested the E.G.L.E webinar be added to the next meeting agenda and/or extend an invitation to a representative of E.G.L.E to attend the next meeting.

    BRA members decided the building formerly known as Haworth would be officially identified only as – 200 Blue Star Hwy.

11. Adjournment:

    Motion by LeFevere, with support from Sapita, to adjourn the meeting. (8:45 p.m.)

Richard LaBombard

From: William F. LeFevere
Sent: Monday, July 1, 2019 3:16 PM
To: Richard LaBombard
Subject: Fwd: BRA Meeting - June 13, 2019 - Requested Materials
Attachments: Five Brownfield Examples - PM 06-2019.pdf

Hi Rich, this got lost in the shuffle - probably need to pass it on to the BRA. Bill.

Get Outlook for Android

From: William F. LeFevere
Sent: Tuesday, June 18, 2019 1:54:39 PM
To: Richard LaBombard
Subject: FW: BRA Meeting - June 13, 2019 - Requested Materials

From: Adam Patton <Patton@pmenv.com>
Sent: Friday, June 14, 2019 7:29 PM
To: William F. LeFevere <WLeFevere@ci.douglas.mi.us>
Cc: Keast, David <DKeast@plunkettcooney.com>; Erickson, Philip <PErickson@plunkettcooney.com>; Mikalonis, Saulius <SMikalonis@plunkettcooney.com>
Subject: RE: BRA Meeting - June 13, 2019 - Requested Materials

Bill,

As requested by the BRA during yesterday's meeting, I've attached a few sheets describing Brownfield redevelopment projects that PM has managed. This should provide a good overview of what is possible using incentives at a site like 200 Blue Star, which has lots of potential.

The BRA also requested a summary of the brownfield planning process. Since the process is highly project-specific, the needed activities and timelines are diverse. I'll provide more information specific to the 200 Blue Star property, as the planning stages progress, but the following pre-construction processes generally apply to Brownfield redevelopment projects in Michigan and can be used to illustrate the process to the BRA members. I've omitted construction activities and those beyond that stage to keep things somewhat simple.

Based on the comments I heard yesterday, I envision that the BRA would be most involved with providing input on development land use planning and incentives evaluation with the rest done in coordination with the chosen developer or as a reviewer.

- **Pre-Purchase Due Diligence**
  - Phase I Environmental Site Assessment;
  - Phase II Environmental Site Assessment (soil, groundwater, and soil gas sampling);
  - Obtaining Liability Protections (Baseline Environmental Assessment);
  - Documenting Due Care Obligations and Response Activities needed to achieve compliance with due care ("Due Care Plan" preparation);
- **Development Planning – Land Use**

- What development can the site support;
  - Land uses (residential, commercial, industrial, mixed use);
  - Building types and density;
  - Infrastructure needs/availability;
- Stakeholder identification and community input (meetings, charettes, etc.);
- Comparison to zoning and community master plan (if applicable);
- Request for development proposals (if applicable);
  - Market study (often included);

- **Development Planning – Feasibility Evaluation**
  - Due care evaluation for planned developed use;
    - Determine potential occupant exposure pathways (contamination) for end use;
    - Evaluate required response activities, management activities and institutional or engineering controls needed to prevent exposure and comply with due care;
      - Construction-phase;
      - Post-development;
  - Pre and Post Development Valuation and Development Cost Evaluation
    - The difference between the current and the forecasted post development valuation determines future tax revenue and establishes the "tax increment" to be used for reimbursement of Brownfield eligible activities;
    - Estimation of development costs;
    - Estimation of Brownfield eligible costs (only a partial list of eligible activities is presented below);
      - Due diligence costs (Phase I, Phase II, BEA, Due Care Plan, etc.);
      - Due care assessment costs (can include additional investigation);
      - Brownfield plan preparation;
      - Demolition and asbestos abatement;
      - Soil and groundwater management and transport and disposal of contaminated media;
        - Certain remediation activities;
      - Construction utility controls (chemical resistant gasketing, contaminant migration barriers, etc.);
      - Contaminant vapor barriers;
      - Environmental oversight, sampling, and management during construction;
      - Environmental consulting, engineering services;
      - Regulatory reporting;
    - Financing evaluation (lenders, incentives, etc.,) and identifying any finance or cost "gaps" related to the project and specifically those associated with environmental issues or eligible activities;
- **Incentives Evaluation and Planning**
  - Identification and quantification of available incentives/funding sources (typically includes meetings with EGLE, USEPA, and other stakeholders);
    - Local Tax Increment Financing (reimbursement over time);
    - State Tax Increment Financing (school taxes; reimbursement over time);
    - EGLE Loans;
    - EGLE Grants;
    - Michigan Underground Storage Tank Authority (MUSTA) funding (requires a MUSTA-covered release);
    - Revolving Loan Funds;
    - USEPA Grants;
    - Other;
  - Comparison of forecasted costs and gaps to available incentives
    - Ties into project feasibility and financing;
    - Dictates need and term of Brownfield Tax Increment Financing reimbursement;
      - Lending and interest costs must also be factored in (some interest costs are eligible for reimbursement);

- Incentives Procurement
  - Brownfield Plan and "Act 381" Plan preparation;
  - Grant and Loan Application Preparation;
    - Brokering of development, reimbursement, and loan/grant agreements;
- **Development Design Process** (architectural/engineering/general contracting planning)
  - Generally conducted concurrently with all of the above, by the developer;

Most of the above activities are conducted concurrently and flow together well, such that the timeline generally takes somewhere around 3 to 6 months on the low end, and 9 to 12 months on the middle to upper end, with the complexity of the project and number of stakeholders affecting the timeline. The key is identifying end development goal early on, with all of the stakeholders keeping that big picture in mind through the planning process.

We specialize in these activities, so have teams that complete all of the above as a matter of routine. We'll guide everyone through the process and provide as much support as needed.

-Adam

J. Adam Patton, CHMM | *National Manager - Site Investigation Services*
PM ENVIRONMENTAL, INC.
p: 517-325-9867 | **f:** 877-884-6775 | **c:** 517-202-4288 | Patton@pmenv.com| www.pmenv.com
Environmental & Engineering Services Nationwide

From: Mikalonis, Saulius <SMikalonis@plunkettcooney.com>
Sent: Thursday, May 30, 2019 2:33 PM
To: Adam Patton <Patton@pmenv.com>
Cc: William LeFevere (wlefevere@ci.douglas.mi.us) <wlefevere@ci.douglas.mi.us>; Keast, David <DKeast@plunkettcooney.com>; Erickson, Philip <PErickson@plunkettcooney.com>
Subject: BRA Meeting - June 13, 2019

Adam:

Thanks for the quick response. I am copying Bill LeFevere on this email, because he will provide the particulars, i.e., location, what to expect, what type of information you'll need to present, etc.

So, to recap, there is a regularly scheduled BRA Board meeting on June 13 at 1:00 PM in Douglas that PM will attend.

Regards,

Saulius

Saulius K. Mikalonis

Plunkett Cooney
Attorneys & Counselors at Law
T 248.901.4022 C 248.302.0537

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BROWNFIELD REDEVELOPMENT

LANSING, MICHIGAN

PROJECT DESCRIPTION

Located along Michigan Avenue in the Stadium District in downtown Lansing, half a mile due east from Michigan's capitol, is the site of a major redevelopment project. The site was underutilized for years, previously utilized for automotive service, multiple gasoline dispensing stations, a bulk oil terminal and coal yard and various dilapidated retail buildings.

PM Environmental (PM) was initially brought on to perform environmental due diligence services on the property. Starting with a Phase I Environmental Site Assessment (ESA) and Phase II ESA, PM's involvement grew as the project's environmental needs increased in scope. PM also provided industrial hygiene and economic incentive services for the site. During environmental site investigations, underground storage tanks were identified at the property. PM aided the developer in registration of the USTs in the Michigan Underground Storage Tank Authority (MUSTA) program to allow the developer to obtain funding to assist in remediation activities.

PM provided economic incentive consulting services which helped the $41.5 million redevelopment obtain multiple funding approvals, necessary to bring the project to fruition. The project has been approved for approximately $4.3 million in Brownfield Tax Increment Financing (TIF) reimbursement, an estimated $2.25 million in grant and loan funding from the Michigan Department of Environmental Quality (MDEQ) and a $1.5 million grant from the Michigan Economic Development Corporation (MEDC) Community Revitalization Program (CRP). PM assisted in securing both MEDC/MSF and MDEQ Grants and Loans along with Brownfield TIF including project cost estimates. The MDEQ Grants utilized both the Refined Petroleum Fund and funds under the newly established Renew Michigan Fund. PM is now in the process of assisting with the execution and management of these funds.

The four-acre project site will be transformed into a four-story mixed used building consisting of an urban market, hotel, and apartments. The anchor tenant will be a Meijer operated urban market. Designed to create an open-air atmosphere, the market will feature garage doors that roll up to allow fresh produce to be placed on the sidewalks. In addition to fresh and frozen food options, the market will have a coffee shop, and healthy grab-and-go food items. It is also anticipated that the project will provide access to healthy foods options to the immediately surrounding community which is identified as a low-access, low-income neighborhood by the USDA (formerly known as a "food desert").

SERVICES PROVIDED BY PM ENVIRONMENTAL

Phase I ESA

Phase II ESA

Due Care Activities

Asbestos Containing Materials Survey/Abatement

Demolition Activities

Financial Incentives Consulting

Preparation of a Brownfield Plan

IMPORTANT ASPECTS

- **Expeditious and Cost Effective:** on schedule and within budget
- Developer investment: **$41.5 million**
- Secured Incentives: **$8.05 million**
- Creation of 70 temporary construction jobs, 30 full-time and 10 part-time jobs by the urban market, 9 full-time and 21 part-time jobs by the hotel
- Provide healthy food options in a low-access area

BROWNFIELD REDEVELOPMENT

IRONRIDGE DISTRICT DEVELOPMENT
FERNDALE & PLEASANT RIDGE, MICHIGAN

PROJECT TYPE
Brownfield Redevelopment

COMPANY PROFILE/GEOGRAPHY
Iron Ridge District Development / Ferndale & Pleasant Ridge, Michigan

PROJECT DESCRIPTION
Located on 10 Mile Road, the 13 acre project site sits astride the cities of Ferndale and Pleasant Ridge. Started in 2017, and scheduled to be completed over the next two to three years, the $32 million Iron Ridge District Development project will bring stylish aesthetic and economic value to the community by redeveloping some of the area's long-standing eyesores.

The site was previously home to multiple commercial and industrial uses. A 74,000 square footing building housed Walker Wire, a wire cutting, stretching, and chemical treatment plant. Industrial development began in the mid-1940s, with multiple additions and expansions constructed to the building through the early 1990s.

PM Environmental, Inc. performed a Phase I and Phase II Environmental Site Assessment for the property, having been involved since the early planning stages. The PM Economic Incentive team prepared the approved Brownfield and 381 Work Plan which secured up to $6.5M in costs associated with environmental assessments, due care responsibilities, demolition, asbestos abatement, site preparation, and infrastructure improvements which will be reimbursed utilizing new taxes the property generates.

With the site being part of both Ferndale and Pleasant Ridge, neither of which have a brownfield authority, the two cities agreed that the Oakland County Brownfield Redevelopment Authority will review the project and its brownfield plan to redevelop the area. The property is also located along an existing non-motorized transportation plan being spearheaded by several local municipalities.

The developers anticipate the project will create approximately 250 full-time jobs that will include clerical, sales, service, managerial, manufacturing, and technical positions.

In addition to significant job creation, the proposed project will bring approximately 231,000square feet of existing and new building space into safe reuse, a vast majority of which is currently vacant. The inclusive, multi-use plans will bring local food, brew pubs, bakeries, stores, apartments, office and tech space, and a fitness center to the cities of Ferndale and Pleasant Ridge. The vision for the end uses of all the buildings was cultivated with input from the community so that they are integrated into the fabric of the neighborhood.

IMPORTANT ASPECTS

- Expeditious and Cost Effective: on schedule and within budget
- $6.5 million in brownfield and 381 Work Plan reimbursements
- 13 Acre project site for property development & new tax base
- Creation of 250 full time, long-term jobs to the local area

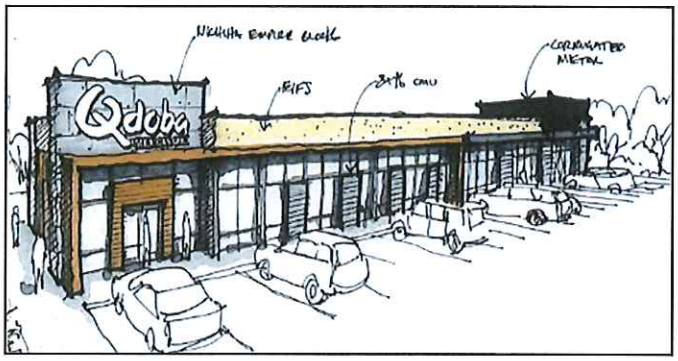
BROWNFIELD REDEVELOPMENT

QDOBA DEVELOPMENT
OWOSSO, MICHIGAN

PROJECT TYPE
Brownfield Redevelopment & Due Diligence Services

COMPANY PROFILE/GEOGRAPHY
Qdoba Development

Owosso, Michigan



PROJECT DESCRIPTION
PM was retained by a developer to assess a boarded up drycleaner property and three adjoining vacant houses located on a prominent corner of the City of Owosso. PM completed a Phase I ESA, Phase II ESA, BEA, and Asbestos Pre-Demolition Survey for the properties.

Subsurface contamination associated with the long-term on-site dry cleaning activities was identified. Based on known contamination, the drycleaner was identified by the MDEQ as a priority site for remediation and cleanup.

The developer envisioned demolishing the existing structures for the new construction of a retail center. However, the amount of environmental remediation that was deemed necessary was cost prohibitive.

In order to redevelop the property, PM worked with the developer, City of Owosso, and MDEQ to fund the project with a combination of private investment, a Brownfield Plan totaling $325,000, and a MDEQ Grant and Loan totaling over $700,000. This was leveraged with a MDEQ contribution of $820,000 from another state funding source, the Strategic Water Quality Initiatives Fund, utilized to help fund for contamination source removal. All necessary governmental approvals were obtained and the project is nearing completion.

Due care activities including the installation of a vapor barrier were a necessary component to the project. PM provided the necessary vapor barrier bid-specs, oversight, sampling, and project management associated with the due care activities throughout the duration of the project. .

On behalf of the City of Owosso under the MDEQ Grant and Loan, PM completed the required Work Plan and prepared bid specifications required for the Request for Qualifications. Additionally, PM completed all necessary project oversight on behalf of the City and Developer, completed invoice reviews, and provided invoicing-to-date summaries for the City of Owosso for the completion of quarterly reporting. PM completed quarterly reporting on behalf of the City as requested and assisted with the completion of the close out report, including pre-submittal review.

Upon completion, the redevelopment garnered a $2 million dollar private investment and created jobs for up to 22 full-time and 30 part-time in the community.

IMPORTANT ASPECTS
- **Expeditious and Cost Effective:** on schedule and within budget
- Fostered Cleanup of **MDEQ** priority Site
- **PM completed directives** and oversight for brownfield redevelopment, Phase I, Phase II ESA, BEA and Asbestos Pre-Demolition Survey for the property.
- Long-term **job creation 22 full and 30 part-time** to the local area

SERVICES PROVIDED BY PM ENVIRONMENTAL
Phase I Environmental Site Assessment (ESA)

Phase II ESA

Baseline Environmental Assessment (BEA)

Due Care Activities

Asbestos Surveys

Vapor Barrier Design and Installation

Act 381 Combined Brownfield Plan

MDEQ Grant and Loan Application & Oversight

Cleanup Planning & Oversight

BROWNFIELD REDEVELOPMENT

FRESH FARMS MARKET

GROSSE POINTE, MICHIGAN

PROJECT TYPE

Brownfield Redevelopment

COMPANY PROFILE/GEOGRAPHY

Fresh Farms Market Expansion

Grosse Pointe, Michigan

PROJECT DESCRIPTION

PM Environmental, Inc. (PM) was retained to perform environmental due diligence and provide economic incentives consulting for the expansion of Fresh Farms Market in Grosse Pointe, Michigan. Originally named Farms Market, the business has been a staple of the Fisher Road business district in Grosse Pointe since it was opened in 1939.

The site includes five parcels that combined contain just over an acre of land. It has been identified as a priority area by the city. The project includes the demolition of three buildings made up of an athletic club, retail stores, vacant units, and the current Fresh Farms Market.

PM prepared a Brownfield Plan that awarded a $75,000 grant by the Wayne County Local Brownfield Revolving Fund (LBRF). Eligible reimbursable activities for the funds include site and building demolition, asbestos abatement and oversight, and soil testing and excavation. Redevelopment will also include remediation of an open Leaking Underground Storage Tank (LUST) site. Additional funds for remediation activities were secured through an EPA Revolving Loan Fund totaling a $100,000 loan. PM prepared an analysis of brownfield cleanup alternatives (ABCA), eligibility determination, endangered species and Section 106 review. PM is also providing all invoice submittal/payment request documents to the County under both the grant and loan.

Additionally, PM successfully secured a 10-year tax abatement under the Commercial Rehabilitation Tax Abatement (PA 210).

Once completed, the new two-story, multiuse building will consist of a 17,000 square foot Fresh Farms Market and a 2,000 square foot Subway restaurant as a tenant space. The second floor of the building will be utilized for cooking classes and private event space with an outdoor terrace. The project will also include public improvements to the exterior landscaping and sidewalks.

The $15 million project will create 40 new full time jobs, retain 40 existing jobs through Fresh Farms Market, and create 50 temporary construction jobs.

IMPORTANT ASPECTS

- **Expeditious and Cost Effective:** on schedule and within budget
- $75,000 Local Brownfield Revolving Fund Grant
- $100,000 EPA Revolving Loan Fund Loan
- Public Act 210 Tax Abatement
- **Creation of 40 new full time jobs,** retention of 40 existing jobs, 50 temporary construction jobs

SERVICES PROVIDED BY PM ENVIRONMENTAL

Brownfield Redevelopment

Financial Incentives Consulting

Phase I Environmental Site Assessment

Baseline Environmental Assessment

Due Care Activities

BROWNFIELD REDEVELOPMENT & DUE DILIGENCE SERVICES

WAYNE COUNTY, MICHIGAN

PROJECT TYPE

Brownfield Redevelopment & Due Diligence Services

COMPANY PROFILE/GEOGRAPHY

Residential Property

Wayne County, Michigan

PROJECT DESCRIPTION

PM Environmental, Inc. provided a site investigation on a property consisting of over 16 acres and comprised of 13 individual parcels, one and two-story apartment buildings, four residential dwellings, a community building and maintenance garage, and a recreational area with a playground and basketball courts, all of which were constructed between 1957 and the early 1960s and serve as HUD subsidized housing.

A portion of the subject property was developed prior to 1924 with an oil refinery, including several gasoline and oil above ground storage tanks (ASTs) ranging from 6,000-gallons to 400,000-gallons, several out-buildings, and a railroad spur. By 1957, the refinery and associated buildings and ASTs were removed and the current apartment complex and portions of the community center were constructed. The subject property had been occupied by a refinery with bulk ASTs storage, various storefront and retail businesses, automotive repair and/or manufacturing operations and used for residential purposes since at least 1924.

The existing residences have suffered with decline and deterioration over the years and the local Housing Commission, along with the United States Department of Housing and Urban Development (HUD), determined that these units are functionally obsolete and the best possible solution is to demolish and redevelop the community. PM completed a review of ten previous site investigations to prepare a Baseline Environmental Assessment for liability protection.

It was determined that extensive asbestos abatement and environmental mitigation activities were necessary to meet requirements for redevelopment. PM then completed the asbestos and lead based paint survey and operating and maintenance plans to address the hazardous building materials during demolition. PM conducted post abatement clearance inspection and air sampling during abatement activities totaling over 90 days.

PM also completed a Response Activity Plan (RAP), which was approved by the Michigan Department of Environmental Quality (MDEQ), in preparation for the redevelopment. The Response Activity Plan outlines the response activities to be taken by the developer during construction and post-construction as part of the redevelopment of the residential community to address the direct contact and vapor intrusion pathways determined to be relevant.

PM assisted in securing EPA Revolving Loan Funds to fill in the gap of the brownfield activities , including asbestos abatement, UST removal, soil management, vapor barrier installation and an engineered cap. PM also prepared necessary applications for the procurement of a $1,000,000 MDEQ Grant for the transport and disposal of contaminated soils off-site. PM will oversee these activities on behalf of the developer and the grant applicant, including submittal of invoices, quarterly and final reports.

IMPORTANT ASPECTS

- Baseline Environmental Assessment (BEA) for liability protection
- MDEQ Approved RAP
- $42 Million Environmental Redevelopment Reuse Development
- $1.3Million secured of EPA Revolving Loan Funds
- $1 Million secured of MDEQ Grant Funds
- Analysis of Brownfield Cleanup Alternatives
- Extensive Asbestos and Lead Based Paint Survey, O&M for Hazardous Materials and Air Monitoring

SERVICES PROVIDED BY PM ENVIRONMENTAL

Phase I Environmental Site Assessment (ESA)

Phase II ESA

Baseline Environmental Assessment (BEA)

Asbestos and Lead-based Paint survey

Operating and Maintenance Plans for Hazardous Building Materials During Demolition

Abatement Air Monitoring

Response Activity Plan (RAP)

Vapor Intrusion System Design

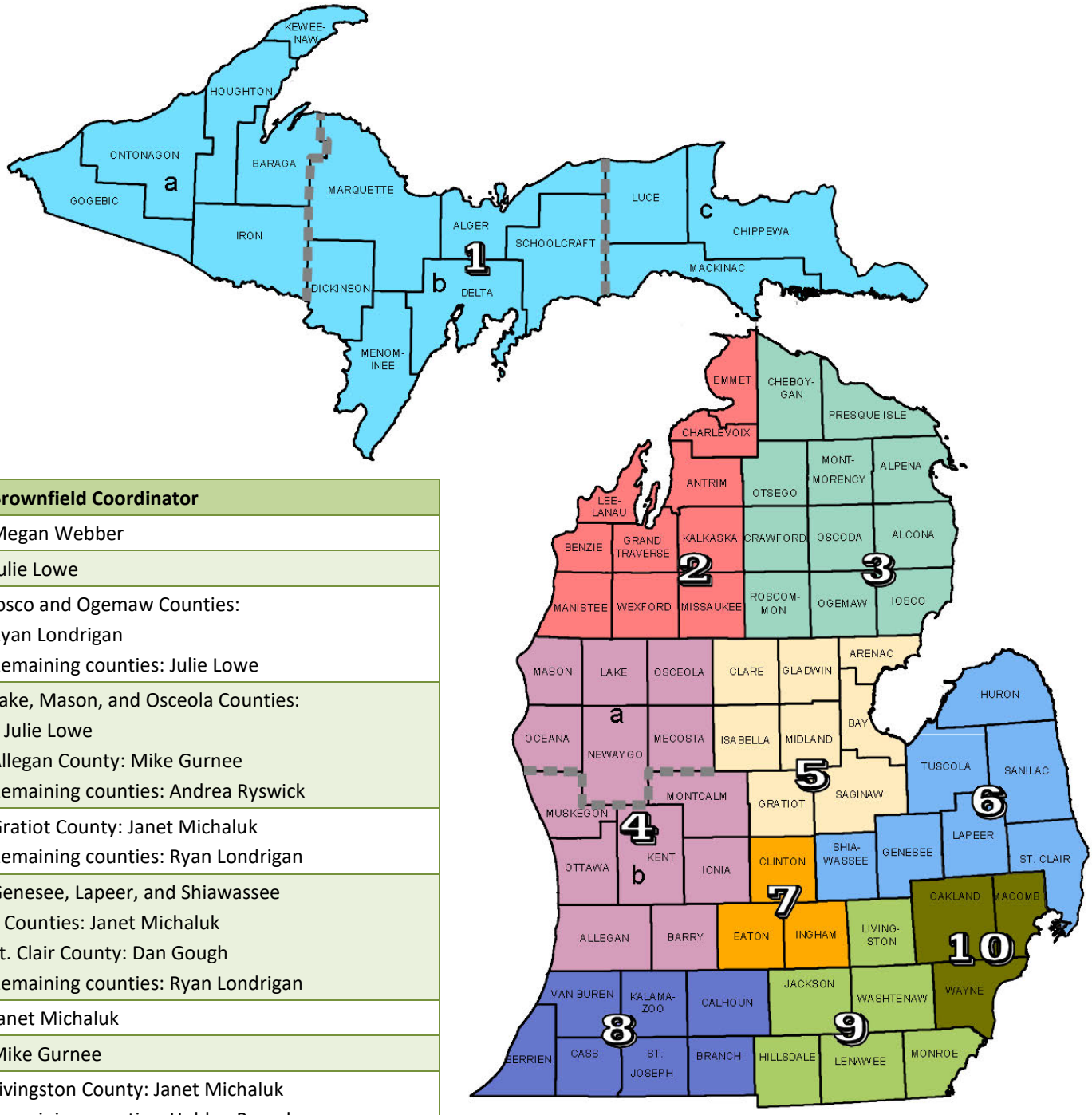
Construction Soil and Groundwater Management Planning and Oversight

Economic Incentive Procurement

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

BROWNFIELD REDEVELOPMENT PROGRAM CONTACTS



Region	Brownfield Coordinator
1	Megan Webber
2	Julie Lowe
3	Iosco and Ogemaw Counties: Ryan Londrigan Remaining counties: Julie Lowe
4	Lake, Mason, and Osceola Counties: Julie Lowe Allegan County: Mike Gurnee Remaining counties: Andrea Ryswick
5	Gratiot County: Janet Michaluk Remaining counties: Ryan Londrigan
6	Genesee, Lapeer, and Shiawassee Counties: Janet Michaluk St. Clair County: Dan Gough Remaining counties: Ryan Londrigan
7	Janet Michaluk
8	Mike Gurnee
9	Livingston County: Janet Michaluk Remaining counties: Holden Branch
10	Oakland, Macomb and Wayne (excluding Detroit): Dan Gough Detroit: Michelle Bakun

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

BROWNFIELD REDEVELOPMENT PROGRAM CONTACTS

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BROWNFIELD PRESENTATION

Brownfield Consultant Workshops 2018
Department of Environmental Quality
Remediation and Redevelopment Division (RRD)

BROWNFIELD WORKSHOPS: SMOOTHER THAN A FRESH JAR OF SKIPPY

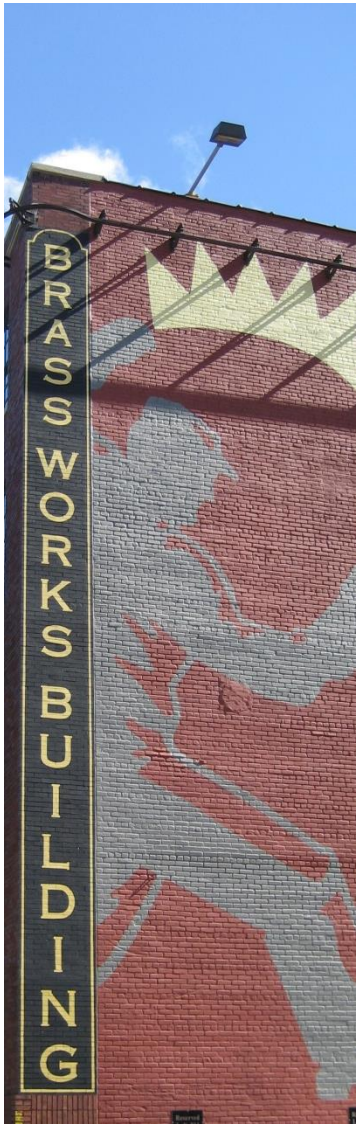
MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- Intros
- Logistics
- Today's agenda
- When to ask questions
- When to tell us how we make you crazy

WHAT ROCKS OUR WORLD?

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- Part 196 – Brownfield Redevelopment Grants and Loans
- Part 201 – Cleanup program
- Part 213 – Underground Storage Tank program
- Act 381 – Brownfield Redevelopment Financing Act
- In 2017, Part 196 and Act 381 were amended to make brownfield incentives more consistent



HOW CAN THE DEQ PARTNER WITH YOUR COMPANY OR COMMUNITY?

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- DEQ incentives are:
  - Grants
  - Loans
  - Tax Increment Financing (TIF)
- Grants, Loans, and TIF pay for environmental costs that help:
  - Protect public health and the environment
  - Revitalize local economies

NEXT WEEK THERE'S A BAKE SALE

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- $5M *one-time* supplemental for grants/loans
- $5M *annually* for Part 213 sites
- Restore Michigan's Environment would increase tipping fees to raise $$ for environmental programs; needs legislative approval
- Plan B:

BOX TOPS FOR BROWNFIELDS

ACT 381: 2017 IN REVIEW

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- Added Mold Abatement that is not a response activity as an MSF-eligible activity
- Added Brownfield Plan/Work Plan Implementation (up to $30,000 per plan) as an MSF- and DEQ-eligible activity
- Act 381 Guidance now includes Solid Waste Disposal as an MSF-eligible Site Preparation activity
- Modified payment of TIR into the state BRF from “an amount equal to 3 mills” to “an amount equal to 50%” of the SET. Change from 3 mills to 50% of SET made because 6 mills are not always available for capture

ACT 381: FEELING TRANSFORMED

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

Added “Transformational Brownfield Plan” under MEDC

(see Act 381 for details)

- **Project Qualification Basis**
  - A mixed-use project with a combination of retail, office, residential, or hotel use.
  - Jurisdiction size and associated minimum capital investment (with limited statutory exceptions).
  - Must demonstrate a positive economic impact to the State (fiscal and economic impact analysis).
  - Must meet MEDC community development goals.
  - Determination must be made that the Community Development incentives cannot meet the financial need of the project.

ACT 381: MORE TRANSFORMED

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

Transformational Brownfield Plan cont'd

- **Eligible Activities**
  - Added vertical construction (new construction and rehabilitation)
- **Eligible Property**
  - Addition of "undeveloped property that was eligible property in a previously approved Brownfield plan that was abolished"
  - Can be a related program of investment on parcels that are not adjacent and contiguous to each component project.
- **Revenue Streams**
  - Traditional Property Tax Increment Revenue (TIR)
  - Construction Period Sales and Use Tax Exemptions
  - Construction Period Income Tax Revenue
  - Income Tax Capture Revenue
  - Withholding Tax Capture Revenue

WHERE TO START?

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

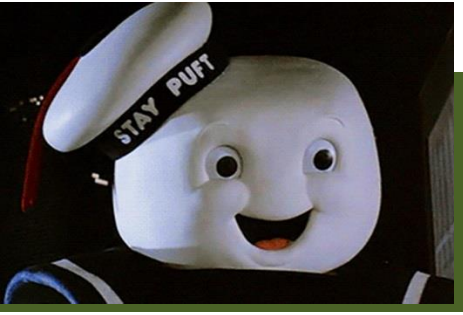
- **Are you representing a developer?**
  - Talk with the LUG to ensure they are on board
  - Get in touch with a brownfield coordinator / CATeam / BDM
  - Think about the timing for incentives. Is there a BRA or does one need to be set up? Grants, loans, TIF approval take time.

- **Are you representing a local government?**
  - Do you have an interested developer?
  - Is there a BRA? Is the local government willing to set one up?

THE PROJECT TEAM

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- DEQ brownfield coordinator and district project manager
- MEDC CATeam / BDM and/or brownfield staff
- Local government needs to be all in
- Brownfield redevelopment authority
- Consultant
- Developer



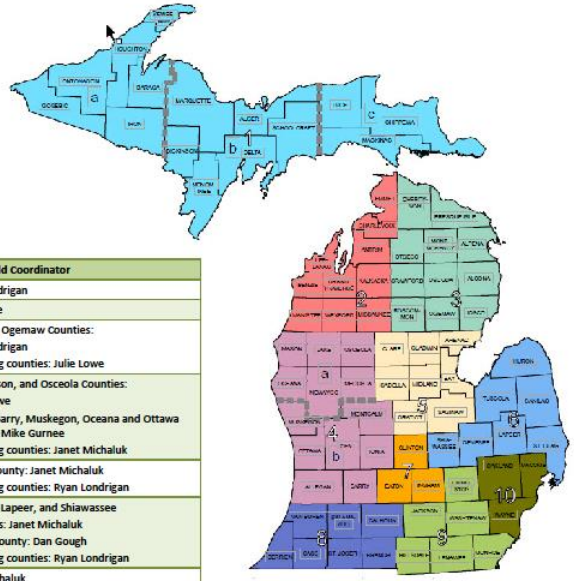
WHO YOU GONNA CALL?

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

DEPARTMENT OF ENVIRONMENTAL QUALITY

BROWNFIELD REDEVELOPMENT PROGRAM CONTACTS



Region	Brownfield Coordinator
1	Ryan Londrigan
2	Julie Lowe
3	Iosco and Ogemaw Counties: Ryan Londrigan Remaining counties: Julie Lowe
4	Lake, Mason, and Osceola Counties: Julie Lowe Allegan, Barry, Muskegon, Oceana and Ottawa Counties: Mike Gurnee Remaining counties: Janet Michaluk
5	Gratiot County: Janet Michaluk Remaining counties: Ryan Londrigan
6	Genesee, Lapeer, and Shiawassee Counties: Janet Michaluk St. Clair County: Dan Gough Remaining counties: Ryan Londrigan
7	Janet Michaluk
8	Mike Gurnee
9	Livingston County: Janet Michaluk Remaining counties: Holden Branch
10	Oakland and Macomb Counties: Dan Gough Wayne County: Michelle Bakun

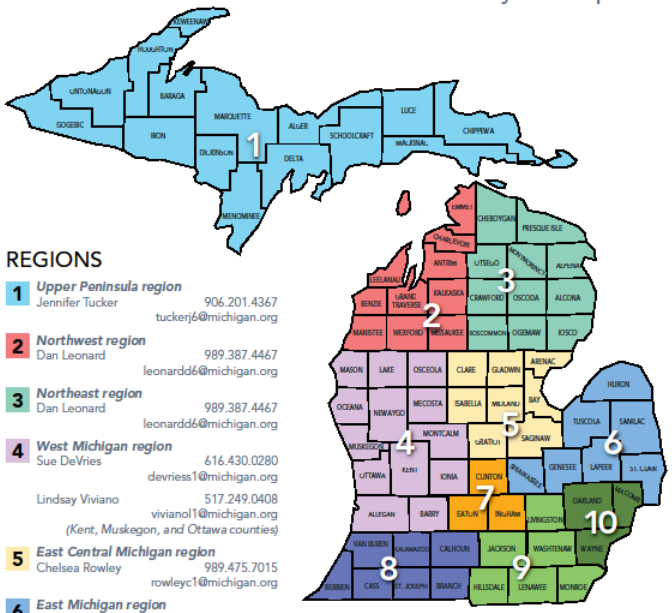
DEQ Remediation and Redevelopment Division

www.michigan.gov/degbrownfields

#mibrownfields

Community Assistance Team

Community Development



REGIONS

1 *Upper Peninsula region*
Jennifer Tucker 906.201.4367
tuckerj6@michigan.org

2 *Northwest region*
Dan Leonard 989.387.4467
leonardd6@michigan.org

3 *Northeast region*
Dan Leonard 989.387.4467
leonardd6@michigan.org

4 *West Michigan region*
Sue DeVries 616.430.0280
devriess1@michigan.org
Lindsay Viviano 517.249.0408
vivianol1@michigan.org
(Kent, Muskegon, and Ottawa counties)

5 *East Central Michigan region*
Chelsea Rowley 989.475.7015
rowleyc1@michigan.org

6 *East Michigan region*
Charles Donaldson 810.241.6658
donaldsonc2@michigan.org

7 *South Central region*
Nate Scramlin 517.862.7742
scramlinn@michigan.org

8 *Southwest region*
Emily Petz 269.568.0371
petze1@michigan.org

9 *Southeast Michigan region*
Paula Holtz 517.243.5689
holtzp@michigan.org

10 *Detroit Metro region*
Brittney Hoszkiw 517.420.7291
hoszkiwb1@michigan.org
(City of Detroit)
Dominic Romano 313.418.7568
romanod@michigan.org

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MATCHMAKER, MATCHMAKER

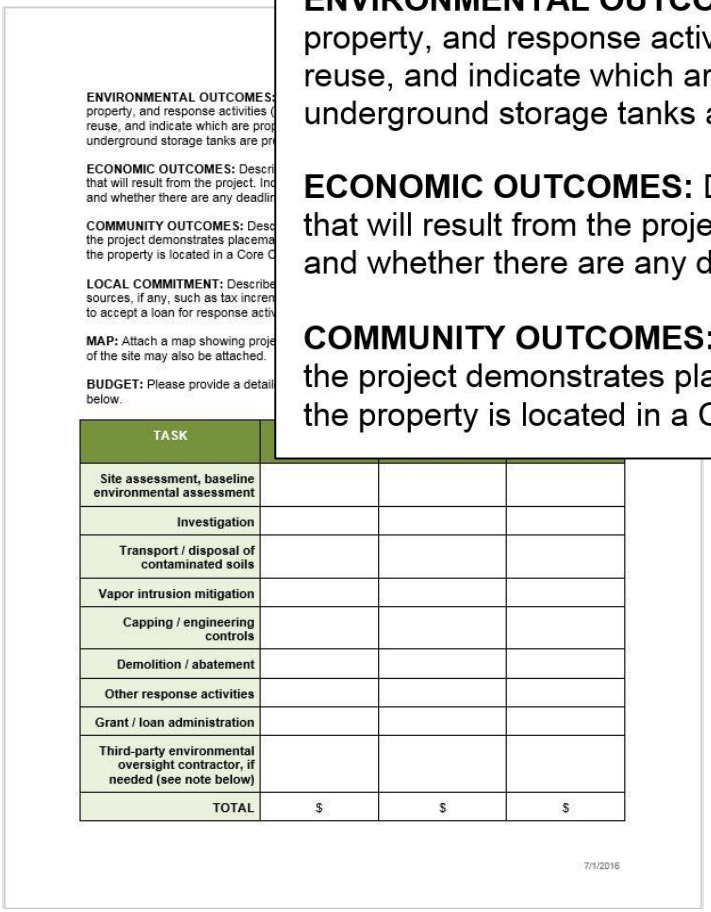
MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

What makes a redevelopment project a good match for DEQ brownfield incentives?

- The site is suspected or known to be contaminated
  - *The project will result in environmental benefit*
- It has development interest or potential
  - *The project will create economic benefit*
- The community is on board

YOUR PROJECT HERE

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM



ENVIRONMENTAL OUTCOMES:

property, and response activities (

reuse, and indicate which are prop

underground storage tanks are pr

ECONOMIC OUTCOMES: Descri

that will result from the project. Inc

and whether there are any deadlin

COMMUNITY OUTCOMES: Desc

the project demonstrates placema

the property is located in a Core C

LOCAL COMMITMENT: Describe

sources, if any, such as tax increm

to accept a loan for response activ

MAP: Attach a map showing proje

of the site may also be attached.

BUDGET: Please provide a detail

below.

TASK			
Site assessment, baseline environmental assessment			
Investigation			
Transport / disposal of contaminated soils			
Vapor intrusion mitigation			
Capping / engineering controls			
Demolition / abatement			
Other response activities			
Grant / loan administration			
Third-party environmental oversight contractor, if needed (see note below)			
TOTAL	$	$	$

7/1/2016

ENVIRONMENTAL OUTCOMES: Describe known or suspected environmental condition of the property, and response activities (including demolition) that are believed to be necessary for site reuse, and indicate which are proposed to be paid with a DEQ grant/loan. Indicate whether any underground storage tanks are present and whether they are regulated.

ECONOMIC OUTCOMES: Describe the new use of the property, and the jobs and investment that will result from the project. Indicate the expected date redevelopment is to be completed and whether there are any deadlines that could affect the grant or loan.

COMMUNITY OUTCOMES: Describe how the project fits local development plans and whether the project demonstrates placemaking or sustainable development concepts. Indicate whether the property is located in a Core Community, a Main Street Community, or traditional downtown.

THE MEASURE OF A GOOD PROJECT

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- **"Measurable Economic Benefit"** is the permanent jobs that are created or retained, the capital invested, or the increased tax base to the applicable county, city, village, and township where the project is located
- **"Measurable Environmental Benefit"** is the extent that the requirements of part 201 or part 213, or both, are advanced at a brownfield project where environmental conditions inhibit the site's redevelopment or reuse
- **Grant projects must be expected to result in *measurable economic benefit* greater than the grant amount** (except site assessments)

HOW DO YOU KNOW WHICH INCENTIVES TO USE?

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- Talk to a DEQ brownfield coordinator
- Talk to MEDC Community Assistance Team (CATeam) or Business Development Manager (BDM)
- Look at When to Use What and Where

THE MOST IMPORTANT TABLE YOU'LL SEE TODAY

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

WHEN TO USE WHAT AND WHERE

General Guide to Brownfield Incentives and Commonly Asked Questions on Eligible Costs

Note: This list of eligible activities and investments is not comprehensive for each of the incentive programs, and eligibility for some categories may be limited in terms of amount or application. Please discuss eligibility with the appropriate field staff representative from the Michigan Department of Environmental Quality (MDEQ) or Michigan Economic Development

Eligible Activity and/or Investment	MDEQ Brownfield Redevelopment Grant & Loan (Part 196)	Brownfield Redevelopment - Financing Act (Act 381)	
		MDEQ TIF (Environmental)	MSF TIF (Non-Environmental)
LUG/BRA Admin. of State-Funded/Approved Brownfield Activities	Yes	No	No
Evaluation/Investigation, BEA, Plan & Documentation of DCC	Yes	Yes	No
Implementing LRURs and other institutional controls	Yes	Yes	No
Interim Response	Yes	Yes	No
Remedial Action	Yes	Yes	No
Oversight of Environmental Contractor for BRA	Yes	Yes	No
Environmental Construction Management/Consulting	Yes	Yes	No
Engineering, Surveying and Design	Yes	Yes	Yes - QLGU
Professional Fees	Yes	Yes	Yes
Reasonable Legal Fees incurred to develop work plans (b)	No	Yes	Yes
Environmental Insurance	No	Yes (b)	No
Brownfield Plan Preparation	No	Yes	Yes
Work Plan Preparation	Yes	Yes	Yes
Long Term Operation & Maintenance Environmental System	No	Yes	No
Long Term Environmental Monitoring	No	Yes	No
Security Fencing (Temporary)	Yes	Yes	Yes
Security Fencing (Permanent)	Yes	Yes	No
Dewatering	Yes (a)	Yes (a)	Yes - QLGU, not (a)
Soil Erosion and Sedimentation Controls	Yes (a)	Yes (a)	Yes - QLGU
Clearing and Grubbing	Yes (a)	Yes (a)	Yes - QLGU, not (a)
Temporary Facility	Yes	Yes	Yes - QLGU
Site Grading	Yes (a)	Yes (a)	Yes - QLGU, not (a)
Sheeting & Shoring (Temporary)	Yes (a)	Yes (a)	Yes - QLGU
Sheeting & Shoring (Permanent)	Yes (a)	Yes (a)	No
Container Removal (ASTs, drums, hoists, etc.)	Yes (c)	Yes (c)	Yes (d)
Industrial Cleaning	Yes	Yes	Yes
Disposal of Solid Waste	Yes (b)	Yes (b)	Yes (d)
Dust control	Yes	Yes	Yes - QLGU
Dredging in waterways	Yes (b)	Yes (b)	Yes - QLGU
Pre-Demolition Building Assessment (universal waste)	Yes	Yes	Yes

DEQ Remediation and Redevelopment Division

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

WHEN TO USE WHAT AND WHERE

General Guide to Brownfield Incentives and Commonly Asked Questions on Eligible Costs

Eligible Activity and/or Investment	MDEQ Brownfield Redevelopment Grant & Loan (Part 196)	Brownfield Redevelopment - Financing Act (Act 381)	
		MDEQ TIF (Environmental)	MSF TIF (Non-Environmental)
Lead, Mold, and Asbestos Survey	Yes	Yes	Yes
Lead, Mold, and Asbestos Abatement	Yes (b)	Yes (b)	Yes
Concrete Demolition and/or Recycling	Yes (a and/or b)	Yes (b)	Yes
Building & Site Demo (includes subsurface and unregulated USTs)	Yes (b)	Yes (b)	Yes
Interior Demolition	Yes (b)	Yes (b)	Yes
Deconstruction for Reuse/Recycling	Yes (b)	Yes (b)	Yes
Storm Water Management Practices	Yes (b)	Yes (b)	Yes - QLGU, (b)
Regulated UST Removal	Yes	Yes	Yes
Geotechnical Investigation	Yes (b)	Yes (b)	Yes - QLGU
Specialized Foundations	Yes (a)	Yes (a)	Yes - QLGU
Excavation of Unstable Material	Yes (b)	Yes (b)	Yes - QLGU
Transportation and Disposal of Unstable Material	Yes (a)	Yes (a)	Yes - QLGU
Backfill	Yes (a)	Yes (a)	Yes - QLGU
Asphalt/Concrete Placement	Generally No	Generally No	No
Topsoil/Seeding	Yes (b)	Yes (b)	No
Vertical, Underground, or Integrated Parking	No	No	Yes - QLGU
Public Infrastructure Improvements	No	No	Yes - QLGU
Other Site Preparation Activities	No	No	Yes - QLGU
Permitting Fees	No	No	No
Interest	No	Yes	Yes (potentially)

a - Related to contamination
b - Must meet specific criteria
c - Related to due care or to mitigate future release
d - Related to demolition

ABBREVIATIONS:
ASTs – Aboveground Storage Tanks
BEA – Baseline Environmental Assessment
DCC – Due Care Compliance
LRUR – Land and/or Resource Use Restrictions
LUG/BRA – Local Unit of Government/Brownfield Redevelopment Authority
DEQ TIF – Department of Environmental Quality Tax Increment Financing
MSF TIF –Michigan Strategic Fund Tax Increment Financing
QLGU- Qualified Local Government Unit
UST – Underground Storage Tank

DEQ Remediation and Redevelopment Division

PITCH YOUR PROJECT (GRANTS AND LOANS)

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- Consultant or local government writes a project proposal
- Proposal is submitted by the local government to DEQ brownfield coordinator
- Brownfield coordinator and district project manager review, ask questions
- Proposal goes to full brownfield unit for vetting
- Outcome could be yes, no, or questions
- The brownfield coordinator will report back on the outcome, amount, grant/loan split (if any), conditions

WRITE A GREAT APPLICATION (GRANTS AND LOANS)

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- When the proposal has been approved, the brownfield coordinator will send an application – it is not available on line
- Application is submitted to the brownfield coordinator, who writes up a package for management approval
- After the grant/loan is approved, the brownfield coordinator will contact the applicant and follow up with an award letter and contract
- The contract is boilerplate and not negotiable
- Nobody gets paid until there's a signed contract and approved work plan

WRITE A GREAT WORK PLAN (GRANTS AND LOANS)

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- Everything has to be approved in advance – there are no pre-approved activities like 381
- Loan dollars are released when the work plan is approved
- Grant dollars are reimbursed after the money is spent
- Work Plan Amendments
- Act 381 Work Plans can function as a loan work plan

WE'VE GOT ISSUES

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

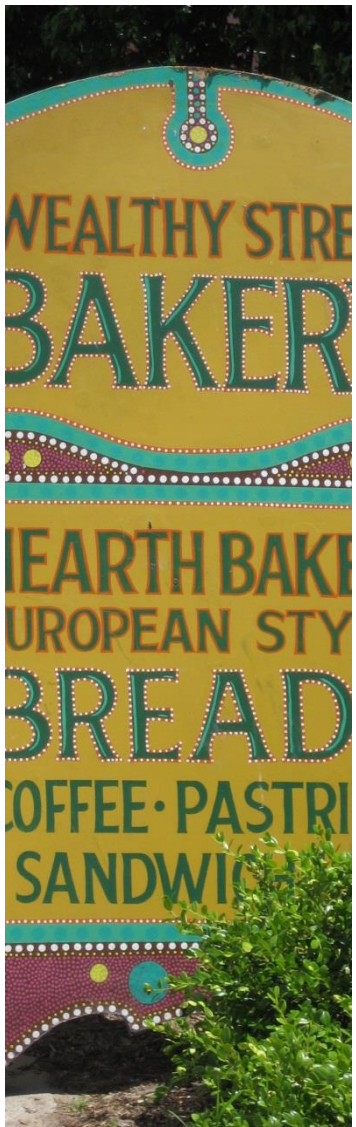
- Common problems with grant and loan work plans:
  - They don't provide enough detail on the proposed work
  - They include activities that are not needed / appropriate / protective
    - Work that is already completed
  - Work plans are unclear / confusing about why work is needed

HOW TO GET PAID IN ONE EASY STEP

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

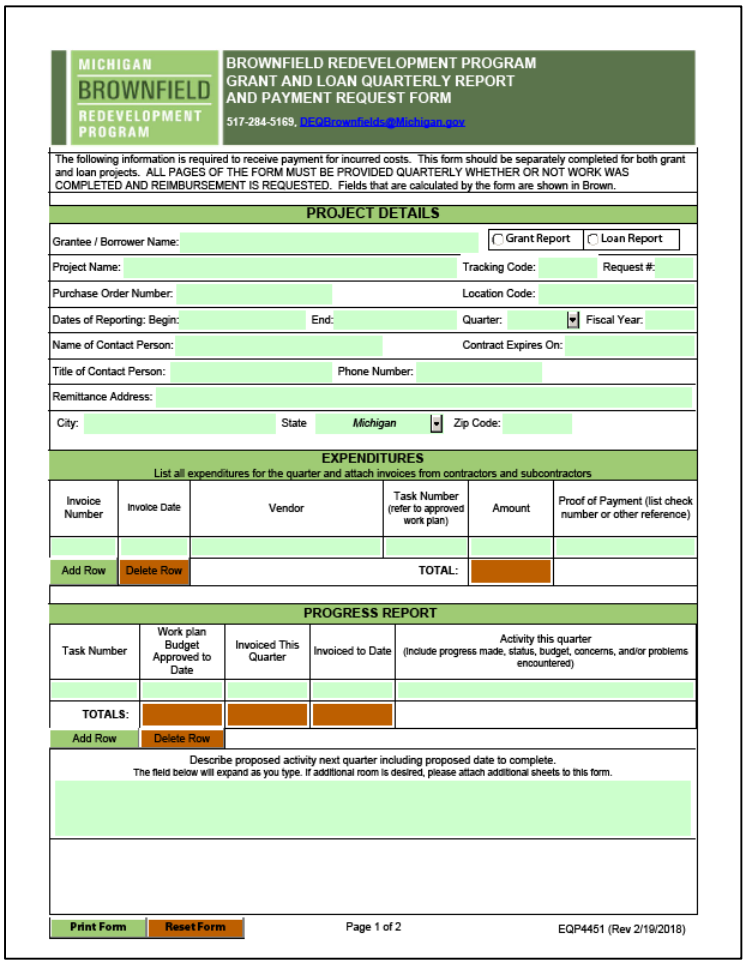
Send in the form!

- Progress reports need to be sent in quarterly, even if you don't have expenses
- Include documentation
- Electronic submittal now required
- Stay current because we can't approve new work plans or budget changes unless we know project status
- How to get paid in less than 6 months at year-end (hint: send in the form on time)



SEND IN THIS FORM!

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM



MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

BROWNFIELD REDEVELOPMENT PROGRAM
GRANT AND LOAN QUARTERLY REPORT
AND PAYMENT REQUEST FORM

517-284-5169, DEQBrownfields@Michigan.gov

The following information is required to receive payment for incurred costs. This form should be separately completed for both grant and loan projects. ALL PAGES OF THE FORM MUST BE PROVIDED QUARTERLY WHETHER OR NOT WORK WAS COMPLETED AND REIMBURSEMENT IS REQUESTED. Fields that are calculated by the form are shown in Brown.

PROJECT DETAILS

Grantee / Borrower Name: ○ Grant Report ○ Loan Report

Project Name: Tracking Code: Request #:

Purchase Order Number: Location Code:

Dates of Reporting: Begin: End: Quarter: Fiscal Year:

Name of Contact Person: Contract Expires On:

Title of Contact Person: Phone Number:

Remittance Address:

City: State Michigan Zip Code:

EXPENDITURES

List all expenditures for the quarter and attach invoices from contractors and subcontractors

Invoice Number	Invoice Date	Vendor	Task Number (refer to approved work plan)	Amount	Proof of Payment (list check number or other reference)
Add Row	Delete Row		TOTAL:		

PROGRESS REPORT

Task Number	Work plan Budget Approved to Date	Invoiced This Quarter	Invoiced to Date	Activity this quarter (Include progress made, status, budget, concerns, and/or problems encountered)
TOTALS:				

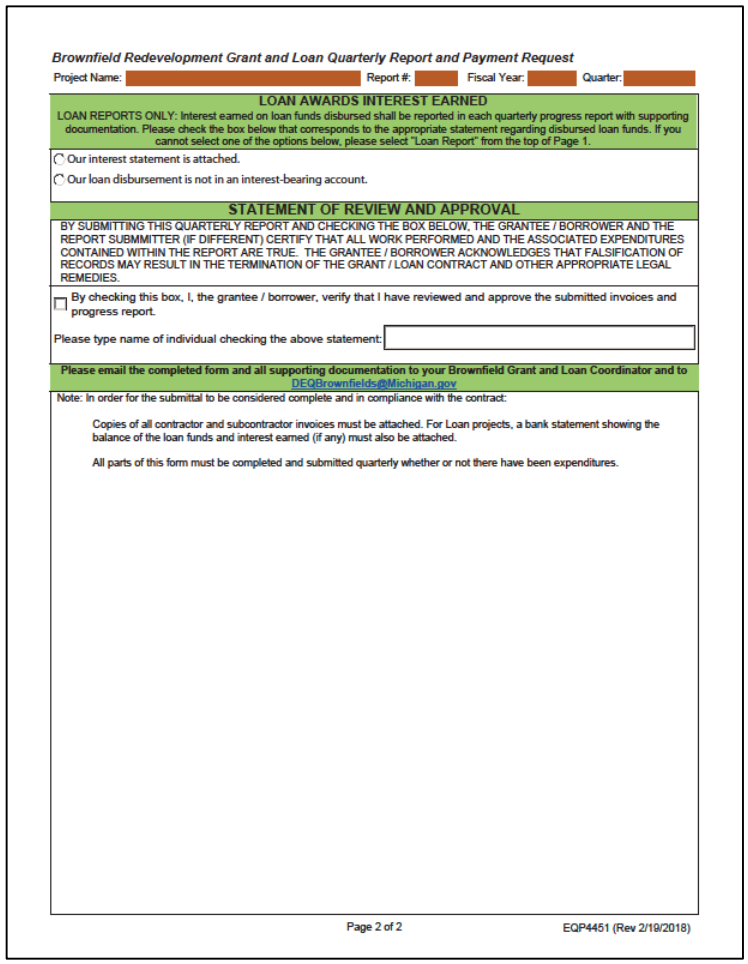
Add Row Delete Row

Describe proposed activity next quarter including proposed date to complete.
The field below will expand as you type. If additional room is desired, please attach additional sheets to this form.

Print Form Reset Form

Page 1 of 2

EQP4451 (Rev 2/19/2018)



Brownfield Redevelopment Grant and Loan Quarterly Report and Payment Request

Project Name: Report #: Fiscal Year: Quarter:

LOAN AWARDS INTEREST EARNED

LOAN REPORTS ONLY: Interest earned on loan funds disbursed shall be reported in each quarterly progress report with supporting documentation. Please check the box below that corresponds to the appropriate statement regarding disbursed loan funds. If you cannot select one of the options below, please select "Loan Report" from the top of Page 1.

○ Our interest statement is attached.

○ Our loan disbursement is not in an interest-bearing account.

STATEMENT OF REVIEW AND APPROVAL

BY SUBMITTING THIS QUARTERLY REPORT AND CHECKING THE BOX BELOW, THE GRANTEE / BORROWER AND THE REPORT SUBMMITTER (IF DIFFERENT) CERTIFY THAT ALL WORK PERFORMED AND THE ASSOCIATED EXPENDITURES CONTAINED WITHIN THE REPORT ARE TRUE. THE GRANTEE / BORROWER ACKNOWLEDGES THAT FALSIFICATION OF RECORDS MAY RESULT IN THE TERMINATION OF THE GRANT / LOAN CONTRACT AND OTHER APPROPRIATE LEGAL REMEDIES.

☐ By checking this box, I, the grantee / borrower, verify that I have reviewed and approve the submitted invoices and progress report.

Please type name of individual checking the above statement:

Please email the completed form and all supporting documentation to your Brownfield Grant and Loan Coordinator and to DEQBrownfields@Michigan.gov

Note: In order for the submittal to be considered complete and in compliance with the contract:

Copies of all contractor and subcontractor invoices must be attached. For Loan projects, a bank statement showing the balance of the loan funds and interest earned (if any) must also be attached.

All parts of this form must be completed and submitted quarterly whether or not there have been expenditures.

Page 2 of 2

EQP4451 (Rev 2/19/2018)

BUT DON'T DO THIS (PLEASE)

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- **Common problems with quarterly reports:**
  - Supporting documentation is missing
  - Invoices are submitted that are not listed on the payment request
  - Invoices are listed on the payment request but were not submitted
  - Charges aren't explained / supported by the progress report
  - Math doesn't add up
  - Invoices don't match task items
  - Invoices are for more than one fiscal year (breaking up is hard to do, but it has to be done or payment is delayed)
  - Tasks and task numbers don't match work plans or Appendix A

HOW TO FINISH A GRANT OR LOAN PROJECT

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- Send in all the invoices
- Send in all the reports
- Write a final report for the grant/loan
- 10% retained from invoices will be released when we get the goods

WHAT SHOULD AN ACT 381 WORK PLAN INCLUDE?

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- As much detail as possible using the recommended templates
- TIF Table
  - TIF table is required and can be found on miplace.org
  - Abatements are easier to account for on standard template
  - Can be PDF (staff does not review formulas)

FOR A GREAT ACT 381 WORK PLAN, DO THIS

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

Part One: Math

- Work Plan eligible activity costs can't exceed Brownfield Plan eligible activity costs
- Include total square footage of project and components (retail, parking, residential, etc.)
- Break out integrated/vertical parking major subcategory costs in the eligible activity table
- For eligible activities that allow only *incremental* increase of costs to be reimbursed (urban storm water management, foundation work to address special soil concerns, etc.), specify that the costs are only those that exceed costs that would be incurred on a greenfield
- Include property tax abatement information within the Work Plan narrative. Include number of years and overall anticipated value.
- Ensure figures are consistent throughout the Work Plan and across different incentive applications (capital investment, jobs, etc.)

AND ALSO THIS

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

Part Two: Not Math

- Identify jobs created as “full-time equivalent” with a single average wage. Do not include construction jobs and/or construction wages (except Transformational)
- Indicate whether Infrastructure Improvements in the public ROW or within an easement
- Transmittal letters are not required for a draft Work Plan. MEDC staff will request transmittal letters once the work plan is close to the MSF Board date or MSF Delegate Signature

WHO DOES WHAT?

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- DEQ approves "Department-specific activities" plus work plan development, environmental insurance, and attorney or consultant fees "not in the ordinary course of acquiring and developing real estate"

- MEDC approves "Non-Environmental Eligible Activities" in Act 381 definitions

MEDC
MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

WHAT HAPPENS WHEN THE SCOPE OF WORK CHANGES?

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- Approval for unanticipated costs – email followed by updated Brownfield Plan if needed
- Work plan amendments

  <u>What constitutes an amendment?</u>

  - Project scope change (Use change, square footage change, etc.)
  - Time extension to complete eligible activities (plans prior to FY16)
  - Change in eligible activity costs
  - Change in eligible activity type
  - Change in eligible property (add, subtract, parcel combination)
  - Change in local millage availability

  <u>Who do you contact?</u>

  - MEDC: CATeam or BDM are available, but unless the amendment is coupled with the addition of a new incentive, Brownfield staff handles all amendments.
  - DEQ: work with your brownfield coordinator

HOLDING HANDS

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

How do MEDC and DEQ staff collaborate on Act 381 work plans?

- MEDC and DEQ staff meet monthly to touch base on projects, discuss policy issues
- MEDC requests DEQ verification of facility status
- MEDC and DEQ staff collaborate on projects where costs may overlap agencies

MAKING A LIST, CHECKING IT TWICE

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

How does MSF determine support for Act 381 Work Plans?

- Does the project meet organizational goals?
- What are the individual merits of the project?
- Eligible activity availability (core vs. non-core)

REQUIRED BRA REPORTING
DON'T MAKE US COME FIND YOU

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- Act 381– Brownfield Redevelopment Authorities – Required by legislation
- Annually by August 31 via Online Portal
- BRA must report even if no Tax Increment Revenue was collected
- MEDC and DEQ review and evaluate submissions

BREAK!

MICHIGAN
BROWNFIELD
REDEVELOPMENT
PROGRAM

BROWNFIELD REALITY - (DEQ)

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

A redevelopment project with environmental complications.

Part 201 / 213

Start with a simple question…

ELIGIBLE ACTIVITY OR NOT?

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

IS THE ACTIVITY NECESSARY TO ADDRESS CONTAMINATION?

OR

IS THE ACTIVITY THE SAME ON A GREENFIELD SITE?

POSSIBLE DEQ FUNDING

DEVELOPER FUNDING

FUNDING FOR OUR MISSION

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- GRANTS
- LOANS
- ACT 381 Tax Increment Financing

PARTIAL LIST OF ELIGIBLE ACTIVITIES

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

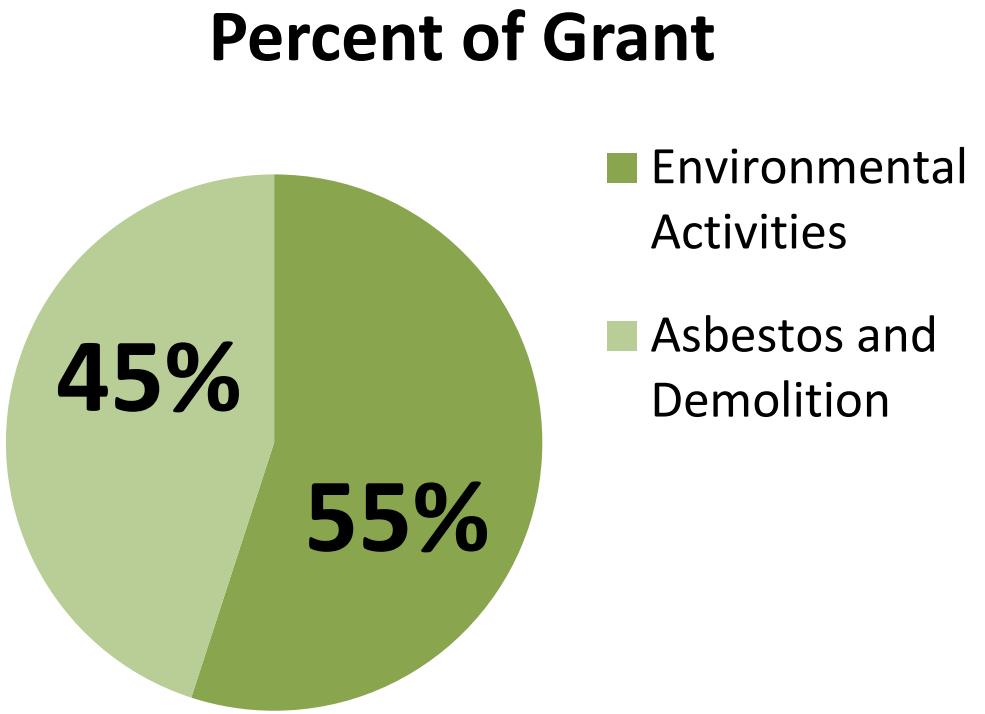
- Phase I ESAs, Phase II ESAs, and BEAs
- Due Care Investigation, Reporting, and Planning
- Asbestos, Lead, and Mold Survey
- Response activities, Vapor Mitigation, Capping, etc.
- Soil and Groundwater Disposal
- Hazardous Material Removal
- UST Removal and Closure
- Dust Control
- Sheeting and Shoring
- Industrial Cleaning
- Unstable Soil Disposal, Specialized Foundations
- Administration fees
- Demolition *
- Lead, Asbestos, Mold Abatement *
- Removal and disposal of sediments *
- Disposal of solid waste *

* Up to 50% of DEQ Funding

THE 50-50 RULE: HOW?

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- DEMO
- LEAD
- ASBESTOS
- SEDIMENT
- SOLID WASTE



50 – 50 RULE: WHAT AND WHY?

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- DEQ program is Part 201/213 - driven
- There are other significant and expensive non-201/213 impediments to redevelopment
- Requests are far greater than DEQ funding available

TRACKING 50/50 ITEMS

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- Combination of all items must meet 50-50
- Proposed budget must show the split
- Must draw funds down evenly
- Show status by task on each quarterly report

EXAMPLE TRACKING SPREADSHEET

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

ITEMIZED GRANT EXPENDITURES (QUARTER 18-3)			
Activity	**ASBESTOS/DEMO**		**ENVIRONMENTAL**
Bid Specs	$2,000		$2,000
Asbestos Air Monitoring	$1,000		-
Waste Drum Removal	-		$3,000
Asbestos Abatement	$15,000		-
Demolition	$50,000		-
Soil Transport & Disposal	-		$50,000
Vapor Mitigation	-		$25,000
Total	$68,000		$80,000
Total Grant Expended	$148,000		
Percent of Funding	46%		54%

WAIT, I THOUGHT YOU SAID THE ONE ON THE LEFT!

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- Structures
- Interior Demolition
- Pavement
- Site Features
- Properly Closed in Place USTs

Some demolition is a response activity and not subject to 50 – 50 Rule

RESPONSE ACTIVITY OR NOT?

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

IS THE DEMOLITION NECESSARY TO REMOVE CONTAMINATION?

OR

IS THE DEMOLITION ONLY NECESSARY FOR REDEVELOPMENT?

ENVIRONMENTAL RESPONSE ACTIVITY

50/50 RULE

TYPICAL DEMOLITION PROJECT

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

$75,000 Env.

$20,000 Demo

DEQ Grant Funds
$10,000 BEA
$50,000 UST
$15,000 VI System
$2,000 Asbestos
$18,000 Demo

$95,000 Total Grant

DEMO PROJECT MATCHING FUNDS

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

$75,000 Env.

$20,000 Demo

Developer Costs

$10,000 BEA

$50,000 UST

DEQ Funding

$15,000 VI System

$2,000 Asbestos

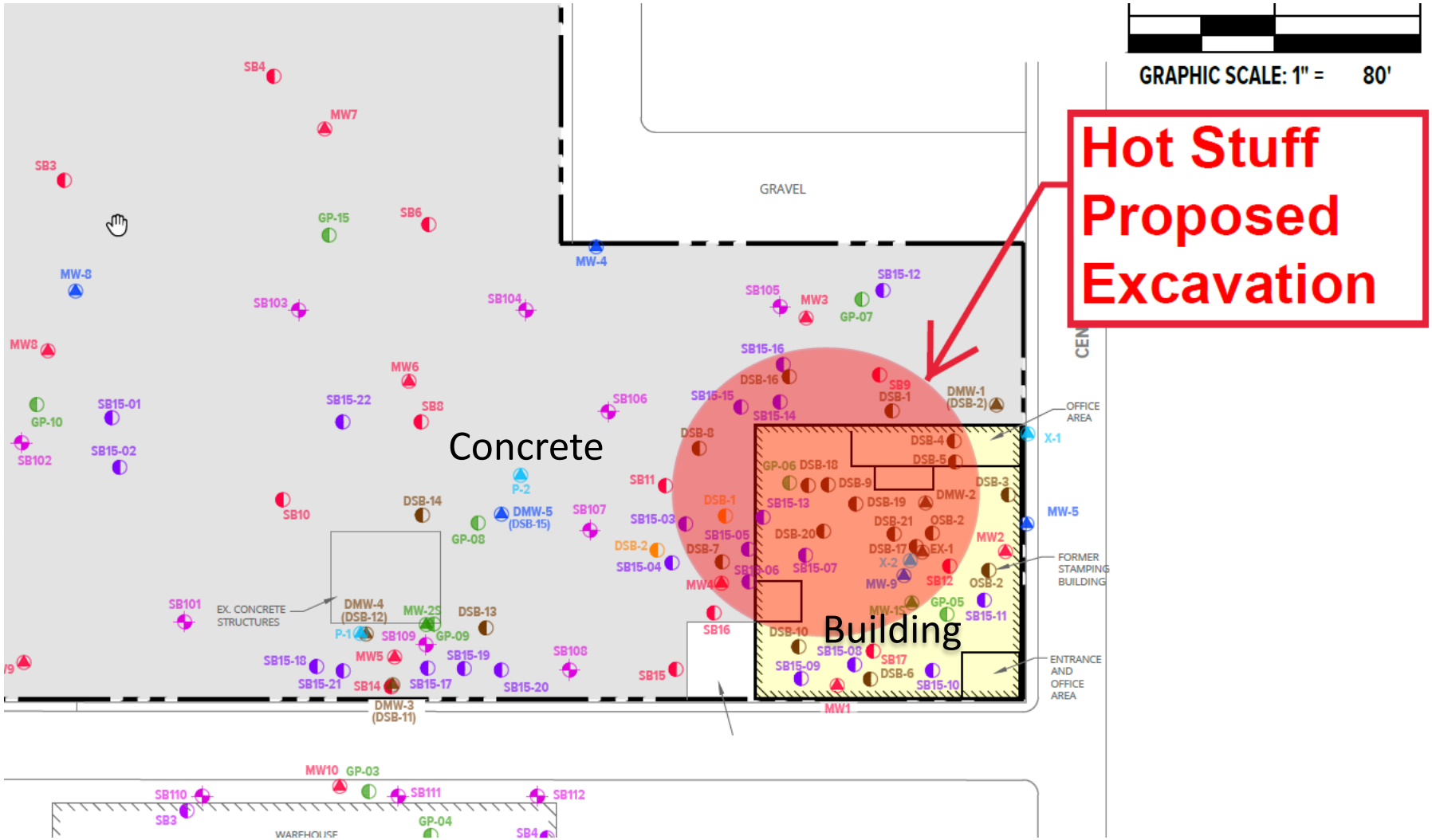
$18,000 Demo

$35,000 DEQ Support

Environmental activities funded by other sources can match DEQ funds

LOOKIN' FOR SOME HOT STUFF: DEMO RESPONSE ACTIVITY

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM



LEAD, ASBESTOS, AND MOLD – OH MY!

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

Activities not subject to 50-50 Rule

- Survey (must be part of a facility/due care investigation)
- Lead / asbestos released to the environment
- Friable/flaking lead/asbestos that is a threat to human health or the environment
- Abatement that is part of response activity

LEAD, ASBESTOS, AND MOLD – OH MY!

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

All other lead, asbestos, mold activities only necessary to facilitate redevelopment are subject to the 50-50 Rule

DREDGING / SEDIMENTS

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

Two conditions always required

1) Economic development project

2) Facility or sediments will create a facility

Only the <u>additional costs</u> incurred due to contamination

DREDGING / SEDIMENTS

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

The Act of Dredging

vs.

Dredge Spoils Management

a) Testing, transportation and disposal at landfill.

b) Upland disposal and cover.

c) Costs to develop restrictive covenants.

SOLID WASTE

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- **Part 115 Wastes**
  - Tires
  - Furniture
  - Asphalt shingles
  - Some slags, ash, sludge
- **No, we can not dig out landfills**
- **Property must be a facility**

DEWATERING

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

Only added costs directly associated with contamination.

Incremental cost for Transport, Disposal, Treatment.

DEQ fund lowest cost feasible method: frack tank, NPDES permit, sanitary sewer, etc.

NON-ENVIRONMENTAL DEMO, LEAD, ASBESTOS, ETC. - MSF

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- Demolition of structures, foundations, parking lots, etc. and transportation/disposal of non-recyclable elements
  - If contaminated soils are included, MSF will only cover costs of excavation, not transportation/disposal
- Lead, Asbestos and Mold Abatement, if part of structure and not friable
- Solid Waste Removal is a Site Prep activity

NON-ENVIRONMENTAL DEWATERING - MSF

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- **Dewatering is an MSF Site Prep Activity during**
  - Excavation for unstable materials
  - Excavation to support underground parking
  - Foundation work to address special soil concerns, fill, or urban storm water management

SOIL EXCAVATION & HANDLING

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- Excavation
- Transport
- Disposal

…May be DEQ-eligible but ONLY the added costs directly associated with contamination

CAN DEQ FUND EXCAVATION?

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

IS THE SOIL EXCAVATED TO REMOVE CONTAMINATION?

(I.E. SOURCE REMOVAL)

YES, EXCAVATION IS ELIGIBLE RESPONSE ACTIVITY

OR

IS THE SOIL EXCAVATED FOR CONSTRUCTION REASONS?

NO, NOT ELIGIBLE

UNSTABLE SOIL - DEQ

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

DEQ will pay for the lowest cost transportation and disposal option or specialized building foundations

- Must be contaminated
- Non-indigenous fill
- Written engineering analysis

UNSTABLE SOIL - MSF

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- **Excavation for Unstable Materials is an MSF Site Prep Activity**
  - Must be non-indigenous material
- **Foundation Work to Address Special Soil Concerns is an MSF Site Prep Activity**
- Other unstable soil should seek professional help.

OTHER ELIGIBLE COSTS

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- **Soft Costs**
  - Engineering, Bidding
  - Design, Survey
  - Oversight, Project Management
  - HASP
  - Reporting

- **Associated Costs**
  - Soil erosion and sedimentation control
  - Survey, Staking
  - Traffic Control
  - Shoring
  - Backfill
  - Compaction, Testing

UNANTICIPATED COSTS

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

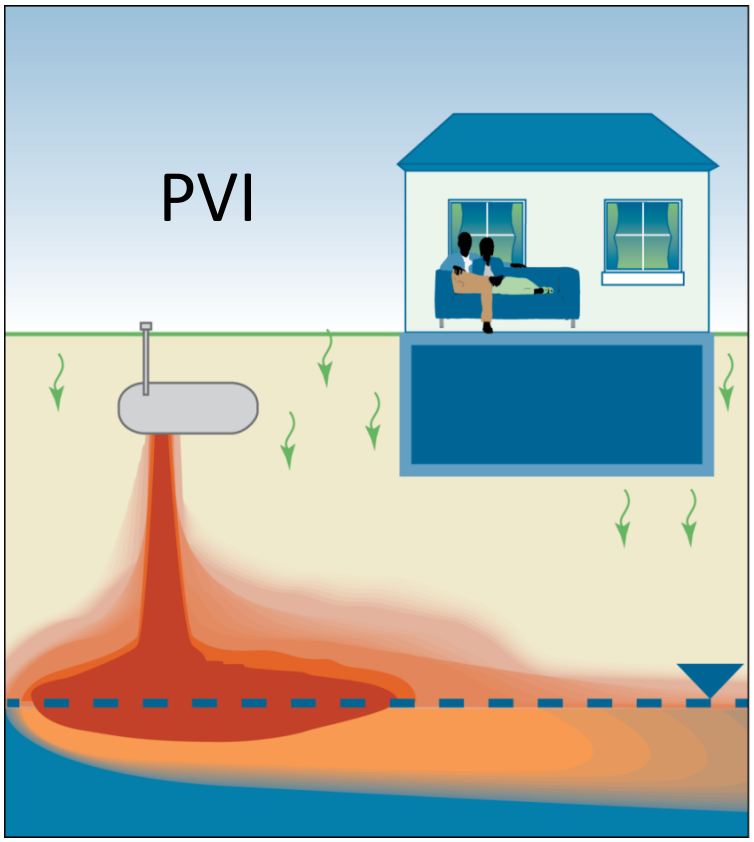
If using DEQ funding:

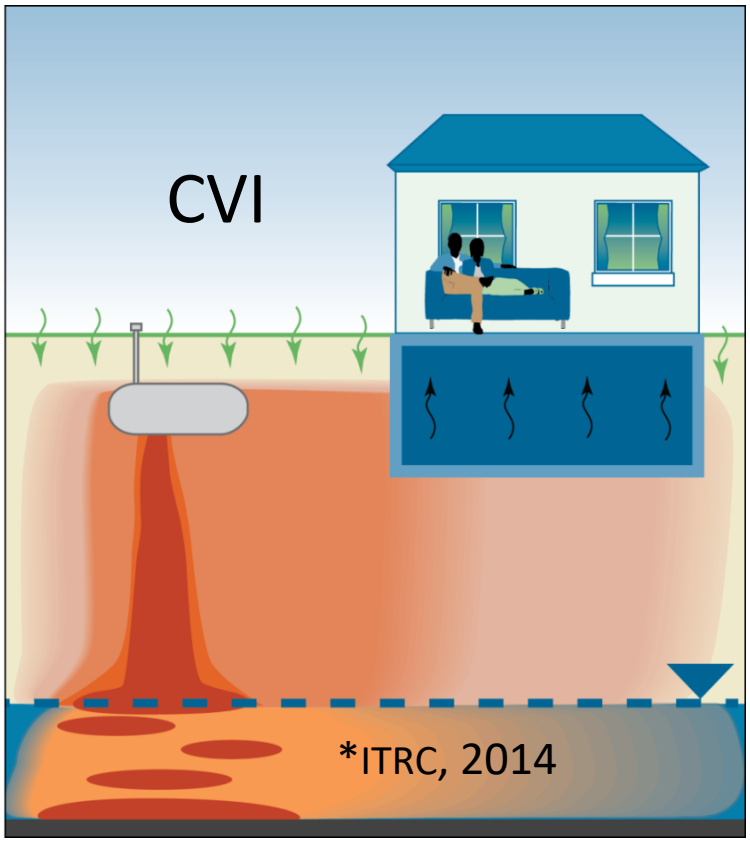
- call from the field
- get a verbal ok
- must follow up in writing

VAPOR MITIGATION

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

NEW REALITY





LIABILITY

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

DEQ funding generally cannot benefit a party that is responsible for *causing* a release.

...but there is still a lot we can do.

WHAT IF THERE IS A LIABLE PARTY?

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- Developer = No DEQ funding
- Seller = Assessment and Due Care (response activity with TIF)
- Viable 3rd Party Exists = Assessment and Due Care (response activity with loan/TIF)
- LUGs = Loan with 50% Match

LIABILITY MATRIX

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

Viable, liable party	Possible DEQ funding sources for eligible activities with a liable party		
	Assessment activities	**Due care activities**	**Response activities**
No viable liable party	Grant; Loan; Act 381 TIF	Grant; Loan; Act 381 TIF	Grant; Loan; Act 381 TIF
Third party unrelated to development (Not seller, developer, or LUG)	Grant; Loan; Act 381 TIF	Grant; Loan; Act 381 TIF	Loan; Act 381 TIF
LUG – Grant / Loan request	Loan with 50% match	Loan with 50% match	Loan with 50% match
Seller of the property	Grant, Loan, Act 381 TIF	Grant, Loan, Act 381 TIF	Act 381 TIF
Developer of the property	NONE	NONE	NONE

CONSULTANTS AND SUBCONTRACTORS (GRANT/LOAN)

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- **Competitive Bidding**
  - Not Professional Services (consultant)
  - Not labs
  - Any Contractor/Trade over $20,000
- **Conflict of Interest**
  - When you work for the developer and the LUG
  - 3rd Party Oversight
- **10% markup on subcontractors, lab fees, etc.**
  - Must provide receipts

PROJECT ADMINISTRATION AND OVERSIGHT (GRANT/LOAN)

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

A local unit of government can be reimbursed for its grant/loan administration at up to 3% of the grant or loan amount

Communities may hire consultants to manage non-technical services or provide technical oversight over another consultant limited to 5% of the grant or loan amount

The DEQ may approve both administration and oversight on a project with a maximum cost of 8% of the grant or loan amount

BUT WE ALREADY SPENT THE MONEY!

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

PRE-APPROVED ACTIVITIES FOR 381 TIF ONLY

- Site assessments
- Pre-demolition and building hazardous materials surveys
- Asbestos, mold, and lead surveys
- BEAs
- Due care planning

NO LOOK BACK FOR DEQ GRANTS AND LOANS

Non-Environmental Eligible Activities – Get engaged with CATeam/BDM as early as possible to discuss project needs and timelines

THINGS THAT ARE NEVER ELIGIBLE, NO HOW, NO WAY

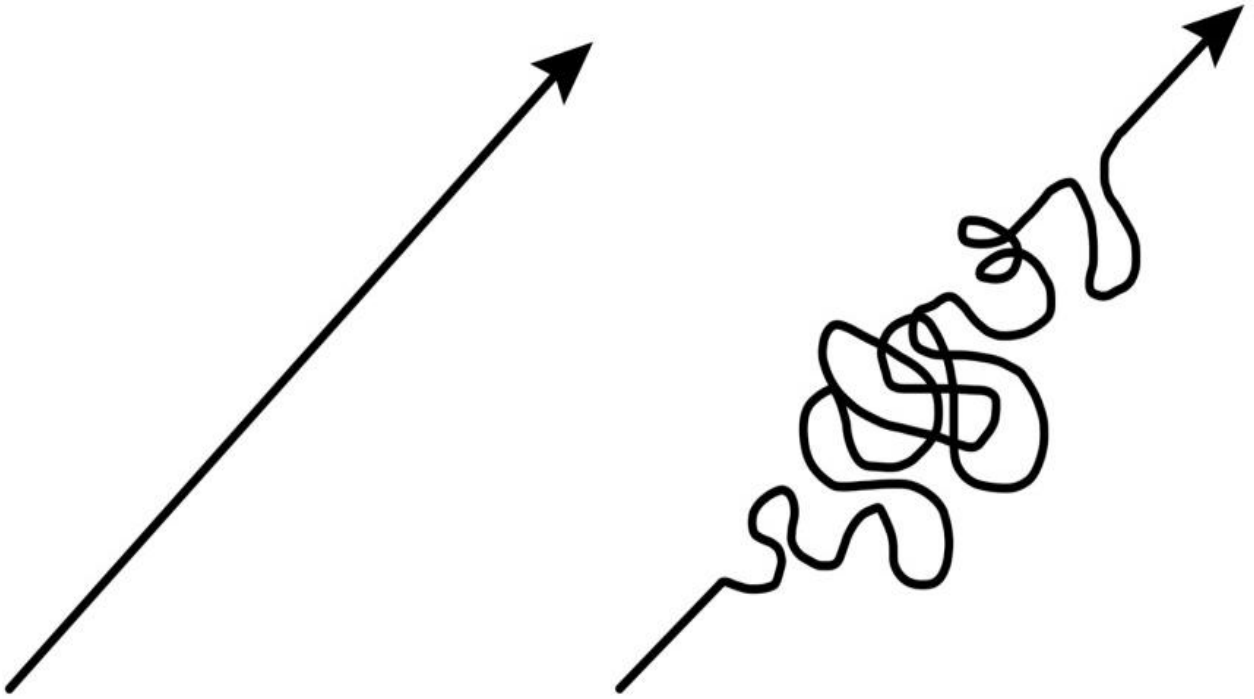
MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- Anything that would be required for the development of an uncontaminated site
- Construction costs unless related to contamination
- Transport / disposal of anything that isn't contaminated
- Excavation or dewatering for construction
- Building slabs (even if it's a "cap")
- Drinking water supply replacement
- Operation and Maintenance
- Attorney fees / legal advice (except as allowed by Act 381)
- Equipment purchase
- Third party damages
- Fees (local fees, etc.)
- Cost to prepare grant/loan application
- Activities conducted outside a DEQ-approved work plan
- Things that don't pass the laugh test

TIMING IS EVERYTHING

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- How long does it take?
- Incentives cost time
- Coordinate incentives with the real estate transaction and construction schedules



Expectation **Reality**

HOW TO DELAY A PROJECT

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- Don’t engage the LUG, DEQ, and CATeam early
- Have a big hairy liability issue
- Don’t understand site conditions
- Propose fuzzy activities and costs in the scope of work
- Change the financing package
- Don’t execute a reimbursement agreement
- Find weird buried stuff

OTHER FUNDING EXISTS IN THE WORLD*

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

- EPA 128a Program
- Refined Petroleum Funds (RPF)
- Other Direct DEQ Funding
- MIPlace.org or michiganbusiness.org

*Ryan Londrigan direct quote

WHO ARE WE, AND WHY ARE WE HERE?

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

DEQ Mission. The Michigan Department of Environmental Quality promotes wise management of Michigan's air, land, and water resources to support a sustainable environment, healthy communities, and vibrant economy.

PARTNERS IN ECONOMIC DEVELOPMENT: THE NUMBERS

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

36 Brownfield Projects

$27M in incentives

- $9.4M grants and loans
- $17.6M brownfield TIF

Impact

- 2,935 jobs
- Private investment = $892M

ROI

- $32/DEQ $ invested

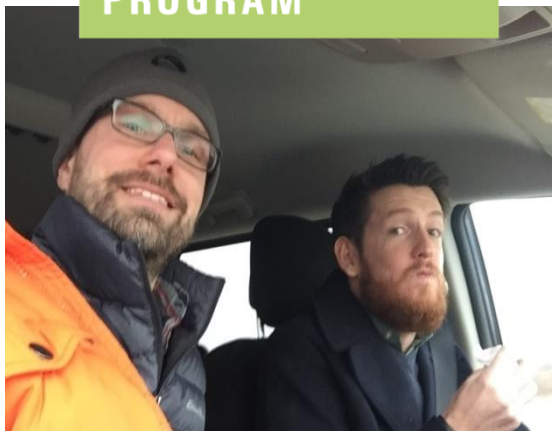
#MIBROWNFIELDS
WWW.MICHIGAN.GOV/DEQBROWNFIELDS

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM

MEDC
MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

CATeam members can be found at https://www.miplace.org/globalassets/media-documents/cateam-map.pdf - check your emailed agenda for this link

MICHIGAN BROWNFIELD REDEVELOPMENT PROGRAM



The BRU Crew can be found at http://www.michigan.gov/documents/deq/deq-rrd-Revised_staff_map_ada_615211_7.pdf - check your emailed agenda for this link

Did you get your money's worth from this FREE training? We hope so!