

BROWNFIELD REDEVELOPMENT AUTHORITY

Utilizing Tax Increment Financing

Program Introduction

PURPOSE

A Brownfield Redevelopment Authority (BRA) is established by a local unit of government to help promote economic growth. Brownfield Redevelopment involves the evaluation and cleanup of properties that are contaminated, blighted, and/or functionally obsolete. This program lays the foundation for redevelopment in a community.

Some of the results of Brownfield Redevelopment include making the property and surrounding area environmentally safe and more enticing for investment.

Tax Increment Financing (TIF) provides an incentive for developers to invest in a property with environmental and/or other challenges. The developer works with the BRA to prepare and implement a work plan to identify the contamination problems and resolve them.

TAX INCREMENT FINANCING: FOR LOCAL COMMUNITIES

- A BRA provides an opportunity at the local level to address brownfield properties of concern
- When a BRA has designated a property eligible, local and school property tax revenues can be used for approved activities, such as environmental response, demolition, lead or asbestos abatement, infrastructure improvements, and site preparation
- The impact to the taxing jurisdictions is minimal during the brownfield redevelopment phase due to increasing property values
- Ultimately, when the TIF ends, all taxing jurisdictions receive increased tax revenues that may not have been realized without this incentive

TAX INCREMENT FINANCING: FOR DEVELOPERS

- A Brownfield TIF provides reimbursement to developers for eligible redevelopment activities
- The incentive begins when the redevelopment achieves increased taxable value



Project: George W. Auch Construction Company Headquarters

HOW ARE BROWNFIELD PROJECTS APPROVED THROUGH OAKLAND COUNTY?

- The first step of any Oakland County Project is to reach out to Brad Hansen, Oakland County's Department of Economic Development, to discuss all aspects of the project: hansenb@oakgov.com
- Once a draft Brownfield Plan is ready for formal review, it will get placed on the Oakland County Brownfield Redevelopment Authority (OCBRA) agenda.
- With any Oakland County BRA project, the local unit of government in which the project resides needs to pass a resolution concurring with the provisions of the Brownfield Plan.
- If the OCBRA approves the Brownfield Plan for the project, they make a recommendation that the Board of Commissioners vote on the Brownfield Plan for the project.
- If approved by the Board of Commissioners, all local taxing jurisdictions (e.g., County, City, Township, Village, Intermediate School District, Huron Clinton Metroparks, Oakland County Parks & Recreation, etc.) are eligible for capture and can be used for developer reimbursement.
- If a project is seeking State school taxes, the development team needs to submit a 381 Work Plan, which includes the approved Brownfield Plan and all related resolutions to the State for their approval.
- The Michigan Strategic Fund (MSF), with assistance from the Michigan Economic Development Corporation (MEDC), administers the reimbursement of costs associated with nonenvironmental eligible activities that support redevelopment, revitalization, and reuse of eligible property using State school taxes.
- The Michigan Department of Environment, Great Lakes, and Energy (EGLE) administers the reimbursement of environmental response costs for eligible environmental activities using State school taxes.

For more information, contact:

Brad Hansen at hansenb@oakgov.com

[OakGov.com/
BrownfieldRedevelopment](https://www.oakgov.com/BrownfieldRedevelopment)

 *All ways,* MOVING FORWARD

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