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SURVEY OF ECONOMIC
DEVELOPMENT PROGRAMS
IN MICHIGAN

THIRD EDITION

FEBRUARY 2016

REPORT 392

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SURVEY OF ECONOMIC DEVELOPMENT PROGRAMS IN MICHIGAN

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Miller, Canfield, Paddock and Stone PLC**

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SURVEY OF ECONOMIC DEVELOPMENT PROGRAMS IN MICHIGAN

Introduction

While state and federal agencies offer ample information on economic development programs in Michigan, the absence of a central repository of major programs prompted the Citizens Research Council to attempt such a compendium in 2001. CRC's [Survey of Economic Development Programs in Michigan](#), (CRC Report No. 334, May 2001), categorized and described over 40 federal and state economic development initiatives, and offered the reader an index of programs and program concepts for ease of use. The updated 2007 publication ([CRC Report No. 347, June 2007](#)) built upon this effort by updating the descriptions of the 35 federal and state economic development initiatives still in effect, analyzing 8 new initiatives, and expounding program concepts to further aid the reader.

This, the Third Edition, updates the economic development programs available to Michigan state and local governments. Although a few new tools have been made available to local governments, the major evolution of economic development programs between 2007 and 2016 was the cessation of business tax credits offered through the Single Business Tax and then the Michigan Business Tax.

The Survey of Economic Development Programs organizes the major programs into Federal Zone Programs, Grants or Direct Subsidies, Loans, Tax Abatements or Credits, Financing Programs and Tax Authorities, and Job and Employment Training programs. Programs not befitting these categories are listed as Other Local Unit Economic Development Options and Miscellaneous Authorities, Miscellaneous

Grants and Loan Programs, and Miscellaneous Statewide Programs. These program categories include sundry economic development programs, and non-program, statutory adjuncts that facilitate development activities. It is important to note, however, that several programs could be categorized by more than 1 heading. For example, the Freight Economic Development Program is structured as a loan program, but functions as a grant program if employment targets and other incentives are met by the participant. Program classification was predicated, ultimately, on the primary mission of the program.

These program descriptions are designed to give users a thumbnail description of the programs, an explanation of the eligibility and benefits, and some discussion, when applicable, of the value of the programs. Each description provides the enabling act, major amendments, and a statutory citation. Whenever possible, web addresses are provided to link to more information or program applications on the government websites.

Numerous federal economic development programs are not included here for brevity. These include programs offered by the Federal Economic Development Administration and the Federal Small Business Administration (though the most popular such program from that agency is included here), and various programs offered by the U.S. Department of Agriculture (with the exception of Enterprise Communities) and the U.S. Department of Energy. Also, many local and county programs could not be included for the same reasons.

SURVEY OF ECONOMIC DEVELOPMENT PROGRAMS IN MICHIGAN

FEDERAL ZONE PROGRAMS

Foreign Trade Zones

Historically Underutilized Business Zones

FOREIGN TRADE ZONES

ENABLING LEGISLATION;

STATUTORY CITATION: Foreign-Trade Zones Act of 1934, 19 U.S.C 81a-81u; for Foreign-Trade Zone Board Regulations see C.F.R. 15 Part 400, and 19 C.F.R. Part 146 (Custom Service Regulation on Foreign-Trade Zones); 1963 PA 154; M.C.L. 447.1 et seq.

SUMMARY PROGRAM

DESCRIPTION:

Foreign-Trade Zones (FTZs) allow private organizations to establish, with the cooperation of the local unit, designated areas or zones that are considered foreign soil for the purposes of the United States Department of Customs and Immigration. As such, FTZs allow for value-added processing of certain raw or unfinished goods without paying customs import duty on them. If the finished goods are to be imported into U.S. Customs territory for sale, the law allows the operator of the FTZ to choose between paying duty on the import of the unfinished goods to the zone, or paying duty on the finished goods entering customs territory, whichever is less.

ELIGIBILITY

AND BENEFITS:

All United States Custom and Border Protection (CBP) ports of entry are entitled to a Foreign Trade Zone. Ports of entry exist in all 50 states and in several territories. Ports of entry in Michigan exist in the cities or counties of Battle Creek, Flint, Detroit, Grand Rapids, Kent/Ottawa/Muskegon, St. Clair, Sault Ste. Marie, and Lansing. Zones must be located within or adjacent to CBP ports of entry, within 60 statute miles of a CBP port, or within 90 minutes' travel time to a CBP port.

There are two types of Foreign-Trade Zones:

- General Purpose Foreign-Trade Zones are established for multiple activities by multiple users, with the most common activity being warehousing and distribution. Manufacturing activities are also permitted with approval of the FTZ Board.
- Subzones are approved for use by one company for a specific purpose, usually manufacturing, if the company is unable to relocate to a general purpose zone. Applicants (general purpose FTZ grantees, typically public entities, who apply on behalf of interested companies) must demonstrate a significant public benefit for approval.

In effect, FTZs allow manufacturers to avoid inverted tariffs on goods exported to the United States from the FTZ. Inverted tariffs are those that charge a higher rate for a raw good than a finished good. To illustrate a hypothetical example, a motorcycle manufacturer may be able to import engines for assembly at a four percent tariff. However, if the tariff rate on a finished motorcycle is sufficiently low, the manufacturer could lower its overall tariff cost by instead exporting the finished product through the use of an FTZ. If the finished goods are exported for final sale outside of the United States, United States Customs duties do not apply in most cases.

According to the National Association of Foreign-Trade Zones, merchandise entering an FTZ may be assembled, displayed, stored, tested, repaired, sampled, manipulated, salvaged, relabeled, mixed, destroyed, repackaged, cleaned or processed, and benefit from the reduced duty schedules. Any activity that results in a change of the tariff classification, such as manufacturing or processing, must be approved by the FTZ Board. Retail trade is prohibited.

FOREIGN TRADE ZONES (CONTINUED)

DATA SOURCE:

Michigan has seven active Foreign-Trade Zones. The following list includes Zone number, year of establishment, associated subzones, and benefiting subzone businesses with approved FTZ applications. It does not include zones or subzones that have expired or been terminated.

Battle Creek (FTZ No. 43, est. 1978)

| | | |
|---------|-----|---|
| Subzone | 43B | - Mead Johnson Nutritionals Group, Zeeland, 1/10/92 |
| | 43C | - Abbott Manufacturing, Inc., Sturgis, 7/23/97 |
| | 43D | - Perrigo Company, Battle Creek, 5/22/03 |
| | 43E | - Pfizer, Inc., Kalamazoo, 9/07/06 |

Detroit (FTZ No. 70, est. 1981)

| | | |
|---------|-----|--|
| Subzone | 70B | - Chrysler Corp., Detroit, 1/22/82 (inactive) |
| | 70H | - Chrysler Corp., Sterling Heights, 4/10/85 (inactive) |
| | 70I | - Auto Alliance International, Inc., Flat Rock |
| | 70J | - DaimlerChrysler Corp., Trenton, 6/29/87 (inactive) |
| | 70K | - General Motors Corp., Detroit/Hamtramck, 12/14/88 (inactive) |
| | 70L | - General Motors Corp., Orion Twp., 12/14/88 (inactive) |
| | 70N | - Chrysler Corp., Detroit, 12/22/89 (inactive) |
| | 70Q | - Chrysler Corp., Detroit, 12/22/89 (inactive) |
| | 70R | - Chrysler Corp., Detroit, 12/22/89 (inactive) |
| | 70S | - BASF Corp., Wyandotte, 8/02/95 |
| | 70T | - Marathon Ashland Petroleum, Detroit, 3/10/97 |
| | 70U | - Wacker Chemical Corporation, Adrian, 4/22/04 |
| | 70V | - Panther Global Technologies |

Flint (FTZ No. 140, est. 1987)

| | | |
|---------|------|-------------------------------|
| Subzone | 140A | - General Motors Corp. |
| | 140B | - Dow Corning Corp. |
| | 140C | - Hemlock Semiconductor Corp. |

Kent/Ottawa/Muskegon Counties (FTZ No. 189, est. Jan. 1993)

| | | |
|---------|------|------------------------------------|
| Subzone | 189A | - Diesel Technology Corp., |
| | 189B | - ESCO Company Limited Partnership |
| | 189C | - Wolverine World Wide, Inc. |

Sault Ste. Marie (FTZ No. 16, est. June 1973)

No current subzones

St. Clair County (FTZ No. 210, est. Nov. 1995)

No current subzones

Lansing (FTZ No. 275)

| | | |
|---------|------|------------------------|
| Subzone | 275A | - General Motors Corp. |
|---------|------|------------------------|

FOREIGN TRADE ZONES (CONTINUED)

Bay County had the first FTZ approved in Michigan (1966), but relinquished its zone status in 1980.

For a list of contact names and phone numbers for Foreign-Trade Zones in Michigan, please visit the United States Department of Customs website at www.ia.ita.doc.gov/ftzpage. For additional data on the Greater Detroit Foreign-Trade Zone, visit www.gdftz.com.

According to the International Trade Administration of the U.S. Department of Commerce, approximately 250 general purpose zones and over 450 subzones have been approved.

DISCUSSION:

According to the National Association of Foreign-Trade Zones, liberalization of trade rules has somewhat mitigated the need for Foreign-Trade Zones, in the sense that some tariffs that necessitated FTZ applications have been eliminated by the North American Free Trade Agreement (NAFTA). A recent General Agreement on Tariffs and Trade (GATT) revision gave car manufacturers the ability to receive the benefits of a FTZ without being a part of an FTZ. Ford Motor Company terminated all of their subzones for this reason, and Fiat Chrysler Automobiles and General Motors kept their subzones, but in an inactive state.

HISTORICALLY UNDERUTILIZED BUSINESS ZONES

ENABLING LEGISLATION;

STATUTORY CITATION: 1997 P.L. 105-135 (Small Business Reauthorization Act of 1997), 15 U.S.C. 632, 13 CFR 126 (2014), 13 CFR 121 (2014) (For SBA standards).

SUMMARY PROGRAM

DESCRIPTION:

A federal program administered by the U.S. Small Business Administration (SBA) that offers small business assistance by allowing qualified businesses in qualified Historically Underutilized Business Zones (HUBZones) preferential treatment in the federal government contracting process. Businesses must apply for certification to receive these preferences by submitting an electronic application on the HUBZone Web site at www.sba.gov/hubzone.

ELIGIBILITY

AND BENEFITS:

HUBZone criteria, business qualifying criteria, and contracting preferences are as follows:

HUBZone Criteria

Historically underutilized business zones are located in one or more of the following:

- **Qualified Census Tracts:** census tracts in which the poverty rate is at least 25 percent; or, 50 percent or more of the households have an income less than 60 percent of the area median income, based upon the most recent census data. The statute imposes limits on the number of census tracts an area can have that qualify – so it is possible for a tract to meet one or both of the above criteria but not be designated as a qualified census tract. The Secretary of Housing may allow exceptions when insufficient tract data is available to determine whether low income standards are met;
- **Qualified Non-Metropolitan County:** counties not located in a metropolitan area with a median household income of less than 80 percent of the state median household income or with an unemployment rate of not less than 140 percent of the statewide average, based on U.S. Department of Labor recent data;
- **Qualified Indian Reservation:** lands within the boundaries of federally recognized Indian reservations, unless they were acquired by an Indian tribe after December 21, 2000; or
- **Certain former military bases-but only for 5 years after closure.**

Note: census tracts labeled “redesignated” are no longer qualified as a HUBzone due to changes in income, unemployment, or poverty data. When a tract is redesignated, its status reflects the sunset date of the redesignation.

Business Qualifying Criteria

To become certified to receive HUBZone benefits, businesses must meet the following program eligibility requirements:

1. The business must comply with size standards from the SBA. Size standards are subject to change based on the Office of Size Standards’ recommendations and the SBA administrator’s approval. At the date of publication, SBA size standards included businesses with employment and sales up to:
 - a. 500 employees for most manufacturing and mining industries
 - b. 100 employees for all wholesale trade industries
 - c. 500 employees for most retail and service (non-manufacturer) industries
 - d. \$36.5 million in annual sales for most general and heavy construction industries
 - e. \$15 million in annual sales for special trade contractors
 - f. \$0.75 million in annual sales for agricultural industries
2. At least 35 percent of the company’s employees live in a HUBZone.

HISTORICALLY UNDERUTILIZED BUSINESS ZONES (CONTINUED)

3. The company is at least 51 percent owned and controlled by one or more United States citizens, an agricultural cooperative, a Community Development Corporation or an Indian tribe.
4. Its principal office must be located within a "Historically Underutilized Business Zone," which includes lands on federally recognized Indian reservations and military facilities closed by the Base Realignment and Closure Act.

Existing businesses that choose to move to qualified areas are eligible if they fulfill the requirement that 35 percent of the firm's employees reside in the HUBZone. Employees must live in a primary residence within the area for at least 180 days or be currently registered to vote in that area.

Contracting Preference Limitations

There are three types of HUBZone contracts: competitive, sole source, and full and open. The anticipated award price of a sole source contract, including options, will not exceed \$5 million for a requirement within the North American Industry Classification System (NAICS) code for manufacturing or \$3 million for a requirement within all other NAICS codes. Full and open contracts require qualified HUBZone businesses to not exceed a 10 percent difference beyond bids offered by non-HUBZone businesses.

Eligible HUBZone firms can qualify for higher SBA-guaranteed surety bonds on construction and service contracts. Subcontracting opportunities through federal prime contractors are also available to HUBZone businesses.

PROGRAM OR INCENTIVE LIMITATIONS:

The Small Business Reauthorization Act of 1997 increased the overall government-wide procurement goal for small business from 20 percent to 23 percent. The statute sets the goal for HUBZone contracts at 3 percent of government-wide prime contracts for 2003 and each year thereafter.

DATA AND SOURCE:

The following counties and sub-county areas currently have HUBZone designation:

Non-Metropolitan Counties with HUBZone Designation:

| | | | | |
|-----------|-------------|------------|--------------|-----------|
| Alcona | Alger | Alpena | Antrim | Arenac |
| Baraga | Benzie | Branch | Charlevoix | Cheboygan |
| Chippewa | Clare | Crawford | Delta | Emmet |
| Gladwin | Gogebic | Gratiot | Hillsdale | Houghton |
| Huron | Iosco | Iron | Kalkaska | Keweenaw |
| Lake | Lenawee | Luce | Mackinac | Manistee |
| Marquette | Mason | Mecosta | Menominee | Missaukee |
| Montcalm | Montmorency | Oceana | Ogemaw | Ontonagon |
| Osceola | Oscoda | Otsego | Presque Isle | Roscommon |
| Sanilac | Schoolcraft | Shiawassee | St. Joseph | Tuscola |
| Wexford | | | | |

HISTORICALLY UNDERUTILIZED BUSINESS ZONES (CONTINUED)

Federal Indian Reservations with HUBZone Designation:

Bay Mills Reservation (Chippewa County)
 Grand Traverse Reservation (Leelanau and Grand Traverse County)
 Hannahville Community (Menominee County)
 Isabella Reservation (Isabella County)
 L'Anse Ontonagon Reservation (Ontonagon County)
 L'Anse Reservation (Baraga County)
 Lac Vieux Reservation (Gogebic County)
 Sault Ste. Marie Reservation (Chippewa County)
 Huron Potawatomi Reservation (Calhoun County)
 Little River Band of Ottawa Indians of Michigan (Manistee and Mason Counties)
 Little Traverse Bay Bands Reservation (Emmet and Charlevoix Counties)
 Match-E-Be-Nash-She-Wish Band of Potawatomi Indians Michigan (Allegan and Ottawa County)
 Pokagon Band of Potawatomi Indians Michigan TDSA (Cass County)
 Sault Ste. Marie Trust Land (Eastern Upper Peninsula)

Former Military Bases with HUBZone Designation:

USARC AMSA No. 135 Army Installation (Kalamazoo and Calhoun Counties)

Additionally, a large number of census tracts in Michigan are qualified HUBZones. See **Appendix A** for a complete list.

DISCUSSION:

This federal program seeks to provide federal contracting opportunities to businesses in socioeconomically distressed areas. Like many other federal and state zone-based economic development programs, HUBZones also mandate a local employment requirement to receive zone benefits. HUBZone offers eligibility assistance on Tuesdays and Thursdays from 2-3pm ET via a toll free number: 1-888-858-2144 access code 1875223#. If you are seeking status information, need help in resolving technical difficulties, or need individualized assistance please email hubzone@sba.gov.

GRANTS OR DIRECT SUBSIDIES

Community Development Block Grants
Transportation Economic Development Grants

COMMUNITY DEVELOPMENT BLOCK GRANTS

ENABLING LEGISLATION;

STATUTORY CITATION:

Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.5301 et seq.

SUMMARY PROGRAM

DESCRIPTION:

The U.S. Department of Housing and Urban Development (HUD) allocates Community Development Block Grant (CDBG) funding both directly through Entitlement Communities Grants, and through state and local governments. State-administered CDBG funding goes to the State of Michigan, through the Michigan Strategic Fund (MSF) with assistance from the Michigan Economic Development Corporation (MEDC), for further distribution to eligible Units of General Local Government to carry out MSF-approved activities. The Michigan State Housing Development Authority administers the housing component of the State's CDBG program by identifying, approving, and monitoring all housing-related CDBG projects. Each year, Michigan receives about \$30 million in federal CDBG funds to fund various projects.

ELIGIBILITY

AND BENEFITS:

For direct funding from the federal government, eligible grantees include:

- Principal cities of Metropolitan Statistical Areas (MSAs);
- Other metropolitan cities with populations of at least 50,000; and
- Qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities).

These grantees are known as "entitlement" municipalities and therefore are not eligible to receive state administered funding. To receive an annual CDBG entitlement grant, a grantee must develop and submit to HUD its Consolidated Plan, (which is a local governing body's comprehensive planning document and application for funding under a Community Planning and Development formula grant programs.) In its Consolidated Plan, the local governing body must identify its goals for these programs as well as for housing programs. The goals will serve as the criteria against which HUD will evaluate a jurisdiction's Plan and its performance under the Plan. There are several citizen involvement and reporting criteria. Entitlement municipalities that receive CDBG funding directly from the federal government are listed in **Appendix B.**

For more information, see www.portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/entitlement or contact the HUD local field office, at phone number (313) 234-7326, email Keith.E.Hernandez@hud.gov, or address: 477 Michigan Avenue Detroit, MI 48226-2592.

For state administered funding, project eligibility is limited to cities, villages and townships with populations under 50,000 and non-urban counties. Most municipalities in Michigan are nonentitlement and therefore do not receive CDBG funds directly from the federal government. Nonentitlement municipalities are instead eligible for state-administered funding.

CDBG requirements mandate that each funded activity must meet one of the established three national objectives:

1. Benefiting low and moderate income persons;
2. Aiding in the prevention or elimination of slums or blight; or
3. Meeting community development needs made urgent by conditions posing serious and immediate threats to community health or welfare, conditions that are of recent origin or recently became urgent, and where other financial resources are not reasonably available to meet such needs.

COMMUNITY DEVELOPMENT BLOCK GRANTS (CONTINUED)

The Housing and Community Development Act (HCDA), Section 105(a) lists eligible activities for state-administered funding through the State of Michigan. They include (a non-exhaustive list):

1. The acquisition of real property that will be rehabilitated if blighted or used for a public purpose (Section 105(a)(1))
2. Code enforcement in deteriorating areas (Section 105(a)(3))
3. Disposition of any real property acquired pursuant to the HCDA (Section 105(a)(7))
4. Provision of public services, if those services have not been provided by the unit of general local government during any part of the previous 12-month period (Section 105(a)(8))
5. Activities necessary to develop a comprehensive community development plan (Section 105(a)(12))
6. Providing loans and assistance for certain activities carried out by public or private non-profit entities (Section 105(a)(14))
7. Activities necessary to the development of energy use strategies (Section 105(a)(16))
8. Assistance to for-profit entities, when it is appropriate to carry out an economic development project (Section 105(a)(17))
9. Housing services, such as housing counseling, in connection with tenant-based rental assistance and affordable housing projects (Section 105(a)(20))
10. Assistance to institutions of higher education with a demonstrated capacity to carry out eligible activities (Section 105(a)(21))
11. Direct assistance to facilitate home ownership among persons of low and moderate income (Section 105(a)(24))
12. Lead-based paint hazard evaluation and reduction (Section 105(a)(25))

For a full list of eligible activities and the requirements associated with them, as well as information about the funding cycle, proposal review, project limitations, screening guidelines and selection criteria, see the State of Michigan Community Development Block Grant Program Application Guide, available on the MSHDA website: www.michigan.gov/mshda

The Michigan Economic Development Corporation (MEDC) administers specific community development programs in connections with these limitations. The MEDC administered-projects include:

1. *Blight Elimination Grants*. Provides communities with financial assistance to remove and improve areas within the community that are designated as a slum or blighted area. Eligible activities include property acquisition, clearance/demolition, historic preservation, and building rehabilitation.
2. *Façade Improvement Initiative*. Provides assistance for commercial/mixed-use building façade improvements to minimize deterioration of traditional downtowns. Programs can either be fully funded, or match funded. Eligible activities include rehabilitation and reconstruction of buildings. Communities must meet job creation or area-wide benefit requirements: 51 percent of new jobs must be held by low- to moderate-income persons, or the project must benefit a population of individuals of whom at least 51% reside in low-to-moderate income households.
3. *Signature Building Initiative*. A matched grant program that assists communities in acquiring vacant or underused traditional signature building(s) located within a Downtown Development Authority, or like district, for the purpose of rehabilitation and commercial mixed-use. To be eligible, the project must create jobs with 51 percent of new jobs held by low- to moderate-income persons. Communities must demonstrate that they can acquire and rehabilitate the property and create jobs before the end of year following

COMMUNITY DEVELOPMENT BLOCK GRANTS (CONTINUED)

- grant approval. A local match equal to 25 percent of the total project cost is required.
4. *Downtown Infrastructure Grants*. Enables a community to improve its downtown's infrastructure quality and reduce development costs to make a project feasible. It is restricted to downtown infrastructure improvements tied to commercial/mixed use development activities that require additional infrastructure to create new economic opportunities and will result in the creation of full-time equivalent positions, of which 51 percent will be held by persons living in low-to-moderate-income households.

More specific information, including match and program requirements, can be found in the CDBG Application Guide approved by the Michigan Strategic Fund in 2012, available on the MEDC website: www.michiganbusiness.org/community/development-assistance/

DATA AND SOURCE:

Communities with potential eligible projects should contact the MSHDA Community Development Division at:

Michigan State Housing Development Authority
Attn: Community Development Division
735 East Michigan Avenue
Lansing, Michigan 48909
517-373-1974

Contacts for each MSHDA Community Development Region are available in **Appendix C**. Communities with potential business projects should contact their MEDC Community Assistance Team member. A list of CATeam member regions with corresponding phone numbers and email addresses is available in **Appendix C**.

Source: HUD, MSHDA and MEDC.

TRANSPORTATION ECONOMIC DEVELOPMENT FUND GRANTS

ENABLING LEGISLATION;

STATUTORY CITATION: 1987 PA 231; MCL 247.909

SUMMARY PROGRAM

DESCRIPTION:

The Michigan Department of Transportation (MDOT) administers an Office of Economic Development and Enhancement (OEDE) that manages several types of economic development programs under the Transportation Economic Development Fund. Grant programs A, (B discontinued), C, D, E, and F are briefly described as follows:

Category A grants are targeted at specific industries, namely, agriculture and food processing; tourism; forestry; high technology research; manufacturing; mining; and office centers of at least 50,000 square feet.

Category C grants are aimed at reducing congestion on county primary and city major streets within urban counties.

Category D grants fund projects that create an all-season network of roads in rural areas.

Category E grants create and improve forest roads.

Category F grants are dedicated to road improvements that complement the all-season network in rural counties.

BENEFITS AND

ELIGIBILITY CRITERIA:

OEDE administers a direct grant process for Category A, C and F projects. The only counties eligible for category C grants are those with a population greater than 400,000: Wayne, Oakland, Macomb, Genesee, and Kent. Category D allocates State funds to Michigan's 78 rural counties based on their relative share of the total rural primary road mileage in the state. Category E funding is limited to county road commissions of counties in which a national lakeshore or national park is located, or in which 34% or more is commercial forest land. Category F provides road improvement funding in urban areas with a population of 5,000 or greater in counties with populations of 400,000 or less. The direct grant process allows OEDE to authorize a local agency as the administrative body of a contract; the agency receives the grant directly when the construction contract is awarded. Local agencies must confirm that they are adequately staffed, equipped, and organized to administer projects. The agency must also review with OEDE staff the state/local agreement and forms that must be completed and returned to the OEDE during the process. Local agencies have significantly increased responsibility for direct grants.

According to MDOT, the objectives of each grant category are as follows:

Category A Grants

1. To improve the network of highway services essential to economic competitiveness;
2. To improve accessibility to target industries as a catalyst for economic growth;
3. To support private initiatives that create or retain jobs; and
4. To encourage economic developments that improve the health, safety and welfare of Michigan citizens.

TRANSPORTATION ECONOMIC DEVELOPMENT FUND GRANTS (CONTINUED)

Category C Grants

1. To improve the operational level of service in heavily congested areas;
2. To reduce the accident rate on heavily congested roadways; and
3. To improve the surface and base condition of heavily congested roadways.

Category D Grants

1. To complement the existing state trunkline system with improvements on connecting local routes that have high commercial traffic; and
2. To minimize the disruptions that result from seasonal load restrictions.

Category E Grants

1. To increase access to harvestable forest resources; and
2. To increase the safety and efficiency of forest raw material transport.

Category F Grants

1. To improve all season capabilities on routes having high commercial traffic;
2. To improve access to the state trunkline system; and
3. To coordinate with the secondary all-season system (Category D) or provide all-season routes within a city.

CHANGES SINCE PROGRAM INCEPTION:

MDOT enacted administrative changes in 1999 aimed at streamlining the grant and contract letting process. Specifically, Executive Orders 1999-1 and 1999-2 change the administration of Category A grants to:

1. Allow for a rolling application process instead of an annual deadline based process.
2. Allow applicants to submit a one-page summary Letter of Interest as a screening mechanism for grant consideration. Upon approval of the Letter of Interest, applicants are encouraged to submit a full grant application.
3. Allow local agencies to let and administer construction contracts, as well as have greater responsibility in project planning.

In 2000, the Office of Economic Development and Enhancement implemented a Direct Grant process for administering Category A grants which significantly reduced the cycle time and costs associated with project development from grant approval through audit. In 2001, the direct grant project was extended to Category C and Category F projects.

SOURCE OF REVENUE:

On an annual basis, TEDF is funded with \$40.275 million from the Michigan Transportation Fund plus a portion (approximately \$12 million) from drivers' license fees. The TEDF also receives Federal transportation funds.

DATA AND SOURCE:

During Fiscal Year 2015, 23 Category A projects were evaluated and approved for funding.

Category A projects represent nearly \$18 million dollars of public investment and the creation and/or retention of over 4,600 jobs.

Category C projects received \$24.7 million in funds for congestion relief.

Category D projects received \$49.6 million in funds for rural counties.

Category E projects received \$6.6 million in funds for forest roads.

Seven Category F projects were approved, which resulted in grants totaling \$2.5 million.

TRANSPORTATION ECONOMIC DEVELOPMENT FUND GRANTS (CONTINUED)

DISCUSSION:

The Office of Economic Development and Enhancement also administers the **Transportation Alternatives Program**, a competitive grant program that funds projects such as nonmotorized paths, streetscapes, and historic preservation of transportation facilities that enhance Michigan's intermodal transportation system and provide safe alternative transportation options. These investments support place-based economic development by offering transportation choices, promoting walkability, and improving the quality of life. The program uses Federal Transportation Funds designated by Congress for these types of activities. To apply online, access an application planning guide, and the contact information of local grant coordinators, visit the MDOT website at www.michigan.gov/mdot/0,1607,7-151-9621_17216_18231---,00.html.

The Office of Economic Development and Enhancement also administers the **State Infrastructure Bank** program to provide low interest loans to public infrastructure improvements. Eligible borrowers include any public entity, such as, political subdivisions, state agencies, regional planning commissions, transit agencies, airports, port authorities, and economic development corporations. Private companies, such as, railroads, and non-profit organizations that are developing a publicly owned facility are eligible for SIB financing. For more information, see the Web site at: www.michigan.gov/mdot/0,4616,7-151-9621_17216-22406--,00.html

Source: MDOT

LOANS

Federal Small Business Administration Loans
Freight Economic Development Program
Rail Loan Assistance Program
Urban Land Assembly Program

FEDERAL SMALL BUSINESS ADMINISTRATION 504 LOAN PROGRAM

ENABLING LEGISLATION;

STATUTORY CITATION: 15 U.S.C. 697e

SUMMARY PROGRAM

DESCRIPTION:

The SBA 504 program is a small business loan program administered by the United States Small Business Administration (SBA) in the Department of Commerce through Certified Development Companies (CDCs), non-profits and regionally-focused, public/private organizations certified by the Small Business Administration.

BENEFITS AND

ELIGIBILITY CRITERIA:

For-profit corporations, partnerships or proprietorships with a net worth of less than \$15 million and an average net profit after tax of less than \$5 million for the past two years are eligible. In addition, the small business applicant must be the user of the fixed assets being financed. Loans typically range between \$250,000 and \$10 million.

Borrowers must have an existing cash flow from business operations greater than the debt service needed to pay both existing debt and debt resulting from the proposed loan, and sufficient collateral to secure the loan. In certain cases, the SBA 504 program will finance start-up businesses. Loans cannot be made to passive income and real estate companies, financial institutions and nonprofit businesses, or to a business engaged in speculation or investment in rental real estate.

Borrowers must create or retain one new job for each \$65,000 of debenture (credit guarantee) (or \$100,000 for manufacturing). Projects that have low job creation, but achieve SBA public policy goals, may be considered.

TERMS AND PERFORMANCE

GUARANTEES:

Eligible Purposes:

Proceeds from 504 loans must be used for fixed asset projects such as: purchase of land and buildings or machinery and equipment with a useful life of at least ten years, land improvements, renovation or additions to existing buildings, and leasehold improvements. A 504 loan cannot be used for working capital or inventory or consolidating, repaying, or refinancing debt.

Terms:

Loan terms are offered for 10 or 20 years, depending on the type of assets financed, with the requirement that the useful life of the assets must equal or exceed the loan term. The participating private lender's loan must carry a minimum term of 7 years for projects involving machinery and equipment acquisition only, and 10 years for projects involving real estate financing.

Structure:

The typical loan structure consists of a 50/40/10 financing split between the senior private sector lender or bank (50 percent of financing), an SBA Certified Development Company backed by 100 percent SBA guaranty (40 percent of financing), and an equity contribution from the borrower (10 percent). Maximum SBA debenture (credit guarantee) is \$5 million for general projects, \$5.5 million for projects that achieve an SBA public policy goal, or \$4 million for small manufacturing firms. (A small manufacturer is defined as a company that has its primary business classified in sector 31, 32, or 33 of the North American Industrial Classification System (NAICS) and all of its production facilities located in the United States.)

FEDERAL SMALL BUSINESS ADMINISTRATION 504 LOAN PROGRAM (CONTINUED)

Fees:

A onetime processing fee equal to 3 percent of the loan for 20-year loans (2-5/8 percent for 10-year loans), and legal fees of \$2,500 is built into the actual loan amount and is financed over the term of the loan. A onetime participation fee equal to 1/2 percent of the bank's senior loan is due at closing. An ongoing servicing and SBA fee on the declining loan balance is built into and included in the effective loan interest rates.

Other Specifications:

The interest rate is fixed and is generally below market rates. The participating private lender's loan may be fixed or variable with a rate that is legal and reasonable.

SBA 504 loans are typically secured by a lien on fixed assets acquired with loan proceeds to reasonably assure loan repayment. The lien is subordinate to the private lender's position. In addition, the SBA requires personal guarantee(s) of the principal(s) who own 20 percent of the business.

DATA AND SOURCE:

Michigan SBA District Office:

477 Michigan Avenue, Room 515
 Detroit, Michigan 48226
 p: (313) 226-6075 f: (313) 226-4769
michigan@sba.gov
www.sba.gov/mi

Michigan Certified Development Companies:

Economic Development Foundation-Certified, Grand Rapids (888) 330-1776
 Lakeshore 504 - South Office, Holland (616) 392-9633
 Lakeshore 504 - North Office, Grand Haven (616) 846-3153
 Metropolitan Growth and Development Corporation, Southgate (734) 362-3447
 Michigan Certified Development Corporation – Northern Michigan Offices
 Cadillac (231) 878-1302
 Traverse City (231) 943-1024
 Michigan Certified Development Corporation – Headquarters,
 Lansing (517) 886-6612
 Michigan Certified Development Corporation – Greater Grand Rapids
 Grand Rapids (616) 773-3027
 Michigan Certified Development Corporation – Metro Detroit Offices
 East-St. Clair (810) 329-4340
 West- Plymouth (734) 222-4954
 Oakland County Business Finance Corporation, Waterford (248) 858-0765
 SEM Resource Capital, Livonia (734) 464-4418

DISCUSSION:

The SBA 504 program provides loan guarantees from the United States government to local participating lenders. The Small Business Administration offers many other types of small business assistance, which may be found on their Web site at www.sba.gov. Michigan Small Business & Technology Development Centers (see **Appendix D**) and satellite offices throughout the state can offer more information on available SBA programs.

The U.S. Economic Development Administration (EDA) offers a broad set of federally-sponsored local economic development programs, which are found on their Web site at www.eda.gov.

FREIGHT ECONOMIC DEVELOPMENT PROGRAM

ENABLING LEGISLATION; STATUTORY CITATION:

1951 PA 51 (original appropriation); as amended by 1976 PA 295; M.C.L. 474.67

SUMMARY PROGRAM DESCRIPTION:

Administered by the Michigan Department of Transportation, the Freight Economic Development Program finances projects that assist in the development of rail spurs and connector systems to improve the delivery and flow of rail commerce to applicant private sector concerns.

ELIGIBILITY AND BENEFITS:

Businesses, or local units of government on behalf of businesses, may apply for a loans/grants, for up to 50 percent of eligible project costs associated with rail infrastructure improvement that facilitate economic development. Other private sector concerns related to rail shipping and receiving, such as silos or unloading devices, are not eligible. Loans are set to be repaid over a 5 year period, but can be totally or partially forgiven provided the facility is properly maintained and annual shipping commitments (built into the contract) are met. If the shipping commitments are met for each of the 5 years, the loan is effectively converted into a grant. The applicant must supply collateral for the loan in the form of an irrevocable letter of credit.

TERMS AND PERFORMANCE GUARANTEES:

Priority is given to projects that anticipate multiple users or future public use; other considerations are expected job creation or retention, projected carloadings, local economic impact, total investment, relative project costs and the feasibility of transportation alternatives. MDOT accepts applications throughout the calendar year. The State Transportation Commission and the State Administrative Board must also approve all loan/grants, which generally takes about 60-90 days from receipt of application.

Loan terms include financing, at two percent less than the current prime rate, for up to 50 percent of allowable project costs, generally defined as the rail infrastructure itself.

DATA AND SOURCE:

According to the Michigan Department of Transportation, \$1.2 million was provided for project funding in 2006. The amount of funding available is based upon annual appropriations and competing priorities. Funding decisions are based upon exhibited needs and anticipated benefits.

From 1995-2006, the Freight Economic Development Program funded 36 projects, which represents over \$14 million in state investment. The program contributed toward the creation and/or retention of an estimated 3,100 jobs, and generated close to 90,000 annual carloads.

For more information, see the MDOT website at www.michigan.gov/mdot/0,4616,7-151-11056_22444_56500---,00.html

DISCUSSION:

A companion rail program, the Rail Loan Assistance Program, is discussed on page 22.

RAIL LOAN ASSISTANCE PROGRAM

ENABLING LEGISLATION:

STATUTORY CITATION: 1996 PA 341 (original appropriation); as amended by 2002 PA 747; M.C.L. 474.65a

SUMMARY PROGRAM

DESCRIPTION:

Administered by the Freight Services and Safety Division of the Michigan Department of Transportation (MDOT), the Michigan Rail Loan Assistance Program (MiRLAP) offers interest free loans to help preserve and improve Michigan's rail freight infrastructure.

ELIGIBILITY AND

BENEFITS:

Ten-year, no-interest loans are available to railroads, local governments, economic development corporations and current or potential users of freight railroad services for qualifying projects that help preserve or improve railroad infrastructure in Michigan. Qualified projects include, but are not limited to, track rehabilitation, bridge and culvert repair and construction of the rail portion of a transload facility. Loans may also be used to acquire rail property and to provide a nonfederal match for any federal rail infrastructure program.

MiRLAP is a competitive program and conducts an annual call for projects. Applications submitted during the call for projects must be for work scheduled for that construction season. Projects are evaluated using selection criteria, which are designed to determine the relative importance of projects in relationship to the program's goal of preserving and improving Michigan's rail freight infrastructure.

TERMS AND PERFORMANCE

GUARANTEES:

Successful applicants can receive loans that fund up to 90 percent of eligible project costs. The loan recipient must provide a funding match of 10 percent of eligible project costs; expenditure of the funding match is required before state funds may be drawn down. Loans are non interest-bearing, and the loan repayment period shall not exceed 10 years.

Loans are limited to \$1 million per project, per applicant. Applicants must demonstrate ability to repay the loan and provide one or more forms of collateral, e.g., an irrevocable letter of credit or first lien on assets. All loans must be approved by the State Transportation Commission and the State Administrative Board, which generally takes 60-90 days after applications are evaluated. Applications are due in January.

DATA AND SOURCE:

According to MDOT, approximately \$3.9 million was made available for project funding in 2014. These projects are projected to support approximately 460 new positions throughout the state and ship over 4800 carloads of freight via rail.

For more information, see the MDOT website at www.michigan.gov/mdot/0,4616,7-151-11056_22444_56500---,00.html

DISCUSSION:

The Freight Service and Safety Division administers a companion rail program, the Freight Economic Development Program, which is discussed on page 21.

URBAN LAND ASSEMBLY PROGRAM

ENABLING LEGISLATION;

STATUTORY CITATION: 1981 PA 171; M.C.L. 125.1851 et seq.

SUMMARY PROGRAM

DESCRIPTION:

A state-based revolving loan fund, administered by the Michigan Economic Development Corporation (MEDC), available to urbanized local units of government for the purpose of land assembly to facilitate industrial and commercial development.

ELIGIBILITY AND

BENEFITS:

Eligible local units are those with one of the following:

- An unemployment rate more than 70 percent of the annual average statewide unemployment rate most recently released by the Michigan Employment Security Agency ;
- Population growth less than 75 percent of the state's average growth rate based on the most recent U.S. Census Bureau's published figures; or
- a change in state equalized value less than 50 percent of the state's five year average as reported by the State Tax Commission.

Local units that require assistance for land assembly for economic development projects are eligible for low-interest loans that can be used for the direct costs of land acquisition, demolition, relocation and site improvements necessary to make the land marketable.

TERMS AND PERFORMANCE

GUARANTEES:

Land acquisition for industrial use must consist of at least 10 contiguous acres located within the legal boundaries of the municipality. Acquisition of less than 10 acres is allowable only if the project is industrial and of a "critical" nature. Acquisition of land for commercial use must be located within a Downtown Development Authority (see page 65) district.

According to the Act, priority shall be given to projects which yield the highest number of jobs per dollar of loan investment; receive private sector, local or federal government contribution of at least half of the project cost; make long-term contributions to the local tax base; contribute significantly to neighborhood revitalization; and identify a potential, immediate use for the property to be purchased.

Upon sale or lease of the real property, the municipality (or a nonprofit development organization designated by the municipality to plan and implement the project) will repay into the revolving fund a portion of the proceeds from the sale or lease of the land and improvements. The amount repaid shall be of the same proportion as the amount the original loan was to the total cost of the project; therefore, if the Urban Land Assembly Loan financed 30 percent of the total project cost, then 30 percent of the proceeds from the sale or lease of that project must be repaid to the Urban Land Assembly Fund. If the local unit is unable to fully repay the loan in this manner, or if the land had to be sold for less than the cost of the project to be competitive, then the remainder of the loan shall be repaid within 10 years of the sale or lease of the real property according to the provisions in the loan document.

The total amount of loan funding which a municipality may receive in any one year shall not exceed one-half of the assets in the fund.

The program also has an exit-visa provision for any project that has the effect of transferring employment from one municipality to another.

DATA AND SOURCE:

Since 1989, the Urban Land Assembly program has financed 32 projects. Three projects were open at the end of FY2014.

URBAN LAND ASSEMBLY PROGRAM (CONTINUED)

DISCUSSION:

The Urban Land Assembly program was created to address the difficulty of land assembly for the purpose of economic development. Given that urban parcels are typically smaller than non-urban parcels, it is typically a more time-consuming task to acquire land for projects in urban areas than in non-urban areas, insofar as a greater number of property interests must be dealt with, acre for acre.

TAX ABATEMENTS OR CREDITS

Brownfield Tax Credits
Commercial Rehabilitation Tax Abatement
State Historic Preservation Tax Credit
Federal Historic Rehabilitation Tax Credit
Industrial Facilities Tax Abatement
Michigan Economic Growth Authority Tax Credits
Neighborhood Enterprise Zones
New Market Tax Credits
Obsolete Property Rehabilitation Tax Abatement
Renaissance Zones

BROWNFIELD TAX CREDITS

(WILL EXPIRE WHEN LAST CREDITS CLAIMED)

ENABLING LEGISLATION;

STATUTORY CITATION:

1996 PA 382; as amended by 2002 PA 726, 2006 PA 32, 2006 PA 112, 2006 PA 240; M.C.L. 125.2651 et seq.

SUMMARY PROGRAM

DESCRIPTION:

An incentive-based tax credit program to foster redevelopment of contaminated (actual or presumed) industrial and commercial sites. Single Business Tax credits available for up to 10 percent of qualified expenses incurred for assessment and remediation of qualified brownfield properties.

Tax increment financing (TIF) is also available for certain projects to offset the costs associated with cleanup. TIF is described in a text box on page 66.

ELIGIBILITY AND

BENEFITS:

SBT/MBT credits were available for qualified taxpayers' eligible investments on eligible properties sited in an approved Brownfield Redevelopment Authority (see page 59), owned by a land bank fast track authority (see page 109), or sited in an "economic opportunity zone" (see below).

With the repeal of the Michigan Business Tax, [previously approved MBT brownfield credits](#) will be honored; however, no new credits are being allocated. See MEGA on p. 42.

TERMS AND PERFORMANCE

GUARANTEES:

Application for brownfield tax credits were made to the Michigan Economic Growth Authority (MEGA), a statutorily-created body in the Michigan Economic Development Corporation. MEGA authorized SBT/MBT credits by the following criteria:

Credit Amount:

For SBT/MBT Credits under \$200,000: The total of all credits for all projects could not exceed \$10 million in a calendar year.

For SBT/MBT Credits under \$1 million: The total of all credits for all projects could not exceed \$30 million in a calendar year. The credit was equal to 10 percent of the eligible investment.

For SBT/MBT Credits over \$1 million but \$30 million or less: The total of all credits for an approved project could not exceed 10 percent of eligible investment with the percentage being determined by the Michigan Economic Growth Authority (MEGA).

Project Cost:

For Project Costs Between \$2 million - \$10 million: Priority is given to projects on a "facility;" the total of all credits for an approved project could not exceed \$1 million; the total of all credits for all projects should not exceed \$30 million in a calendar year.

For Project Costs Over \$10 million: MEGA must approve these projects in concurrence with the state treasurer. If approved, MEGA determines the maximum total amount of all credits; if the amount was over \$10 million, then MEGA had to determine that the project would not occur in the state without the tax credit.

BROWNFIELD TAX CREDITS (CONTINUED)

The number of project approvals for projects costing over \$10 million was limited to 17 projects for each calendar year.

- a. Of the 17, two projects could receive credits over \$10 million but not more than \$30 million.
- b. Of the 17, three projects were not required to be located within a qualified local government unit if they are "facilities;" one of these three is not required to be a "facility" if it is "functionally obsolete" or "blighted."
- c. Of the two projects permitted in part a.), one project could also qualify in part b) the Brownfield Tax Credit Program was allowed to sunset on December 31, 2007.

CHANGES SINCE 2007 UPDATE:

2006 PA 325 repealed the Single Business Tax Act for tax years beginning after December 31, 2007.

2011 PA 39 repealed the Michigan Business Tax Act for tax years beginning after December 31, 2011.

DISCUSSION:

The companion legislation to the brownfield Single Business Tax/Michigan Business Tax credits, the Brownfield Redevelopment Financing Act (see page 27), authorized communities to use tax increment financing to pay for environmental response and redevelopment activities. Once these activities began pursuant to a brownfield plan under the Brownfield Redevelopment Financing Act, brownfield tax credits were provided to private sector developers with incentives to assess and contain pollutants, reuse the property, and make site improvements. **(BOTH PROGRAMS WERE ALLOWED TO SUNSET ON DECEMBER 31, 2007)**

COMMERCIAL REHABILITATION TAX ABATEMENT

ENABLING LEGISLATION:

STATUTORY CITATION: 2005 PA 210; as amended by 2006 PA 554, 2008 PA 118, 2008 PA 231, 2011 PA 82; M.C.L. 207.841 et seq.

SUMMARY PROGRAM

DESCRIPTION:

Similar to the Obsolete Property Rehabilitation Act of 2000 (discussed on page 49), the Commercial Rehabilitation Act offers owners of certain rehabilitated commercial facilities in designated districts a property tax abatement for a period of 1 to 10 years, as determined by the local unit of government.

ELIGIBILITY AND

BENEFITS:

Qualified commercial property rehabilitation projects in commercial rehabilitation districts are eligible for a commercial rehabilitation tax exemption certificate that would freeze the property at its pre-rehabilitated value, effectively allowing the rehabilitation to be property tax-free, with the exception of school operating taxes. Land and most personal property are not eligible for a tax reduction.

Commercial properties include commercial business enterprises and related property under the same ownership, multifamily housing consisting of five or more units, or a building or group of contiguous buildings previously used for industrial purposes that will be converted for a commercial business enterprise. Public utilities, stadiums and casinos are not eligible.

Qualified commercial property includes a building or group of contiguous buildings of commercial property that is 15 years or older, or that has been allocated New Market Tax Credits. See page 47 for a description of New Market Tax Credits.

A commercial rehabilitation district is an area not less than three acres in size, unless the area is located in a downtown or business area as determined by the local unit of government. Cities, villages and townships may establish one or more commercial rehabilitation districts by resolution.

TERMS AND PERFORMANCE

GUARANTEES:

Owners of qualified commercial property within a district may apply for a commercial rehabilitation tax exemption certificate. An application shall not be approved unless:

- Commencement of rehabilitation did not occur more than 6 months prior to filing the application;
- When completed, the project constitutes a qualified commercial property;
- Completion of the project is expected to increase commercial activity, create and retain employment, increase the number of residents in the community and revitalize urban areas;
- The rehabilitation would not occur without the exemption certificate;
- The applicant is not delinquent in any taxes related to the property.

The commercial rehabilitation tax exemption certificate is in effect for 1 to 10 years, and may be extended by the local government unit so long as the original certificate states the conditions upon which an extension is valid, those conditions are met, and the certificate expires within 10 years of project completion. The certificate may be revoked if rehabilitation does not occur within the time authorized.

The cost of rehabilitation must be equal to 10 percent or more of the true cash value of the property at commencement. Rehabilitation includes changes to the property that are required to modify or restore the property to an economically efficient condition.

COMMERCIAL REHABILITATION TAX ABATEMENT (CONTINUED)

The program sunsets on December 31, 2015; an exemption then in effect shall continue until expiration.

CHANGES SINCE 2007 UPDATE:

2008 PA 118 amended the definition of “qualified facility” to include vacant property from which a previous structure had been demolished and on which new commercial property was to be constructed in Bay City.

2008 PA 231 amended the Act to include a “qualified retail food establishment” in the definition of “qualified facility”. A qualified retail food establishment is property that will be used primarily as a retail supermarket, grocery store, produce market, or delicatessen that offers USDA-inspected meat and poultry products, fresh fruits and vegetables, and dairy products for sale to the public and that is located in an underserved area.

2011 PA 82 amended the definition of “qualified facility” to include vacant property located in Detroit, from which a previous structure has been demolished and on which commercial property is or will be newly constructed, if an application for a commercial rehabilitation exemption certificate was filed before July 1, 2010; a hotel or motel located in Oakland County that is attached to a convention and trade center meeting specific criteria; and a building or group of contiguous buildings previously used for commercial or industrial purposes, obsolete industrial property, and vacant property that, within the preceding 15 years, was commercial property. It also excused the rehabilitation of a particular qualified facility from certain requirements for approval of a certificate.

DISCUSSION:

The Commercial Rehabilitation Tax Abatement offers owners of commercial property benefits akin to the Obsolete Property Rehabilitation Tax Abatement, but extends these benefits to all cities, villages and townships and does not require the property to be blighted or functionally obsolete.

STATE HISTORIC PRESERVATION TAX CREDIT

(WILL EXPIRE WHEN LAST CREDITS CLAIMED)

ENABLING LEGISLATION:

STATUTORY CITATION: 1998 PA 534; as amended by 1998 PA 535; 2001 PA 69, 2001 PA 70, 2006 PA 52, 2006 PA 53, 2006 PA 240, 2011 PA 38; M.C.L. 206.266

SUMMARY PROGRAM

DESCRIPTION:

A tax incentive program, administered by the State Historic Preservation Office (SHPO) and Department of Treasury, aimed at residential and commercial historic preservation efforts in Michigan. Qualified expenditures on qualified historic preservation projects were eligible for Single Business Tax/Michigan Business Tax and Income Tax credits.

ELIGIBILITY AND

BENEFITS:

Qualified Expenditures

Qualified expenditures under the State Historic Preservation Tax Credit Act were similar to those for federal tax credits, defined in the Internal Revenue Code 26 U.S.C. 47 (a)(2), and were defined generally as any project expenses for which a straight line accounting method is used as defined in the Internal Revenue Code. Additionally, the state program allowed site features to be included. Qualified expenditures did not include building acquisition costs or building expansion costs, except expansions that were required by state or federal law that promote preservation, safety or accessibility.

Qualified Taxpayers

Qualified taxpayers were assignees, owners or long-term lessees (27.5 years or more for residential, 31.5 years or more for non-residential) of the property to be rehabilitated that have qualified expenditures equal to or greater than 10 percent of the State Equalized Valuation of the property. If only a portion of the historic resource was to be rehabilitated, or if a historic resource did not have a State Equalized Valuation, taxpayers must have qualified expenditures equal to or greater than 5 percent of the appraised value to qualify. Qualified taxpayers may assign credits to partners, LLC members or Subchapter S Corporation shareholders in proportion to their ownership or by another method approved of by the Department of Treasury.

Tax Credits

Owners and long-term lessees who rehabilitate or restore qualified historic structures were eligible for up to a 25 percent tax credit against Single Business Tax or Income Tax liability for qualified expenditures associated with the restoration or rehabilitation.

For non-owner occupied residential properties, federal tax credits exist for qualified expenses related to rehabilitation or restoration of approved properties (see p. 40). Michigan enforces a 25 percent federal and state cap on historic preservation efforts and federal tax credits must be claimed before state tax credits. The maximum federal credit is 20 percent of approved expenses; the State of Michigan will allow an additional credit of up to 5 percent. If the project is not qualified for federal tax credits, Michigan allows up to a 25 percent credit for qualified expenses associated with the rehabilitation or restoration.

Previously approved MBT and income tax credits will be honored; however, no new credits are being allocated.

TERMS AND PERFORMANCE

GUARANTEES:

Historic Preservation Office Administrative Requirements

Michigan Historic Preservation Tax Credit applicants had to file a certification application with the State Historic Preservation Office. Historic preservation and restoration plans and activities were subject to final approval, pursuant to published standards, of the State His-

STATE HISTORIC PRESERVATION TAX CREDIT (CONTINUED)

toric Preservation Office. According to SHPO, the following requirements had to be met for approval of the tax credit:

1. The resource had to be in the State of Michigan.
2. The resource had to be "eligible," defined as any historic building, structure, site, object, feature, or open space that:
 - was located in a local unit of government with a population of at least 5,000 and was located in a historic district established under Michigan's Local Historic Districts Act (1970 PA 169)
 - or
 - was located in a local unit of government with a population under 5,000 and is a contributing resource in a Local Historic District, or was listed in the State Register of Historic Sites or the National Register of Historic Places.
3. All project work had to conform to the United States Secretary of the Interior's Standards for Rehabilitation, codified in 36 CFR 67 (See p. 41).
4. Applicants had to complete three parts of the tax credit application. The first two parts, "Evaluation of Eligibility" and "Description of Rehabilitation," had to be submitted and approved by the SHPO before starting work. The third part, "Request for Certification of Completed Work," had to be submitted to the SHPO upon completion of work to qualify for the tax credit.
5. Qualified rehabilitation expenditures must be equal to or greater than 10 percent of the State Equalized Value of the property.
6. All rehabilitation work had to be completed within 5 years.
7. If the resource is sold or alterations to the approved plan are made within 5 years of the tax credit claim, an appropriate percentage of the tax credit will be subject to recapture according to the schedule in the following section.

Premature Sale or Administrative Non-Compliance Consequences

In the event that the restored property is sold, or the restoration process revoked by the Historic Preservation Office, Income or Single Business Tax/Michigan Business Tax Credits are subject to rescission (through SBT/MBT or Income Tax recapture) in accordance with the following schedule (schedule applies to federal tax credits also):

- 100 percent rescission if the sale or revocation is less than one year after the year the credit was claimed;
- 80 percent if the sale or revocation is one year but less than two years after the year in which the credit was claimed;
- 60 percent if the sale or revocation is two years but less than three years after the year in which the credit was claimed;
- 40 percent if the sale or revocation is three years but less than four years after the year in which the credit was claimed;
- 20 percent if the sale or revocation is four years but less than five years after the year in which the credit was claimed;
- 0 percent if the sale or revocation is five years or more after the year in which the credit was claimed.

CHANGES SINCE 2007 UPDATE:

2006 PA 325 repealed the Single Business Tax Act for tax years beginning after December 31, 2007.

2011 PA 38 ended eligibility for income tax credits after January 1, 2012, allowing existing credits to continue until expiration.

2011 PA 39 repealed the Michigan Business Tax Act for tax years beginning after December 31, 2011.

STATE HISTORIC PRESERVATION TAX CREDIT (CONTINUED)

DATA AND SOURCE:

As of November 2015, the following communities contained Historic District Commissions pursuant to Michigan's Local Historic Districts Act (1970 PA 169):

| | | | |
|------------------|-------------------|------------------|---------------------|
| Adrian | Allegan* | Ann Arbor* | Battle Creek* |
| Bay City* | Belding | Benton Harbor | Birmingham* |
| Boyne City* | Cadillac | Calumet* | Calumet Twp. |
| Canton Twp.* | Charlevoix | Chelsea | Chippewa County |
| Clarkston | Coldwater | Detroit* | East Lansing* |
| Escanaba* | Farmington Hills* | Flint | Franklin* |
| Grand Rapids* | Green Oak Twp. | Greenville | Grosse Pointe Farms |
| Hart | Holland* | Holly | Highland Park |
| Huntington Woods | Jackson* | Kalamazoo* | Kentwood |
| Lansing* | Lathrup Village | Lexington | Linden |
| Livonia | Lowell | Mackinac Island | Manistee* |
| Mason* | Menominee* | Monroe* | Mount Clemens* |
| Mount Pleasant | Muskegon | New Baltimore | Niles |
| Northville* | Northville Twp.* | Oakland Twp. | Owosso* |
| Plymouth | Pittsfield Twp. | Pontiac | Portage |
| Port Huron | Rochester | Rochester Hills* | Royal Oak |
| Saline* | Saugatuck | Southfield | St. Clair |
| Saginaw | Three Rivers | Traverse City | Troy |
| Utica | Vergennes Twp. | Warren | Washtenaw County.* |
| Waterford Twp. | Ypsilanti* | | |

* Certified Local Governments

† Ordinance only - No established districts

Source: Michigan State Housing Development Authority, www.michigan.gov/msh-da/0,4641,7-141-54317_19320_62049-57490--,00.html

SHPO also administers grants. The National Park Service annually awards SHPO with Historic Preservation Funds, which are 60-40 match grants, to support surveys, nominations to the National Register of Historic Places, public education programs, planning and development, and other projects. Ten percent of the annual allocation must be distributed to Certified Local Governments (CLG), which were established by the 1980 amendments to the National Historic Preservation Act as part of a new federal-state-local partnership. CLG must meet certain requirements, but are given financial aid, technical assistance, and more discretion in nomination and tax credit certification processes. As of November 2015, Michigan had 30 CLGs.

The Michigan State Housing Development Authority (MSHDA) Office of Community Development also offers grant and loan programs related to neighborhood preservation, rehabilitation, home ownership, demolition and beautification. For more information, contact the Office of Community Development at (517) 373-1974 or access the Web site at: www.michigan.gov/mshda/0,1607,7-141-5564-31932--,00.html

STATE HISTORIC PRESERVATION TAX CREDIT (CONTINUED)**DISCUSSION:**

With the passage of a historic preservation tax credit program, Michigan joined a majority of states in offering financial incentives for commercial and residential historic preservation efforts. According to the National Trust for Historic Preservation, 33 states provided tax incentives for historic preservation as of June 2015.

Source: <http://www.preservationnation.org/take-action/advocacy-center/additional-resources/historic-tax-credit-maps/State-Tax-Credit-Chart-Final-February-2014.pdf>

FEDERAL HISTORIC REHABILITATION TAX CREDIT

ENABLING LEGISLATION; STATUTORY CITATION:

Public Law 99-514, Internal Revenue Code 26 U.S.C. 47 (a)(2).

SUMMARY PROGRAM DESCRIPTION:

A federal tax incentive program, administered jointly by the National Parks Service and the Internal Revenue Service in partnership with State Historic Preservation Offices, which provides income tax credits to owners who rehabilitate historic buildings in accordance with their historic character. It is intended to save certified historic and other older properties and to help revitalize the economic prosperity of older locations. For a full description of eligibility requirements, benefits, and the application process, see www.nps.gov/tps/.

ELIGIBILITY AND BENEFITS:

Qualified Expenditures

Qualified rehabilitation expenditures are amounts chargeable to capital account for property that is depreciable and that is nonresidential real property, residential rental property, or real property that has a class life of more than 12.5 years. Straight line depreciation must be used. Qualified rehabilitation expenditures do not include the cost of acquisition, enlargement, or non-certified rehabilitation. Certified rehabilitation is rehabilitation of a certified historic structure or approved non-certified structure placed in service before 1936, which the Secretary of the Interior has certified is consistent with the historic character of the property or district.

Rehabilitation is defined as the process of returning a property to a state of utility, through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its historic, architectural, and cultural values.

The project must meet the "substantial rehabilitation test:" the cost of rehabilitation must exceed the pre-rehabilitation cost of the building. Generally, this test must be met within two years or within five years for a project completed in multiple phases.

The cost of a project must exceed the greater of \$5,000 or the building's adjusted basis.

The following formula is used to determine if the project is considered substantial:

$A - B - C + D = \text{adjusted basis}$, where,

A = purchase price of the property (building and land)

B = the cost of the land at the time of purchase

C = depreciation taken for an income-producing property

D = cost of any capital improvements made since purchase

Some expenses associated with a project may not qualify for the tax credit, such as a new rear addition, new kitchen appliances, and landscaping.

Qualified Taxpayers

Qualified taxpayers are owners and long term lessees of property to be substantially rehabilitated who complete the Historic Preservation Certification Application process and have qualified expenditures at least equal to the greater of the adjusted basis of the building or \$5,000. If an application is made by someone other than the fee simple owner, the application must be accompanied by a letter from the fee simple owner indicating that he is aware of the application and has no objection to it.

Tax Credits

Owners and long term lessees who undertake approved rehabilitation projects on approved structures may receive a federal income tax credit. Expenditures incurred by a lessee do not qualify for the credit unless the remaining lease term on the date the rehabilitation is completed is at least as long as the applicable recovery period. The program includes two

FEDERAL HISTORIC REHABILITATION TAX CREDIT (CONTINUED)

mutually exclusive credits: a 20 percent credit for qualified rehabilitation expenditures on income producing buildings that are certified historic structures and a 10 percent credit for qualified rehabilitation expenditures for non-residential income producing buildings originally used before 1936 which are not certified historic structures. Credits are earned by the owner (often an investor member of the real estate entity) immediately upon the property being placed in service. "Placed in service" means ready for its intended use, which is usually evidenced by a temporary or permanent certificate of occupancy. Tax credits may also be passed on to a tenant.

TERMS AND PERFORMANCE

GUARANTEES:

The Historic Preservation Certification Application, which is available from NPS or the SHPO, contains three parts. Part 1 and Part 2 may be submitted separately or together, at any time during the year, but if submitted separately, Part 1 must be submitted before Part 2. Part 1 (Evaluation of Eligibility) requests a certification of historic significance or nonsignificance for properties located in registered historic districts, and preliminary determinations for properties that are expected to be included in a registered historic district. Part 2 (Description of Rehabilitation) is a request for evaluation of the rehabilitation project and may be for a proposed project, a project in progress, or a completed project, although the NPS strongly encourages owners to submit Part 2 of the application prior to starting the work. To be certified, a rehabilitation project must be consistent with the historic character of the structure and, where applicable, with the district in which it is located.

Completed and documented Parts 1 and 2 of the Historic Preservation Certification Application are sent by the applicant to the state Historic Preservation Office (SHPO), which will forward one copy of each to the National Parks Service (NPS), usually with a recommendation. State recommendations are generally followed, but NPS has the right to make a contrary decision. Notification of NPS decisions are made in writing and a copy of the decision is provided by NPS to the Internal Revenue Service and to the SHPO. Final reviews of Parts 1 and 2 are generally concluded within 60 days of receipt of a complete, adequately documented (documentation could include photographs, architectural plans, drawings, specifications, etc.) application.

Rehabilitation projects must be for certified historic structures, which are structures subject to the allowance for depreciation provided in section 167 of the Internal Revenue Code of 1986 and either individually listed in the National Register or located in a registered historic district and certified by the Secretary of the Interior as being of historic significance to the district, or for approved, non-historic, non-residential, income-producing structures originally placed in service before 1936. Projects must be completed within 60 months and must meet the Secretary of the Interior's standards for rehabilitation, which have been adopted by Michigan's SHPO. These standards pertain to the building, landscape features, the building's site and environment, as well as attached, adjacent, or related new construction.

- a. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
- b. The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
- c. Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
- d. Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.

FEDERAL HISTORIC REHABILITATION TAX CREDIT (CONTINUED)

- e. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a property shall be preserved.
- f. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
- g. Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
- h. Significant archaeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
- i. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
- j. New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

Part 3 of the Application is the Request for Certification of Completed Work, which must include the project completion date, a statement that the project meets the Standards of Rehabilitation and the work described in Part 2 of the application, a statement of costs attributed to the rehabilitation, photographs documenting the completed work, and social security or taxpayer identification numbers of all owners. Completed projects may be inspected by a representative of the Secretary of the Interior to determine if the work meets the Standards for Rehabilitation and conforms to the approved plan.

The fee for review of proposed or ongoing rehabilitation projects is \$250. The fees for review of completed projects over \$20,000 are based on the cost of the certified rehabilitation:

| <u>Cost of Rehabilitation</u> | <u>Fee</u> |
|-------------------------------|------------|
| \$20,000-\$99,999 | \$500 |
| \$100,000-\$499,999 | \$800 |
| \$500,000-\$999,999 | \$1,500 |
| \$1,000,000 or more | \$2,500 |

An owner or the owner's representative may file a written appeal of a denial of certification with the Chief Appeals Officer at NPS and may request a meeting to discuss the appeal. After rehabilitation, the historic building must be used for an income-producing purpose for at least 5 years. Owner-occupied residential properties do not qualify for the federal rehabilitation tax credit.

The 20% credit is available only to properties rehabilitated for income-producing purposes, including commercial, industrial, agricultural, rental residential or apartment use. The credit cannot be used to rehabilitate your private residence. However, if a portion of a personal residence is used for business, such as an office or a rental apartment, in some instances the amount of rehabilitation costs spent on that portion of the residence may be eligible for the credit.

FEDERAL HISTORIC REHABILITATION TAX CREDIT (CONTINUED)

Premature Sale or Administrative Non-compliance Consequences

If the property is sold within five years, or the restoration process is revoked, tax credits are subject to rescission according to the schedule on page 32.

CHANGES SINCE PROGRAM INCEPTION:

Prior to 1976, there were no federal tax incentives that encouraged the preservation of historic buildings, although there were tax provisions that encouraged demolition and new construction. The Tax Reform Act of 1976 allowed the owner of a certified historic structure to amortize rehabilitation costs over 60 months. Changes to the tax credit program were made in 1978, 1981, and 1986. The Tax Reform Act of 1986 established the present two-tiered tax credit, which makes historic preservation and rehabilitation more competitive with new construction.

DISCUSSION:

The program requires cooperation among multiple public sector entities and the private sector. The National Parks Service promotes the program, and is responsible for project approvals and program administration. The IRS provides information and ensures that only those parties eligible for the tax credits utilize them. SHPOs are the primary contact within the state, provide professional guidance and technical information, and make on-site visits. The private sector provides the buildings and capital.

Investor interest in partnering with developers has been encouraged by the complementary use of Michigan brownfield and historic tax credits and federal New Markets Tax Credits.

INDUSTRIAL FACILITIES PROPERTY TAX ABATEMENT

ENABLING LEGISLATION;

STATUTORY CITATION: 1974 PA 198; as amended by, 1999 PA 140, 2000 PA 147, 2004 PA 323, 2007 PA 146, 2008 PA 170, 2008 PA 306, 2008 PA 457, 2008 PA 515, 2008 PA 581, 2010 PA 273, 2012 PA 397; M.C.L. 207.551 et seq.

SUMMARY PROGRAM

DESCRIPTION: Locally-initiated property tax abatement program for industrial and high-technology developments, expansions or rehabilitation efforts. Property tax reductions for qualified new and rehabilitated projects.

ELIGIBILITY AND

BENEFITS: Local units of government may establish plant rehabilitation districts and industrial development districts that consist of one or more parcels or tracts of land, or a portion of a parcel or tract.

Eligible businesses include industrial or high-technology business concerns that propose to expand existing operations or initiate new facilities in Michigan. Businesses need to apply to the local unit for abatement approval; the local unit must receive approval from the State Tax Commission before the abatement is approved.

Qualified new projects within a district may apply for property tax liability limited to $\frac{1}{2}$ of the rate of all (improved real and personal) property taxes, except the state education tax (6 mills), for a term of up to 12 years, as determined by the local unit. Liability for $\frac{1}{2}$ of the six-mill State Education Tax may be waived if the state treasurer determines that a waiver is necessary to promote economic growth, reduce unemployment and increase capital investment. Applicants must apply for the waiver within six months of receiving Industrial Facilities Exemption Certificates.

For restoration of, renovation of, or addition to an existing facility within a district, taxable value (or real and personal property) of the facility may be frozen at the pre-restoration, pre-renovation or pre-addition level for a term of up to 12 years, as determined by the local unit.

TERMS AND PERFORMANCE

GUARANTEES: There is no minimum investment amount, but the proposed project must conform to the following industrial uses:

- Manufacturing and warehousing
- High-technology activities as defined by the MEGA Act (M.C.L. 207.801 et seq.)
- Research and development
- Processing of goods and materials by physical or chemical change, including the creation or synthesis of biodiesel fuels
- Hydroelectric dams operated by private companies other than public utilities
- Electric generating plant not owned by local units of government, including those fueled by biomass (for certificates approved before December 31, 2007.)
- Exposition Centers (at least 250,000 square feet)

Certificates

Tax abatement or exemption is contingent on receipt of an Industrial Facilities Exemption Certificate, issued by and subject to local approval, and approval by the State Tax Commission. Certificates are in effect for up to 12 years, subject to approval by the local unit. Certificates are transferable if approved by the local unit and the State Tax Commission. Local units may extend certificates of less than 12 years.

INDUSTRIAL FACILITIES PROPERTY TAX ABATEMENT (CONTINUED)

Fees

Local units may charge an Industrial Facilities Exemption Certificate application fee equal to the cost incurred in processing the application or two percent of the total property taxes abated for the entire term of the certificate, whichever is less. Administrative fees also apply for owners of new facilities, speculative buildings and replacement facilities.

Liability

The owner or lessee of a tax-abated or exempt facility who leaves the district before the exemption certificate expires is liable to the local unit for the difference between the amount of the specific tax for the remainder of the certificate and the amount of regular property tax that would have been due without exemption.

In light of statutory and administrative time constraints, the Michigan State Tax Commission advises applicants to the Industrial Facilities Tax Abatement Program the following:

- 1) Section 4(3) of the Industrial Facilities Exemption Act (1974 PA 198) requires that the request for the establishment of a proposed plant rehabilitation or industrial district must be made prior to the start of construction of the property for which the exemption is being sought. (This subsection does not apply to speculative buildings.)
- 2) Section 9(2)(c) provides that the start of construction of the facility cannot occur more than six months before the filing of the application for the Industrial Facilities Exemption Certificate. (This subsection does not apply to speculative buildings.)
- 3) Section 5(1) of the statute provides that the application for the exemption is not officially filed until the district has been established.
- 4) Tax Commission Rule No. 57 states that a complete application (with all required attachments) received by the Tax Commission on or before October 31 will be acted on by the Commission before December 31 of that year. Applications received after October 31 will be processed contingent upon staff availability.
- 5) Section 3(8)(b) provides that a speculative building must be constructed before a specific user for the building is identified.
- 6) Section 16(1) states that the term of the exemption certificate is set by the local unit. The certificate ends on December 31 following the number of years approved by the local unit.
- 7) Section 7 provides that the exemption starts on December 31 following approval by the Tax Commission. However, the exemption may not start on December 31 of the year that is approved by the local unit if the application is received by the Commission after October 31, or if an incomplete application is submitted.

CHANGES SINCE 2007 UPDATE:

2007 PA 146 amended the Act to allow an exemption certificate to be approved for certain facilities that did not meet statutory requirements regarding the timing of restoration, replacement, or construction.

2008 PA 170 amended the Act to include the operation of a "major distribution and logistics facility" in the Act's definition of "industrial property", require the State Tax Commission to issue industrial facilities exemption certificates for certain facilities for which certificates had been revoked, and allow the Commission to reinstate a revoked industrial facilities exemption certificate upon the written request of the holder of a revoked certificate and the submission of a resolution by a local legislative body.

2008 PA 306 amended the Act to expand the period during which the owner or lessee of a replacement facility, new facility, or speculative building may apply for another tax exemption

INDUSTRIAL FACILITIES PROPERTY TAX ABATEMENT (CONTINUED)

certificate: an owner or lessee could apply for another certificate within 12 months after the certificate expired or, as permitted by the local governmental unit, at any other time in which the certificate was in effect, but only if the original certificate was shorter than the 12 year limit.

2008 PA 457 amended the Act to revise the definition of “industrial property” by including certain convention and trade centers, require the delivery of industrial facilities exemption certificates by mail rather than certified mail; and include a formula for determining the personal property tax component of an exemption certificate for a new facility or speculative building located on commercial property.

2008 PA 515 amended the Act to allow an industrial facilities exemption certificate to be approved for a facility located in an industrial development district that has received approval from the chairperson of the Michigan Economic Growth Authority (MEGA), and that meets requirements of the Act other than certain procedural timetables.

2008 PA 581 amended the Act to change the definition of “qualified commercial activity.” It got rid of the requirement that an application must be filed before April 30, 2006 without setting a new date limit and lowered the threshold number of square feet of the building that the commercial activity occupies from 300,000 square feet to 100,000 square feet.

2010 PA 273 amended the act to allow a Next Michigan Development Corporation to offer tax abatements.

2012 PA 397 amended the act (as well as the Technology Park Development Act and the Enterprise Zone Act) to provide that if a facility was subject to an industrial facilities exemption certificate, a technology park facilities exemption certificate, or the specific tax levied under the Enterprise Zone Act, as applicable, on December 31, 2012, the portion of the facility that is eligible manufacturing personal property will remain subject to the tax levied under the respective Act and exempt from the property tax until it would otherwise be exempt under Section 9m, 9n, or 9o of the General Property Tax Act.

DATA AND SOURCE:

See **Appendix J** for the Michigan Department of Treasury reports on Industrial Facility Tax Abatements from Fiscal Year 1984 through March 18, 2014.

DISCUSSION:

The Industrial Facilities Property Tax Abatement program is Michigan’s oldest and largest tax abatement program. Since 1981, the local governments in Michigan have received over 17,000 applications for what are more commonly called PA 198s. Critics of the Act argue that tax abatements are no longer special incentives, but have come to be expected as part of business decisions to locate or expand in certain communities. Proponents say relieving manufacturers of personal property tax liability is crucial to retaining this industry in Michigan. The Act has been amended several times to benefit specific businesses—including non-manufacturing businesses.

MICHIGAN ECONOMIC GROWTH AUTHORITY TAX CREDITS

(WILL EXPIRE WHEN LAST CREDITS CLAIMED)

ENABLING LEGISLATION; STATUTORY CITATION:

1995 PA 24; as amended by, 2000 PA 144, 2000 PA 428, 2003 PA 248, 2007 PA 150, 2008 PA 87, 2008 PA 108-111, 2008 PA 257, 2009 PA 123, 2009 PA 125; M.C.L. 207.801 et seq.

SUMMARY PROGRAM DESCRIPTION:

A Single Business Tax/Michigan Business Tax credit targeted at growing high-technology businesses, large-scale investments with significant job creation, as well as attraction and growth of companies located in rural areas of the state. MEGA applicants must certify that the project would not occur absent the MEGA grant.

Given the repeal of the Michigan Business Tax, [previously approved MEGA credits](#) will be honored; however, no new credits are being allocated. Executive Order No. 2012-9 dissolved the Michigan Economic Growth Authority and gives all continuing responsibilities to the Michigan Strategic Fund Board.

ELIGIBILITY AND BENEFITS:

Michigan Economic Growth Authority considered applications from qualified high-technology businesses (See **Appendix G**) and businesses that proposed to maintain and create jobs in:

- Manufacturing
- Mining
- Research and Development
- Wholesale and Trade
- Office Operations

Businesses with an in-state presence at the time of application must have proposed to create at least 50 full-time, in-state jobs over and above their in-state pre-application employment level and maintain at least 50 of these new jobs for each year that a credit is authorized. Out-of-state businesses were required to create at least 100 full-time, in-state jobs within 12 months of location and maintain at least 100 of these new jobs for each year that a credit is authorized. Qualified high technology businesses and eligible rural businesses needed to create and maintain just 5 jobs for each year the credit is authorized and retain a minimum of 25 jobs within 5 years of expansion or location for MEGA consideration.

The MEGA Act also allowed tax credits for large-scale job retention investments. For example, the MEGA Board could consider applications from in-state concerns that proposed new in-state capital investment of at least \$250 million, while maintaining 500 jobs. See section 8(5) of the Act for more information on large-scale job retention investments. There were also limited circumstances in which a company would be eligible for a job retention credit outside of the preceding situation.

Local government commitment (e.g. staff, financial incentives) to the business was also required, and was often demonstrated with the local granting of an Industrial Facilities Tax exemption (PA 198, discussed on page 39) for the project.

TERMS AND PERFORMANCE GUARANTEES:

According to the Act, the amount and duration of MEGA grants were determined by the following factors:

- (a) The number of qualified new jobs to be created or retained jobs to be maintained.
- (b) The average wage level of the qualified new jobs or retained jobs relative to the average wage paid by private entities in the county in which the facility is located.

MICHIGAN ECONOMIC GROWTH AUTHORITY TAX CREDITS (CONTINUED)

- (c) The total capital investment or new capital investment the eligible business proposed to make.
- (d) The cost differential to the business between expanding, locating, or retaining new jobs in Michigan and a site outside of Michigan.
- (e) The potential impact of the expansion, retention, or location on the economy of Michigan.
- (f) The cost of the credit, the staff, financial, or economic assistance provided by the local government unit, or local economic development corporation or similar entity, and the value of assistance otherwise provided by this state.

The duration of tax credits could not exceed 20 years.

CHANGES SINCE PROGRAM INCEPTION:

The Act has been amended numerous times to make eligibility less restrictive. However, the most recent amendments were adopted to benefit individual businesses.

2006 PA 325 repealed the Single Business Tax Act for tax years beginning after December 31, 2007.

2007 PA 150 changed the credits available from those under the Single Business Tax Act to those under the Michigan Business Tax Act (MBT).

2008 PA 87 amended the Act to include a film and digital media production business among the businesses eligible for a business tax credit under the Act, and include technology used in the design and development of film and digital media production in the Act's definition of "high-technology activity".

2008 PA 108-111 amended the Act to include in the definition of "eligible business" a business that is a "tourism attraction facility" or a "qualified lodging facility"; redefined "qualified high-technology business"; authorized the awarding of credits to certain bidders for federal defense, energy, and homeland security contracts who have entered into an agreement with MEGA, submitted a competitive bid for a Federal procurement contract, have been awarded the Federal contract and have created a minimum of 25 qualified new jobs.

These acts also lowered the job creation standards for the program: instead of creating 100 qualified jobs, a business must create 50. It also deleted a requirement that the job creation occur within 12 months of an expansion or location in Michigan. The wage paid for each retained job and qualified new job must be at least 150 percent of the Federal minimum wage. If the eligible business is a qualified high-wage activity, the wage paid for each qualified new job must be at least 300 percent of the Federal minimum wage. MBT credits issued by MEGA are allowed to include the cost of health care benefits, as well as payroll, attributable to qualified new jobs for this measure.

Finally, these revisions specified that if the business moves jobs outside of Michigan, they are required to make a new tax credit agreement with MEGA to provide for the repayment of credits. A taxpayer that fails to meet requirements for claiming an MBT credit issued by MEGA may have its credit reduced or terminated or added to its tax liability.

2008 PA 257 amended the Act to allow MEGA to include health care benefits in calculating wages used in meeting wage requirements, and gave MEGA greater flexibility in considering credits for eligible businesses that do not meet criteria regarding qualified new jobs, full-time jobs, and wages, and instead seek eligibility by agreeing to make new capital investment at

MICHIGAN ECONOMIC GROWTH AUTHORITY TAX CREDITS (CONTINUED)

a facility equal to \$50,000 or more per retained job maintained at the facility.

2009 PA 123 amended the Act to require MEGA to determine that, except for a qualified high-technology business, an eligible business's expansion, retention, or location in Michigan would not occur without the MBT credits and to prohibit MEGA from advocating one Michigan location over another. The act also provides for a financial penalty for a business's misrepresentation in its MEGA and revises the annual limits on new agreements for MBT credits under the MEGA Act, and prohibit MEGA from entering into an agreement for MBT credits under the limit for high-technology or rural businesses if the business had claimed a film tax credit. It also established a limit, based on forecasted State revenue growth, on the total amount of MBT credits certified by MEGA that could be claimed annually.

2009 PA 125 amended the Act to require MEGA to provide to the Legislature certain information about Michigan Business Tax credit agreements as well as copies of certificates issued to businesses for various credits, while providing that legislative recipients not willfully disclose the information for any purpose other than the proper administration of his or her legislative duties or disclose the information to anyone other than an employee of the Legislature.

2011 PA 39 repealed the Michigan Business Tax Act for tax years beginning after December 31, 2011.

NEIGHBORHOOD ENTERPRISE ZONES

ENABLING LEGISLATION:

STATUTORY CITATION: 1992 PA 147; as amended by 2001 PA 217, 2004 PA 396, 2005 PA 338-340, 2008 PA 204 & 228, 2008 PA 284, 2010 PA 9, 2010 PA 65; M.C.L. 207.771 et seq.

SUMMARY PROGRAM

DESCRIPTION: A locally initiated zone program that provides tax incentives for housing development and improvement. Qualified local units of government may designate 1 or more areas as Neighborhood Enterprise Zones (NEZs) for the purpose of extending property tax abatements for residential construction and rehabilitation.

ELIGIBILITY AND

BENEFITS: See **Appendix E** for a definition and list of current "qualified local governmental units."

Qualified local units of governments and county seats may levy a reduced neighborhood enterprise zone specific tax in place of the ad valorem real property taxes that would otherwise be levied on qualified new construction projects or the rehabilitated portion of the existing property (not including the land), subject to the approval of the State Tax Commission.

Specifically, the NEZ tax rate for new principal residences is ½ of the statewide average property tax in proceeding calendar year. The NEZ tax for new properties that are not principal residences is ½ of the statewide average tax on commercial, industrial and utility property in the proceeding calendar year. The NEZ tax for rehabilitation projects is calculated by multiplying the taxable value of the rehabilitated facility, not including the land, for the tax year proceeding the effective date of the NEZ certificate by the total mills collected under the General Property Tax (M.C.L. 211.1-211.157) in the current year for each taxing jurisdiction within which the project is located. During the last three years of the NEZ certificate, these NEZs tax rates are gradually phased up to the current property tax rates.

TERMS AND PERFORMANCE

GUARANTEES: NEZs must be compact and contiguous, and contain either 10 or more platted parcels of land or, if the NEZ is within a qualified downtown revitalization district, 10 or more facilities. For new facilities or rehabilitated facilities, or a combination of both, the total zone acreage may not exceed 15 percent of the total acreage of the local unit. For designated homestead zones, the total zone acreage may not exceed 10 percent of the total acreage of the local unit, or with the approval of the county board of commissioners (and the county executive, if elected or appointed) the total zone acreage may be 15 percent of the total acreage of the local unit.

A "**rehabilitated facility**" is an existing housing structure or a portion of an existing structure which would create 1 to 8 units with a true cash value of \$80,000 or less per unit. The owner must propose improvements that will bring the structure into conformance with minimum local building code standards and that, if done by a licensed contractor, would cost in excess of \$5,000 per owner-occupied unit or 50 percent of the true cash value, whichever is less; or \$7,500 per non-owner-occupied unit or 50 percent of the true cash value, whichever is less.

A "**homestead facility**" is an existing structure purchased by an owner after December 31, 1997 that consists of 1 or 2 units, one of which is occupied by an owner as a principal residence, and that is located in a subdivision platted pursuant to state law prior to 1968.

With the exception of homestead facilities, qualified historical buildings, and other specific exceptions listed in section 4 of the Act, applications for NEZ certificates should be filed before a building permit for new construction or rehabilitation is granted.

NEIGHBORHOOD ENTERPRISE ZONES (CONTINUED)

Neighborhood Enterprise Zone certificates are in effect for 6 to 12 years, as determined by the governing body of the local unit. Certificates may remain in effect 6 to 15 years; certificates issued before 2006 may be renewed for an additional 3 years. If the facility is a qualified historic building, the NEZ certificate is in effect for 11 to 17 years as long as the historic building was owner-occupied as a principal residence within 12 years after obtaining a certificate.

CHANGES SINCE 2007 UPDATE:

2008 PA 204 & 228 amended the Act to allow a neighborhood enterprise zone located in a "qualified downtown revitalization district" to contain fewer than 10 platted parcels if the platted parcels together contain 10 or more facilities, and expanded the definition of "new facility" for new structures within a qualified downtown revitalization district.

2008 PA 284 amended the Act to transfer the authority to approve "homestead facilities" located within residential neighborhood enterprise zones from the State Tax Commission to the assessors of the local governmental units within which the homestead facilities are located. It also eliminated certain annual cost-benefit reporting requirements related to the program. 2010 PA 9 amended the Act to expand the definition of "homestead facility" to include structures in neighborhoods platted in 1999 or later in the City of Flint.

2010 PA 65 amended the Act to require a qualified historic building to be transferred or sold to a homeowner-occupant within 12 years, rather than six years, after a neighborhood enterprise zone (NEZ) certificate takes effect.

DATA AND SOURCE:

26 local units of government have approved NEZs.
Neighborhood Enterprise Zones in Michigan as of March, 2014:

| | | | | |
|--------------------|--------------|---------------|---------------|-----------|
| Adrian | Alpena | Battle Creek | Detroit | Ecorse |
| Gladwin | Grand Rapids | Hamtramck | Highland Park | Hillsdale |
| Holland | Inkster | Iron Mountain | Ishpeming | Jackson |
| Kalamazoo | Lansing | Mt. Clemens | Muskegon | Owosso |
| Port Huron | River Rouge | Saginaw | Traverse City | Wyandotte |
| Village of Baldwin | | | | |

DISCUSSION:

Neighborhood Enterprise Zones have gained popularity in recent years. During the years 1993 to 2003, the State Tax Commission received between 70 and 480 total NEZ applications each year. In the following years, the number of applications increased dramatically with 1,990 NEZ applications received in 2005, and 2,200 "homestead facilities" applications received in 2006 for the cities of Detroit and River Rouge alone. More recently, however, applications levels have returned to more modest levels.

NEW MARKET TAX CREDITS

ENABLING LEGISLATION;

STATUTORY CITATION: Community Renewal Tax Relief Act of 2000

SUMMARY PROGRAM

DESCRIPTION:

The Community Development Financial Institutions (CDFI) Fund, administered by the U.S. Department of Treasury, allocates New Market Tax Credits (NMTCs) to Community Development Entities (CDEs) for the purpose of attracting private investment to low-income communities. When investors make qualified equity investments in CDEs, they receive the right to claim NMTCs on a proportion of their investment over a 7-year period; in turn, CDEs invest the proceeds in eligible projects in low-income communities.

ELIGIBILITY AND

BENEFITS:

To qualify as a Community Development Entity, an organization must be a domestic corporation or partnership at the time of the certification application; demonstrate a primary mission of serving or providing investment capital for low-income communities or low-income persons; and maintain accountability to residents of low-income communities through representation on a governing board of or advisory board to the entity. An organization must apply for CDE certification from the CDFI Fund before gaining eligibility to apply for a New Market Tax Credit allocation.

Qualified equity investments in CDEs include stock or other equity interests that are obtained from a CDE in exchange for cash. Qualified low-income community investments made by CDEs include loans and investments in businesses for the purposes of residential, commercial, industrial, and retail real estate development projects, or to secure a loan from another CDE.

A low-income community comprises a census tract that has a poverty rate of at least 20 percent, based on the most recent census; and has a median family income that does not exceed 80 percent of metropolitan area income or statewide median family income, whichever is greater.

Banks, individuals and corporations that make qualified investments in CDEs may reduce their federal income tax liability by 39 percent of the amount of investment over a seven-year period. In the first three years, investors receive a five percent credit each year; in the four following years, a six percent credit is allocated each year. Investors can carry the credit back for one year or forward for a 20-year period.

TERMS AND PERFORMANCE

GUARANTEES:

CDE applications for NMTCs are reviewed based on the following criteria: community impact, business strategy, capitalization strategy, and management capacity. Priority points will also be given for CDEs with exceptional track records of successful low-income community investment.

Both for-profit and non-profit CDEs may receive NMTCs, but only for-profit CDEs can offer NMTCs to investors. Non-profit CDEs must filter NMTCs through for-profit subsidiaries. If a CDE does not sell equity interests equal to the amount authorized within 5 years, authorization to sell the remainder is canceled.

CDEs must spend 85 percent of investor proceeds within 12 months for years 1 through 6, and 75 percent for year 7.

CHANGES SINCE

PROGRAM INCEPTION:

The American Jobs Creation Act of 2004 amended the Act to include "targeted populations" as eligible recipients of investment. Targeted populations are individuals or groups who work

NEW MARKET TAX CREDITS (CONTINUED)

or reside in communities that do not meet the low-income community criteria, but that can meet other low-income qualifying criteria as individuals and businesses.

In 2005, Congress approved an additional \$1 billion in NMTC allocations for CDEs working to redevelop low-income communities in the Gulf Opportunity Zone, which is a specific area that was affected by Hurricane Katrina.

In 2006, the Tax Relief and Health Care Act extended the CDFI Fund's allocation authority through 2008 (1 additional year), and provided \$3.5 billion for allocations that year.

In 2010, the provision was extended by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, Pub. L. No. 111-312. This act provided for an allocation limit of \$3.5 billion in each of 2010 and 2011 and extended for two years, through 2016, the carryover period for unused new markets tax credits.

DATA AND SOURCE:

In 2011, the NMTC program expired on December 31. It was retroactively renewed in H.R. 8, the [American Taxpayer Relief Act of 2012](#) for another 2 years until January 2014.

Since the NMTC Program's inception, the CDFI Fund has allocated more than \$40 billion in tax credit authority to CDEs through a competitive application process. This \$40 billion includes \$3 billion in Recovery Act Awards and \$1 billion of special allocation authority to be used for the recovery and redevelopment of the Gulf Opportunity Zone.

DISCUSSION:

New Market Tax Credits attract private investment to low-income communities. The federal government provides an initial benefit in the form of a tax credit, and then all participants—investors, for-profit CDEs, non-profit CDEs, and low-income communities—work together to invest in local businesses, provide business services, and to achieve returns on investment.

OBSOLETE PROPERTY REHABILITATION TAX ABATEMENT

ENABLING LEGISLATION;

STATUTORY CITATION: 2000 PA 146; as amended by 2004 PA 251, 2006 PA 70, 2007 PA 193, 2010 PA 137, 2011 PA 272, 2013 PA 265 ; M.C.L. 125.2781 et seq.

SUMMARY PROGRAM

DESCRIPTION: A tax abatement program targeted specifically at the rehabilitation and reuse of obsolete structures. Qualified structures in approved Obsolete Property Rehabilitation Districts can receive significant property tax breaks on the improved value of the rehabilitated property.

ELIGIBILITY AND

BENEFITS:

Properties eligible for obsolete property exemption certificates must be commercial properties or commercial housing properties located within a qualified local governmental unit that meet the definition of "blighted" or "functional obsolescence" as provided for within the Brownfield Redevelopment Financing Act of 1996; or be a "facility" as defined by the Natural Resources and Environmental Protection Act of 1994, Part 201.

See **Appendix E** for a definition and list of current "qualified local governmental units." See **Appendix F** for the definitions of "blighted," "functional obsolescence," and "facility."

Qualified obsolete property rehabilitation projects in qualified local units of government are eligible for a 1- to 12-year tax exemption certificate that would freeze the property at its pre-rehabilitated value, effectively allowing the rehabilitation to be property tax-free, with the exception of school operating taxes. The State Treasurer may waive ½ of the school operating taxes for a period of 6 years for up to 25 projects per year.

TERMS AND PERFORMANCE

GUARANTEES:

Local units may establish 1 or more Obsolete Property Rehabilitation Districts if a portion of a parcel or tract of land within the district is either:

- Obsolete property in an area characterized as obsolete commercial or commercial housing property, or
- Obsolete commercial property that was owned by a qualified local governmental unit before June 6, 2000, but that has since been conveyed to a private owner.

Owners of obsolete property within a district may apply for an Obsolete Property Exemption Certificate. Applicants must demonstrate that completion of the rehabilitation will lead to increased commercial activity, the creation or retention of jobs, or an increase in residency. Applicants must also show that "but for" the exemption, the rehabilitation would not occur. Applicants must not be delinquent in payment of any taxes related to the property. The legislative body of the qualified local governmental unit will approve or disapprove the application for an exemption certificate; if approved, the local unit will forward the application to the State Tax Commission for final approval or disapproval.

Exemption certificates remain in effect for a period of at least 1 year, but no more than 12 years, as determined by the legislative body of the qualified local governmental unit. Certificates may be extended, but shall not exceed 12 years after the rehabilitation is complete. Certificates may be revoked if the proposed rehabilitation does not occur within the time authorized.

Qualified local governmental units that grant Obsolete Property Exemption Certificates must submit annual reports to the State Tax Commission on the status of each exemption. The current sunset date for obsolete property tax exemptions is December 31, 2016.

OBSOLETE PROPERTY REHABILITATION TAX ABATEMENT (CONTINUED)

CHANGES SINCE

2007 UPDATE:

2010 PA 137 amended the Act to extend the deadline for granting new exemptions under the Act from December 31, 2010, to December 31, 2016.

2011 PA 272 amended the Act to allow an applicant for an obsolete property rehabilitation exemption certificate to submit an amended application, if an error or mistake in an original application were discovered after that application was approved.

2013 PA 265 amended the Act to make an exception for a specific project to the requirement that the rehabilitation of a facility not begin before the establishment of an obsolete property rehabilitation district.

DATA AND SOURCE:

The Michigan State Housing Development Authority (MSHDA) administers several complementary federal programs, such as tax credits, low interest loans, and tax exempt financing programs, for the creation of affordable housing through rehabilitation of commercial rental housing or adaptive reuse of commercial facilities. For more information on the Low Income Housing Tax Credit, the HOME/TEAM tax exempt lending, and Modified Pass Through tax exempt bond financing programs, please contact MSHDA at (517) 373-6880 or visit their Web site at: www.michigan.gov/mshda

DISCUSSION:

The Obsolete Property Rehabilitation Act was tied-barred to companion economic development program expansions, including significant expansions of the Brownfield Financing Act (page 27) and the Michigan Economic Growth Authority Act (page 42). In 2005, the Legislature enacted a similar, but less restrictive bill called the Commercial Rehabilitation Act (page 29).

RENAISSANCE ZONES

ENABLING LEGISLATION;

STATUTORY CITATION: 1996 PA 376; as amended by 1999 PA 98, 1999 PA 139, 2000 PA 259, 2003 PA 266, 2006 PA 116, 2006 PA 270, 2006 PA 305, 2006 PA 440, 2008 PA 117, 2010 PA 368, 2010 PA 5, 2010 PA 277; M.C.L. 125.2681 et seq.

SUMMARY PROGRAM

DESCRIPTION: A targeted-zone program that waives all business or resident site-specific state and local taxes for a term of up to 15 years. Zone applications are developed locally and awarded competitively by the Michigan State Administrative Board or the Michigan Strategic Fund. The most recent annual report for the program, which includes a list of all active renaissance zones, is available at [http://www.michiganbusiness.org/cm/Files/Reports to MI Legisla-ture Page Docs/FY%202014%20Renaissance%20Zone%20Annual%20Report.pdf](http://www.michiganbusiness.org/cm/Files/Reports%20to%20MI%20Legisla-ture%20Page%20Docs/FY%202014%20Renaissance%20Zone%20Annual%20Report.pdf)

ELIGIBILITY AND

BENEFITS: In the first two rounds, a local unit of government, or a combination of local units, meeting certain criteria of economic distress, could apply for a renaissance zone. Applications were made under one of three categories: Urban, Rural, and Ex - Military Facility. In following rounds, the program became company and industry specific as opposed to geographically designated locations.

Qualified taxpayers enjoy the waiver of all state and local taxes (except for taxes mandated by the federal government, local bond obligations, school sinking fund or special assessments) for a term of up to 15 years from the time of Renaissance Zone approval.

TERMS AND PERFORMANCE

GUARANTEES: Renaissance Zone residents and business owners not substantially delinquent in any of the following state and local taxes are exempt from these taxes:

- City Income Tax
- City Utility Users' Excise Tax
- Commercial Forests Tax
- Commercial Property Facilities Tax
- Enterprise Zone Facilities Tax
- General Property Taxes, including tax on lessees or users of tax exempt real property
- Industrial Facilities Tax
- Neighborhood Enterprise Zone Tax
- Personal Income Tax
- Michigan Business Tax
- Technology Park Facilities Tax

Businesses and residents must not be "substantially" delinquent in state and local taxes, as determined by the taxing local unit, in order to claim renaissance zone credits. During the last three years of Renaissance Zone status, the exemptions of the above taxes are phased up to 100 percent of the current tax rates.

HISTORY OF RENAISSANCE

ZONE DESIGNATIONS: I. First and Second Round of Renaissance Zones

The designation of Renaissance Zones was first authorized within 1996 PA 376, and 9 geographic areas around the state successfully received designation starting in 1997 as the result of the first round of reviews. Approval for a second round of Renaissance Zones was passed into law in 1999 after Round I Renaissance Zones were less than 3 years active. The second round legislation, Public Acts 98 and 139, allowed the State Administrative Board to designate an additional 9 zones and sanctioned the board of the Michigan Strategic Fund (MSF) to designate up to 5 zones. The second round legislation also contained optional provisions that allowed for the alteration of Renaissance Zones awarded in the first round (in 1996). These options offered to first round zones were:

1. The ability to expand existing zones to accommodate the growth needs of existing zone businesses.

RENAISSANCE ZONES (CONTINUED)

2. The ability to lengthen the term of the zone to a maximum of 15 years from the time the zones became active, January 1, 1997.
3. The ability to add distinct geographic areas (subzones) not to exceed a total of 10.

As of December 31, 2011, time extensions and new subzones are no longer available.

II. Agricultural Processing Renaissance Zones

2000 PA 259 introduced a new type of renaissance zone specifically tailored to companies that operate an agricultural processing facility. Initially capped at 10 zones, subsequent legislation increased the cap to 30 zones designated by the State Administrative Board, upon recommendations of the MSF board and the Michigan Agricultural Commission. As of December 31, 2014, 27 of the 30 available zone designations had been utilized, and 18 zones were active during 2014.

III. Third Round of Renaissance Zones

In 2001, a single rural Renaissance Zone remained. Four joint applications were submitted by multiple counties, which identified specific locations within their counties that they wanted designated as Renaissance subzones. Since only 1 Renaissance Zone was available, the 10 best locations in terms of development potential and infrastructure were chosen in accordance with the 10 subzones per Renaissance Zone rule. As a result, 1 comprehensive Renaissance Zone that stretched across the state was created. This zone is called the Border to Border Renaissance Zone.

IV. Alternative Energy Renaissance Zone

2002 PA 512 amended the Act to allow the MSF board to designate one Renaissance Zone as an alternative energy zone for a term not to exceed 20 years. An alternative energy zone promotes research, development and manufacturing of "alternative energy technology" as defined in the Michigan NextEnergy Authority Act. 2006 PA 632 amended the Act to require Alternative Energy Renaissance Zones to promote and increase testing of alternative energy technologies and the research, development, testing and manufacture of alternative energy vehicles. This zone is located in the Wayne State University Research and Technology Park.

V. Pharmaceutical Renaissance Zone

2002 PA 587 amended the Act to allow the MSF board to designate one Pharmaceutical Renaissance Zone before April 16, 2004. This amendment resulted in the creation of a Renaissance Zone in the City of Kalamazoo to encourage Pfizer to retain Michigan jobs after they acquired Pharmacia.

VI. Tool and Die Renaissance Recovery Zones ("Recovery Zones")

2003 PA 266 allowed the MSF board to designate up to 20 Tool and Die Renaissance Recovery Zones with the consent of the local governmental unit, with the cap being increased to 35 in subsequent legislation. Each Recovery Zone supports a specific collaborative of tool and die companies, with the goal of sustaining the industry in Michigan. As of December 31, 2014, there were 29 such zones consisting of 277 companies.

VII. Redevelopment Renaissance Zones

2006 PA 116 allowed the MSF board to designate not more than 5 Renaissance Zones as Redevelopment Renaissance Zones to promote the redevelopment of existing industrial facilities. This strategy was a follow-up to previous legislation (2004 PA 430) which aimed to facilitate business location and job replacement at the closed Electrolux industrial facility in Greenville.

RENAISSANCE ZONES (CONTINUED)

VIII. Renewable Energy Zones

2006 PA 270 allowed the State Administrative Board to designate up to 10 Renaissance Zones for renewable energy facilities, which create energy from residues of agricultural products, forest products, food production and processing, and from gaseous fuels produced from biomass, animal waste or landfills. 2008 PA 117 further amended the Act to include in the definition of "renewable energy facility" a system that creates energy from a process using agricultural crops or processed products from agricultural crops. The cap on Renewable Energy Renaissance Zones was raised to 15 through 2008 PA 329, which also required at least five renewable energy renaissance zones to focus primarily on facilities engaged in the production of cellulo-sic biofuels. As of December 31, 2014, nine zones had been designated, with five of these nine remaining active. Seven zones remain available for designation, two of which must meet the cellulosic biofuels production requirement.

IX. Forest Product Processing Zones

2006 PA 305 allowed the State Administrative Board to designate up to 10 Renaissance Zone for forest product processing facilities such as saw mills, paper mills and manufacturers of wood products like cabinets, furniture, floors, doors and windows, and other operations that do not primarily engage in retail. One zone in Dickinson County had been designated as of the end of 2014.

XII. Border Crossing Facilities

2010 PA 5 amended the Act to authorize the Michigan Strategic Fund (MSF) board to designate up to 25 additional Renaissance Zones for border crossing facilities within the State in qualified border local governmental units, if the city or township or combination of cities and townships consented. "Border crossing facility" would mean a business that meets one or more of the following: (1) Was located in a qualified border local governmental unit and was displaced or otherwise negatively affected by the development of the international border crossing and is unable to recover from the displacement or negative effect without the establishment of a renaissance zone. (2) Is associated with international trade, shipping, or freight hauling, including customs brokers, distribution centers, and truck supply and repair. As of December 31, 2014, no such zones had yet been designated.

XIII. Next Michigan Renaissance Zones

2010 PA 277, the Next Michigan Development Act, amended the Act to allow the Michigan Strategic Fund board to designate Next Michigan renaissance zones for eligible Next Michigan businesses within the boundaries of a Next Michigan development district. Eligible businesses are those engaged in multi-modal product shipment such as a logistics-based business. The zone and the eligible businesses must be certified by a local Next Michigan Development Corporation. While five Next Michigan Development Corporations had been approved as of the end of 2014, no Next Michigan Renaissance Zone certifications have yet taken place.

DATA AND SOURCE:

Originally, Michigan Renaissance Zones (Round I, Round II, and Round III zones) were regions of the state designated as virtually tax free for any business or resident presently in or moving into a zone for a period of up to 15 years. As of December 31, 2011, this portion of the program is being phased out and time extensions and new subzones are no longer available. Since then, the Renaissance Zone Act has been expanded shifting away from larger geographic area designations and now focuses on project specific, parcel specific designations. All Renaissance Zone types receive the same benefit.

RENAISSANCE ZONES (CONTINUED)

Geographic Renaissance Zones

1. Berrien County/City of Benton Harbor/Benton Township (5 subzones)
2. Border to Border Renaissance Zone (4 subzones)
3. City of Detroit Renaissance Zone (12 subzones)
4. City of Flint Renaissance Zone (9 subzones)
5. City of Grand Rapids Renaissance Zone (10 subzones)
6. City of Jackson/Jackson County Renaissance Zone (7 subzones)
7. Kalamazoo/Battle Creek Renaissance Zone (12 subzones)
8. City of Lansing Renaissance Zone (2 subzones)
9. Manistee County Renaissance Zone (4 subzones)
10. Mid-Michigan Economic Growth Corridor Renaissance Zone (12 subzones)
11. Military Renaissance Zones (City of Warren, Forsythe Township) (3 subzones)
12. Montcalm/Gratiot Counties Renaissance Zone (8 subzones)
13. Muskegon/Muskegon Heights Renaissance Zone (12 subzones)
14. North Country Renaissance Zone (3 subzones)
15. Northern Tier Renaissance Zone (10 subzones)
16. City of Saginaw Renaissance Zone (15 subzones)
17. Thumb Area Renaissance Zone (2 subzones)
18. Wayne County Renaissance Zone (9 subzones)

Agricultural Processing Renaissance Zones

1. Arbore Farms & Willow Cold Food Storage (aka Chase Farms) Oceana County/Colfax Township
2. Graceland Fruit, Inc. Benzie County/Gilmore Township
3. Gray & Co. Oceana County/City of Hart
4. Green Plains Holdings II, LLC (aka Global Ethanol) Lenawee County/Riga Township
5. Kellogg Company Kent County/City of Grand Rapids
6. W.K. Kellogg Institute for Food and Nutrition Research (wkki) Calhoun County/City of Battle Creek
7. Leprino Foods Company Ottawa County/Allendale Township
8. Michigan Milk Producers Association Clinton County/Village of Ovid
9. Burnette Foods, Inc. (aka New Era Foods) Oceana County/Grant Township/Village of New Era
10. Peterson Farms Oceana County/Hart Township
11. Carbon Green Bioenergy (aka U.S. Bio Woodbury/Verasun) Barry County/Woodland Township
12. The Anderson's Albion Ethanol Calhoun County/Sheridan Township
13. Zeeland Farm Services Ottawa County/Zeeland Township
14. Gerber Products Company Newago County/City of Fremont
15. Request Foods, Inc. Ottawa County/Holland Charter Twp
16. Shoreline Fruit, L.L.C. Grand Traverse County/Acme Township
17. Dairy Farmers of America, Inc. Tuscola County City of Cass City (forthcoming)

Forest Products Processing Renaissance Zones

1. Verso Quinnesec, L.L.C. Dickinson County/Breitung Township

Michigan Strategic Fund (MSF) Designated Zones

1. Marathon Ashland Petroleum Wayne County/City of Detroit
2. NextEnergy Wayne County/City of Detroit
3. Dow Chemical Company Midland County/City of Midland
4. Greenville Industrial Park "Redevelopment RZ" Montcalm County/City of Greenville
5. Alpinist Endeavors Development "Redevelopment RZ" Kent County/City of Walker
6. Dow Corning Corporation "Redevelopment RZ" Midland County/City of Midland
7. Eaton Aeroquip "Redevelopment RZ" Jackson County/City of Jackson

RENAISSANCE ZONES (CONTINUED)

8. MPI Research "Pharmaceutical Recovery RZ" Kalamazoo County/City of Kalamazoo
9. United Solar Ovonic Calhoun County/City of Battle Creek
10. Michigan Motion Picture Studios, L.L.C. Oakland County/City of Pontiac
11. Johnson Controls-Saft APS Production Allegan County/City of Holland
12. XALT Energy MI, LLC (fka Dow Kokam MI, LLC) Midland County/City of Midland
13. A123 Systems, Inc. Wayne County/City of Romulus
14. La-Z-Boy, Inc. Monroe County/Township of Frenchtown (forthcoming)

Renewable Energy Renaissance Zones

1. Heat Transfer International, LLC Kent County/City of Kentwood
2. Alpena Prototype Biorefinery, LLC Alpena County/City of Alpena
3. LG Chem Michigan, Inc. (fka Compact Power, Inc.) Allegan County/City of Holland
4. The Dow Chemical Company Midland County/City of Midland
5. Grid Logic Incorporated Lapeer County/Lapeer Township

Source: Michigan Economic Development Corporation

DISCUSSION:

The renaissance zone program has expanded significantly since its inception in 1997. In addition to geographic expansions, the zones also expanded the classes of businesses eligible for benefits, as evidenced by the creation of Agricultural Processing Renaissance Zones, Michigan Strategic Fund Designated Zones, Tool and Die Renaissance Recovery Zones, Renewable Energy Renaissance Zones, and Forest Products Processing Renaissance Zones.

The expansion also included a large class of Michigan businesses that were effectively prevented by threat of tax abatement recission from their resident local unit from considering a move to a renaissance zone. This measure, commonly known as an "exit-visa" provision, was found in the enabling legislation of several state-based economic development programs, but was eliminated with regard to Renaissance Zones through legislation enacted in 1999.

FINANCING PROGRAMS AND TAX AUTHORITIES

*Brownfield Authorities
Corridor Improvement
Downtown Development Authorities
Historic Neighborhood TIFAs
Industrial Development Revenue Bonds
Local Development Finance Authorities
Principal Shopping Districts, Business Improvement Districts and Zones
Taxable Bond Program
Tax Increment Finance Authorities
Private Investment Infrastructure Funding
Water Resource Improvement TIFAs
Convention Facility Authority*

BROWNFIELD AUTHORITIES

ENABLING LEGISLATION:

STATUTORY CITATION: 1996 PA 381; as amended by 2000 PA 145, 2002 PA 727, 2003 PA 259, 2003 PA 277, 2005 PA 101, 2006 PA 32, 2007 PA 201-204, 2008 PA 154, 2012 PA 502, 2012 PA 446; M.C.L. 125.2651 et seq.

SUMMARY PROGRAM

DESCRIPTION:

Brownfields, as defined by the United States Environmental Protection Agency, are “abandoned, idled, or under-used industrial or commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination.”

This program allows local units of government to establish Brownfield Redevelopment Authorities (BRAs) and utilize tax increment financing (defined on page 74) for environmental remediation of brownfield sites.

Approved brownfield projects in Brownfield Redevelopment Authorities are also eligible for Single Business Tax credits, described on page 49.

A number of grants and loans are also available to support brownfield cleanup and redevelopment. For a description of brownfield grants and loans, see page 32.

ELIGIBILITY AND

BENEFITS:

Local units of government may establish one or more Brownfield Redevelopment Authorities by resolutions adopted by the majority of the municipalities’ governing body. The resolution of intent to create a BRA must include a date for a public hearing on the adoption of the resolution creating the BRA, including the date, time, and place of hearing. If the resolution is approved at the hearing, not more than 30 days after the hearing the governing body adopts a resolution creating the BRA. A copy must be filed with the Michigan Secretary of State promptly after its adoption. The municipalities’ governing body may then designate a BRA board. The board may create and implement a brownfield plan that identifies the properties from which taxes will be captured and where eligible activities will be conducted. BRAs may be countywide or citywide, but may only exercise powers on eligible property within the jurisdiction and may only capture taxes from approved brownfield plan sites that the municipality(ies) authorize. The Michigan Department of Environmental Quality (MDEQ) and/or the Michigan Economic Development Corporation (MEDC) must also approve the brownfield plan. Eligible activities vary depending on whether MDEQ approves the brownfield plan.

Eligible property means a “facility” as defined in Part 201 of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, or a “blighted” or “functionally obsolete” property as defined by the Brownfield Redevelopment Financing Act, 1996 PA 381. For definitions of these terms see **Appendix F**.

BRAs have the power to:

- Create and implement brownfield plans to promote the reuse of blighted, tax reverted or functionally obsolete property and other eligible properties.
- Determine the captured taxable value of each eligible property
- Make loans and mortgages, bid for and purchase property
- Make and enter into contracts
- Borrow money and issue bonds or notes in anticipation of collection of tax increment revenues
- Establish a local site remediation revolving fund

BROWNFIELD AUTHORITIES (CONTINUED)

TERMS AND PERFORMANCE

GUARANTEES:

The BRA Board: The elected members of the municipality's legislative body may designate a board, such as the economic development corporation, downtown development authority, or local development financing authority to act as the BRA board. Alternatively, the municipality's CEO may appoint a board. BRAs do not expire until the BRA boards disband them; however, each brownfield plan and therefore each tax increment financing scheme shall not be effective for more than 30 years.

Provisions of the Brownfield Plan: The BRA board may implement a brownfield plan subject to approval by the municipality, the MEDC, and/or the MDEQ. In general, the brownfield plan must include:

1. A description of the costs to be financed with the tax increment revenues
2. A brief summary of the eligible activities proposed for each eligible property
3. An estimate of the tax increment values for each year of the plan
4. The method by which the costs of the plan will be financed
5. The maximum amount of indebtedness to be incurred
6. The duration of the plan
7. A legal description of the eligible property to which the plan applies, and estimates of the number of people living there
8. A plan for establishing priority for the relocation of persons dislocated by the plan, as well as provision of the costs of relocating them

For a full list of requirements, see M.C.L. 125.2663

Costs of environmental activities are reviewed by the MDEQ. These include: Baseline Environmental Assessment activities, due care activities, additional response activities to satisfy due care obligations, site and building demolitions that are response activities, lead and asbestos abatement (if in the soil or environment), reasonable costs of developing a brownfield plan, and reasonable costs of environmental insurance.

Costs related to non-environmental activities are reviewed by the MEDC. These include: site and building demolition that is not an environmental response activity, lead and asbestos abatement (if in the building itself), site preparation, infrastructure improvements, assistance to local government or land bank for the costs of managing the property for economic development purposes, costs of relocating public buildings, and reasonable costs of developing a brownfield plan.

Cleanup and redevelopment of a brownfield property will increase the taxable value of the property, and therefore, increase the property taxes raised from the property. The increase in tax revenue over a base year is the tax increment. The increased tax revenues are known as "tax increment revenue" (TIR) or captured taxes. These captured taxes can be used to pay the expenses for eligible environmental response and non-environmental activities.

The amount of allowable local and school tax capture is limited to the actual costs of the eligible activities as approved by the MDEQ or MEDC, except for funds used for deposit into the local site remediation revolving fund. Unless otherwise explicitly stated in the work plan approval by the MDEQ or MEDC, capture of school and local taxes to reimburse the cost of eligible activities must be proportional to the existing ratio of school to local taxes being captured at the time such approval is granted.

BROWNFIELD AUTHORITIES (CONTINUED)

Exclusions: Taxes levied for school operating purposes may not be used for any eligible activities at qualified facilities (landfills) or on eligible property located in an economic opportunity zone. (A tax levied by an intermediate school district is not considered a school tax.) Tax increment revenues exclude ad valorem property taxes or specific taxes levied under most development districts and zones, and taxes captured by development authorities if those taxes were already captured when the eligible property became part of the brownfield plan.

CHANGES SINCE PROGRAM INCEPTION:

The Brownfield Redevelopment Financing Act has undergone several major amendments, which have expanded the program since its 1996 inception. Below is a review of amendments that have been enacted since our last survey was published in 2007.

2007 PAs 201 through 204 revise the definitions of “eligible activities”, “eligible property”, and “blighted” (see **Appendix F** for these definitions). The acts also revise provision’s related to MDEQ oversight of work plans; revise and expand exceptions to the Act’s limitations on the use of captured tax revenue; increase the amount that may be used to cover an authority’s expenses and other costs; require the Auditor General to conduct a performance postaudit of the brownfield redevelopment program at least every three years; and require the State Tax Commission to include in its annual financial report information regarding the amount of tax increment revenue from school operating taxes used for certain purposes.

2008 PA 154 allows State Education Tax revenue to be paid to a brownfield redevelopment authority for the repayment of particular advances or obligations, if the amount of tax increment revenue the authority lost as a result of certain personal property tax exemptions enacted in 2007 will reduce the allowable school tax capture the authority receives in a fiscal year. With the approval of the Department of Treasury, an authority may request the local tax collecting treasurer to retain the SET revenue and pay it to the authority.

2012 PA 502 eliminates the sunset date for MEDC and MDEQ approval of eligible activities identified in a Brownfield Plan using financing derived from school operating tax increments. It also created a new state Brownfield Redevelopment Fund in the Department of the Treasury. The Brownfield Redevelopment Fund is to be used for the following activities:

1. 15 percent of the annual deposits to cover the administrative costs of the MEDC and MDEQ to implement the program
2. Funding for MDEQ brownfield redevelopment grants and loans under Part 196; for requirements and eligibility, see the MDEQ website: http://www.michigan.gov/deq/0,4561,7-135-3311_4109_29262---,00.html
3. A new Strategic Fund Brownfield grant and loan program in the MEDC to fund eligible activities; for requirements and eligibility, see the MEDC website: <http://www.michiganbusiness.org/community/development-assistance/>

The act also provides for reimbursement of additional eligible activities conducted prior to the approval of a Brownfield plan, expands the scope of eligible activities, provides incentives for regional collaboration of BRAs, and revises other program requirements.

2012 PA 446 redistributes funding for the grant and loan program in order to increase the funding available for grants by \$12.5 million, and eliminates the requirement for communities to pledge their full faith and credit to apply for a brownfield redevelopment loan.

DATA AND SOURCE: MEDQ website: http://www.michigan.gov/deq/0,4561,7-135-3311_4109_29262---,00.html.

BROWNFIELD AUTHORITIES (CONTINUED)

DISCUSSION:

Brownfield redevelopment is a relatively recent economic development program. Historically, brownfield programs seek to address environmental cleanup lessons learned from the federal Superfund experience, where statutory intent to identify polluter liability had the unintended effect of scaring away potential lenders for site development or rehabilitation. Michigan was one of the first states to exempt new buyers from polluter liability. Yet, while the Brownfields Redevelopment Financing Act greatly increased the number of redeveloped brownfield sites, it has not encouraged actual brownfield cleanup: New purchasers of brownfield property are only responsible for containing pollution under due care requirements and are not obligated to fully clean-up sites.

CORRIDOR IMPROVEMENT AUTHORITIES

ENABLING LEGISLATION;

STATUTORY CITATION: 2005 PA 280; as amended by 2007 PA 44, 2008 PA 44, 2012 PA 229; M.C.L. 125.2871 et seq.

SUMMARY PROGRAM

DESCRIPTION:

Municipalities may establish 1 or more Corridor Improvement Authorities that use tax increment financing to make capital improvements within an established commercial district. The Corridor Improvement Authorities Act allows communities that already have Downtown Development Authorities (DDA, see page 72) to extend similar benefits to aging commercial corridors that may be outside of the DDA district or that extend through more than one municipality.

ELIGIBILITY AND

BENEFITS:

Cities, villages and townships may use tax increment financing, bonds, special assessments and fees to improve land and construct, rehabilitate, preserve, equip or maintain buildings within a "development area" for public or private use.

TERMS AND PERFORMANCE

GUARANTEES:

A municipality, by resolution, may adopt an ordinance to establish 1 or more authorities and their development areas. The governing body of the municipality may alter or amend the boundaries of the development area.

The development area must comply with all of the following:

- Be adjacent to a road classified as an arterial or collector according to the Federal Highway Administration manual, "Highway Functional Classification—Concepts, Criteria and Procedures;"
- Contain at least 10 contiguous parcels or at least 5 contiguous acres;
- More than half of the existing ground floor square footage in the development area is classified as commercial real property under section 34c of the General Property Tax Act (M.C.L. 211.34c);
- Residential use, commercial use or industrial use has been allowed and conducted under the zoning ordinance or conducted in the entire development area for the immediately preceding 30 years;
- Is presently served by municipal water and sewer;
- Zoned to allow for mixed use that includes high-density residential use;
- The municipality agrees to a.) expedite the local permitting and inspection process in the development area, and b.) modify its master plan to provide for walkable nonmotorized interconnections, including sidewalks and streetscapes, throughout the development area.

The general guidelines for the process to designate a Corridor Improvement Authority are:

1. If the governing body of a municipality determines that it is in the best interests of the public, the governing body may, by resolution, declare its intention to create and provide for the operation of an authority.
2. In the resolution of intent, the governing body shall state that the proposed development area meets the criteria in the statute, provide public notice and set a date for a public hearing on the adoption of a proposed resolution creating the authority, and designate the boundaries of the development area.
3. Within 60 days after the public hearing, the governing body adopts a resolution establishing the authority and designating the boundaries of the development by a

CORRIDOR IMPROVEMENT AUTHORITIES (CONTINUED)

majority vote. This resolution should be filed with the Secretary of State and published at least once in a newspaper of general circulation in the municipality.

4. The chief executive officer of the municipality chooses 5-9 members for a board, subject to approval by the governing body. At least a majority of members should have an ownership or business interest in property located in the development area. At least 1 of the members shall be a resident of the development area or of an area within 1/2 mile of any part of the development area.
5. Once created, the authority prepares and submits a tax increment financing plan to the governing body. For plan requirements, see M.C.L. 125.2888.
6. Before adopting a resolution approving the plan, the governing body should provide public notice and hold a public hearing on the development plan.
7. After the hearing, the governing body should decide whether the plan serves a public purpose. If the governing body determines it does, then it can approve the plan by resolution, or approve it with modifications by resolution.

Two adjoining municipalities with authorities may enter into an interlocal agreement pursuant to the Urban Cooperation Act of 1967 to jointly operate and administer these authorities.

CHANGES SINCE

PROGRAM INCEPTION:

2007 PA 44 provides for the capture of revenue within a “qualified development area” from the State Education Tax Act and taxes levied by local or intermediate school districts with the approval of the Michigan Economic Growth Authority (MEGA), makes an exception for a qualified development area to provisions under which a taxing jurisdiction may exempt its taxes from capture, allows the board of a corridor improvement authority to make certain improvements to a qualified development area, and revises the definition of “public facility” to include certain facilities in a qualified development area.

2008 PA 44 amends public notice requirements within the Act, deletes a requirement that a municipal governing body consider the findings and recommendations of a development area citizens council when considering whether to approve a development plan or tax increment financing plan, and revises requirements for development areas with regard to proximity to major roadways and usage of municipal water and sewer.

2012 PA 229 allows for the creation of a joint authority by any combination of two or more cities, villages, or townships.

DISCUSSION:

Corridor Improvement Authorities join the ranks of similar tax increment financing (TIF) programs such as Downtown Development Authorities (page 72), Tax Increment Financing Authorities (page 88), Local Development Finance Authorities (page 79) and Brownfield Re-development Authorities (page 66).

DOWNTOWN DEVELOPMENT AUTHORITIES

ENABLING LEGISLATION:

STATUTORY CITATION: 1975 PA 197; as amended by 2004 PA 158, 2004 PA 521, 2005 PA 115, 2006 PA 279; 2007 PA 659; 2008 PA 225, 2012 PA 396; M.C.L. 125.1651 et seq.

SUMMARY PROGRAM

DESCRIPTION:

Downtown Development Authority (DDA) legislation allows local units of government to establish an authority in designated "downtown" areas. Established DDAs can raise revenue for physical improvements, property acquisition, marketing, and operations through the use of tax increment financing (see page 74), revenue bonds, tax levy (subject to municipal population requirements), fee collection, revenues from property owned and leased by the DDA, contributions by the local unit of government, and grants. All DDA expenditures must be used for the DDA only.

The general guidelines for the process to designate a DDA District are:

1. The local unit of government governing body finds that the creation of a DDA is necessary for the best interests of the public to halt property value deterioration, increase property tax valuation, eliminate the causes of deterioration and promote economic growth in the defined business district.
2. The governing body sets a public hearing, based on a resolution of intent, to create a DDA
3. Notice is given of a public hearing by publication and mail to taxpayers within a proposed district and to the governing body of each taxing jurisdiction levying taxes that would be subject to capture of tax increment revenues
4. The governing body takes comments at the public hearing
5. Within 60 days, the governing body of another taxing jurisdiction may, by resolution, exempt its taxes from capture and file the resolution with the clerk of the municipality
6. Not less than 60 days following the hearing, the governing body may adopt a proposed ordinance creating the DDA and designating the boundaries of the DDA district
7. The ordinance must be published at least once in a local newspaper and filed with the Secretary of State
8. For municipalities with populations below 5,000, the governing board of the DDA can be the same as the planning commission. Otherwise, the board will include the municipality's chief executive officer and 8-12 members appointed by the governing body. A majority of the board must be individuals with an ownership or business interest in property in the district, and one member must reside in the district if there are more than 100 residents in the district
9. If the DDA Board anticipates the need for capturing tax increments or using revenue bonds to support a project, a Development Plan and a Tax Increment Financing Plan must also be adopted by the DDA Board and the municipality.

ELIGIBILITY AND

BENEFITS:

Any city, village or township may establish one area within a downtown business district as a Downtown Development Authority. Under special conditions, a DDA boundary may contain one or more separate and distinct geographic areas within a business district.

A municipality that has created an authority may enter into an agreement with an adjoining municipality that has created an authority to jointly operate and administer those authorities by means of an interlocal agreement pursuant to the Urban Cooperation Act of 1967. A municipality that has created an authority may also operate its authority in an adjoining "qualified township," also pursuant to the Urban Cooperation Act. For business districts that

DOWNTOWN DEVELOPMENT AUTHORITIES (CONTINUED)

are part of an annexation or consolidation with another municipality, the districts' authorities shall act as the authority of the annexed or consolidated municipality.

TERMS AND PERFORMANCE

GUARANTEES:

DDAs in municipalities with one million or more in population are authorized to levy a tax of up to 1 mill on DDA businesses, and in municipalities with populations under 1,000,000, DDAs may levy up to 2 mills.

CHANGES SINCE

PROGRAM INCEPTION:

Several amendments to the Downtown Development Authority legislation have been adopted since CRC's last release of the survey.

2008 PA 156 allows State Education Tax revenue to be paid to a DDA, for the repayment of particular advances or obligations, if the amount of tax increment revenue the authority lost as a result of certain personal property tax exemptions enacted in 2007 will reduce the allowable school tax capture the authority receives in a fiscal year. With the approval of the Department of Treasury, an authority may request the local tax collecting treasurer to retain the SET revenue and pay it to the authority.

2008 PA 225 allows a DDA board to create, operate, and fund retail business incubators, requires that preference be given to incubator tenants who provide goods or services that are unavailable or underserved in the downtown area, establishes requirements for contracts between a DDA board and each retail business incubator tenant, and allows a DDA board to create, operate, and fund a loan program to fund improvements for existing buildings.

2012 PA 396 provides for a "catalyst development project," referring to a project located in a municipality with a population over 600,000 (i.e., Detroit) that is expected to result in at least \$300 million of capital investment. There can be only one such development designated within each authority. Authorizes the issuance of bonds after July 31, 2012, to pay for costs associated with a catalyst development project and allows costs associated with the land acquisition, preliminary site work, and construction of a catalyst development project to be paid for out of captured tax increment revenues, including revenues from state and local school taxes levied on or after July 1, 2010. A tax increment financing plan for such a project can pledge available tax increment revenues of the downtown development authority as security for any bonds issued to develop and construct the project. A catalyst development project plan must be submitted to the Michigan Strategic Fund for approval or rejection. The act was intended to facilitate the construction of new hockey arena in downtown Detroit.

DATA AND SOURCE:

See **Appendix K** for a list of local governments with Tax Increment Finance (TIF) Authorities.

TAX INCREMENT FINANCE (TIF)

Tax increment finance (TIF) districts allow local units of government to capture (from other taxing governmental units) the increase in property tax levies above and beyond the year in which the authority was established. For example, a local unit that establishes a tax increment finance authority (DDA, LDFA, or BRA) in 2007 may, in 2008 and every year following for as long as the authority chooses, retain property tax revenues above those collected (the increment) in 2007 (base year) that are otherwise due to other units of government, such as counties and school districts. TIF districts may not capture millages for debt obligations and typically the State Education Tax (6 mills) may not be captured.

To illustrate a hypothetical example, imagine that a commercial property is located within the boundaries of the City of Nowhere DDA, and that in 1995, the DDA implemented a tax increment financing (TIF) plan. The TIF plan

DOWNTOWN DEVELOPMENT AUTHORITIES (CONTINUED)

stipulated the “capture” of any increase in property taxes levied above and beyond the 1995 levy. At that time, the taxable value of the property was \$500,000 and the non-homestead tax rate in City of Nowhere was 64.6445 mills, or approximately \$65 per \$1000 of taxable value. Assume this tax rate has been constant from 1995 to the present. This rate includes taxes that support the general operations of the city, the county, local schools, the intermediate school district, the community college, a parks authority, the county transportation authority, and the city debt obligation and State Education Tax.

Assume that the State Tax Commission prohibited the Nowhere DDA from capturing tax revenues levied for the State Education Tax (SET) and the city debt obligation. In Nowhere, a total of 19.1129 mills are levied for the purposes of the SET and the city debt. Therefore, the Nowhere DDA may only capture the increased revenue from 45.5316 mills, or about \$46 of the \$65 per \$1,000 of taxable value that are paid in taxes annually.

Assume the taxable value of the property grows as illustrated in the table below.¹ The growth in taxable value means the amount paid in taxes each year also increases. The total taxes paid by the property owner are represented in third column. The annual amount of non-SET and non-debt taxes “capturable” (the 45.5316 mills) since 2002 is represented in the fourth column. The last column, “Amount Captured by the DDA,” is equal to the difference of the amount of captured taxes paid each year and the amount of capturable taxes paid in 1995 when the Nowhere DDA implemented the tax increment financing plan.

By 2014, the Nowhere DDA will have “captured” over \$49,000 in tax revenues from non-SET and non-debt taxes levied on the commercial property. However, the property owner is not directly impacted by the TIF plan. Property taxes are paid as usual; the only difference is that a proportion of the revenues raised from the property go to the DDA for economic development purposes instead of the other local taxing jurisdictions for education, parks and transit purposes.

| 1 | 2 | 3 | 4 | 5 |
|-------|---------------|--|--|--|
| Year | Taxable Value | Total Taxes Paid | Taxes Subject to Capture | Amount Captured by the DDA |
| | | <i>(64.6445 mills* every \$1,000 of taxable value)</i> | <i>(45.5316 mills* every \$1,000 of taxable value)</i> | <i>(taxes subject to capture - \$22,766)</i> |
| 2002 | \$ 500,000 | \$ 32,332 | \$ 22,766 | -- |
| 2003 | 514,000 | 33,227 | 23,403 | \$ 637 |
| 2004 | 528,392 | 34,158 | 24,059 | 1,293 |
| 2005 | 542,659 | 35,080 | 24,708 | 1,942 |
| 2006 | 551,341 | 35,651 | 25,103 | 2,338 |
| 2007 | 561,817 | 36,318 | 25,580 | 2,815 |
| 2008 | 579,795 | 37,481 | 26,399 | 3,633 |
| 2009 | 598,348 | 38,680 | 27,244 | 4,478 |
| 2010 | 607,323 | 39,260 | 27,652 | 4,887 |
| 2011 | 621,292 | 40,163 | 28,288 | 5,523 |
| 2012 | 635,582 | 41,087 | 28,939 | 6,173 |
| 2013 | 656,556 | 42,443 | 29,894 | 7,128 |
| 2014 | 680,848 | <u>44,013</u> | 31,000 | <u>8,234</u> |
| Total | | \$ 89,873 | | \$ 49,081 |

¹As part of Proposal A of 1994, the Michigan Constitution was amended to create a new measure of property value—taxable value. The Constitution provides that the taxable value for each parcel of property, adjusted for additions and losses, shall not increase each year by more than the increase in the immediately preceding year in the general price level (CPI), or 5 percent, whichever is less, until ownership of the parcel of property is transferred.

HISTORIC NEIGHBORHOOD TAX INCREMENT FINANCING AUTHORITY

ENABLING LEGISLATION;

STATUTORY CITATION: 2004 PA 530; as amended by 2010 PA 237, M.C.L. 125.2841 et seq.

SUMMARY PROGRAM

DESCRIPTION:

A program that may use tax increment financing to fund the construction, renovation, restoration, or preservation of housing and public facilities within historic districts to promote residential and economic growth.

ELIGIBILITY AND BENEFITS:

Eligibility is limited to cities and townships with historical districts as defined by the Local Historic District Act, 1970 PA 169, M.C.L. 399.201a. A "historic district" is an area, or group of areas not necessarily having contiguous boundaries, that contains 1 resource or a group of resources that are related by history, architecture, archeology, engineering, or culture. A "public facility" is housing, a street, plaza, pedestrian mall, park, parking facility, recreational facility, right of way, structure, waterway, bridge, lake, pond, canal, utility line or pipe, a facility or development related to transit, or a building.

Cities and townships may establish multiple Historic Neighborhood Tax Increment Financing Authorities (TIFAs) inside the boundaries of historic districts. Historic Neighborhood TIFAs may accept donations, charge fees and rents, issue bonds, and levy special assessments to finance construction, renovation, restoration, and preservation of the historic district development area. A municipality by resolution and voter approval may issue general obligation bonds to support the Historic Neighborhood TIFA development plan.

DATA AND SOURCE:

As of November 2015, 78 municipalities had Historic District Commissions established pursuant to the Local Historic Districts Act. See the Historic Preservation Tax Credit for a list of municipalities (page 38). At the time of this publication, the number of cities and townships with Historic Neighborhood TIFAs was unknown.

Source: http://www.michigan.gov/mshda/0,4641,7-141-54317_19320_62049-57490--,00.html

CONCLUSION:

For several years, Michigan law has allowed owners and long-term lessees of historic structures to receive tax credits for qualified expenditures associated with restoration or rehabilitation pursuant to the Historic Preservation Tax Credit (see page 36). The more recent Historic Neighborhood Tax Increment Finance Authority Act allows cities and townships to coordinate and finance the rehabilitation of historic structures as an economic development purpose under the premise that historical neighborhoods create and maintain economic vitality by promoting residential growth.

INDUSTRIAL DEVELOPMENT REVENUE BONDS

ENABLING LEGISLATION:

STATUTORY CITATION: 1963 PA 62; as amended by 1972 PA 75; 2002 PA 297 M.C.L. 125.1251 et seq.; R 18.301 et seq. and R 125.1001 et seq. of the Michigan Administrative Code.

SUMMARY PROGRAM

DESCRIPTION:

A public-private partnership program that allows local units of government to acquire or purchase industrial real property, equipment, machinery, and associated property with municipal bonds secured by the revenue-producing potential of the industrial site. Local units may also use Industrial Development Revenue Bonds for the acquisition and construction of water and air pollution control equipment and solid waste disposal facilities.

ELIGIBILITY AND

BENEFITS:

A county, city, incorporated village, township or port district may borrow money and issue revenue bonds to defray the costs of industrial property, including machinery and equipment. The municipality must apply to the Michigan Strategic Fund Board for permission to issue bonds. If the application is approved, the Michigan Strategic Fund Board will adopt a resolution to authorize the issuance of bonds. The resolution shall include covenants to register the terms and conditions of the bonds. Principal and interest on bonds are payable from the net revenues derived from the industrial site, from proceeds of the sale of bonds issued to refund outstanding bonds, and from the investment earnings of the proceeds. Bonds may be payable semiannually or annually with a first maturity date of not more than 5 years after date of issuance.

Industrial Development Revenue Bonds benefit the issuing local unit of government and the private or quasi-private business interest on whose behalf the bonds are issued by offering a lower-cost financing option for land acquisition, brick and mortar construction, and equipment. Such bonds are issued for economic development as a public purpose, making them tax-exempt, which lowers the interest rate on the bond issue.

TERMS AND PERFORMANCE

GUARANTEES:

Bond size is limited to \$10 million if the benefiting company's total capital expenditures in the 3 years preceding and the 3 years succeeding bond issuance does not exceed \$20 million. Bond size is limited to \$1 million for projects free of capital expenditure restrictions. There is no maximum limit on the bond amount if the proceeds are to finance cogeneration projects, solid waste disposal projects, or non-profit corporations.

Lessees of personal or real property are subject to property taxes in the same manner as if such lessees were owners of the property, except that taxes shall not become a lien against the property. When due, taxes constitute a debt due from the lessee to the local unit of government and are recoverable by direct action of assumpsit, which is to recover damages for the breach of contract, whether oral or written.

CHANGES SINCE

PROGRAM INCEPTION:

1972 PA 75 amended the was amended to allow for pollution control projects to be financed.

2002 PA 297 amended the Act to clarify that bonds and notes issued under the Act are subject to the Agency Financing Reporting Act and not the Revised Municipal Finance Act of 2001 or the Revenue Bond Act.

DISCUSSION:

The Industrial Development Bond program offers a relatively low-cost method of financing for industrial projects that would not otherwise receive favorable finance terms in private markets.

LOCAL DEVELOPMENT FINANCE AUTHORITY

ENABLING LEGISLATION;

STATUTORY CITATION: 1986 PA 281; as amended by 2000 PA 248; 2008 PA 105, 2009 PA 162,, 2010 PA 276, 2012 PA 290; M.C.L. 125.2151 et seq.

SUMMARY PROGRAM

DESCRIPTION:

Local governments use Local Development Finance Authorities (LDFAs) to target development by industry type. LDFAs are essentially tax increment finance districts for manufacturing, agricultural, or high technology businesses allows for expanded tax capture for LDFA districts, and for the creation of a limited number of state-subsidized Certified Technology Parks, also known as "SmartZones," conceptually defined as public-private high-technology nodes.

The general guidelines for the process to designate an LDFA are:

1. The governing body of a municipality declares by resolution adopted by a majority of its members elected and serving its intention to create and provide for the operation of an authority.
2. The governing body sets a public hearing, based on its resolution of intent, to create a LDFA.
3. Notice must be given of a public hearing by publication and mail to taxpayers within a proposed district and to the governing body of each taxing jurisdiction levying taxes that would be subject to capture of tax increment revenues.
4. Within 60 days of the hearing, the governing body of another taxing jurisdiction may, by resolution, exempt its taxes from capture and file the resolution with the clerk of the municipality.
5. Within 60 days of the public hearing, the municipality adopts a resolution establishing the LDFA and designating the boundaries of the district.
6. Resolution shall be filed with the Secretary of State and published once in a local newspaper.
7. The municipality appoints the members of the LDFA board. The board should consist of seven members appointed by the governing body, one member appointed by the county commission, one member appointed by the community or junior college and two members appointed by each local government unit that levied 20% or more of the ad valorem taxes levied against all property located in the authority district in the year before the year in which the authority district is established. Additional members should only vote on matters relating to the authority district located within their respective local unit of government.
8. Once the LDFA is established, the LDFA must create a development plan, to be adopted by the municipality, that outlines what the authority may do and what funds may be used. If the LDFA board anticipates the need for capturing tax increment to support a project, a Tax Increment Financing Plan must also be adopted. Adoption of these plans also requires public notices and hearings. Tax increment revenues may only be spent in accordance with the Tax Increment Financing Plan. The authority must submit an annual financial report to the governing body and state tax commission.

ELIGIBILITY AND BENEFITS:

LDFAs may be established in cities, villages, or urban townships. In addition, any Next Michigan Development Corporation (as defined by 2010 PA 275) is eligible. An "urban township" is one that meets one of the following requirements:

1. Has a population of 20,000 or more, or has a population of 10,000 or more but is located in a county with a population of 400,000 or more; adopted a master zoning

LOCAL DEVELOPMENT FINANCE AUTHORITY (CONTINUED)

- plan before February 1, 1987; and provides sewer, water, and other public services to all or a part of the township.
2. Has a population of less than 20,000; is located in a county with a population of 250,000 or more but less than 400,000, and that county is located in a metropolitan statistical area; has within its boundaries a parcel of property under common ownership that is 800 acres or larger and is capable of being served by a railroad, and located within 3 miles of a limited access highway; and establishes an authority before December 31, 1998.
 3. Has a population of less than 20,000; has a state equalized value for all real and personal property located in the township of more than \$200,000,000; adopted a master zoning plan before February 1, 1987; is a charter township under the charter township act, 1947 PA 359, MCL 42.1 to 42.34; has within its boundaries a combination of parcels under common ownership that is 800 acres or larger, is immediately adjacent to a limited access highway, is capable of being served by a railroad, and is immediately adjacent to an existing sewer line; and establishes an authority before March 1, 1999.
 4. Has a population of 13,000 or more; is located in a county with a population of 150,000 or more and adopted a master zoning plan before February 1, 1987.
 5. Is located in a county with a population of 1,000,000 or more; has a written agreement with an adjoining township to develop one or more public facilities on contiguous property located in both townships; and has a master plan in effect.
 6. Has a population of less than 10,000, has a state equalized valuation for all real and personal property located in the township of more than \$280,000,000, adopted a master zoning plan before February 1, 1987, has within its boundaries a combination of parcels under common ownership that is 199 acres or larger, is located within 1 mile of a limited access highway, and is located within 1 mile of an existing sewer line, has rail service, and establishes an authority before May 7, 2009.
 7. Has joined an authority which is seeking or has entered into an agreement for a certified technology park.
 8. Has established an authority which is seeking or has entered into an agreement for a certified alternative energy park.

Eligible Property

Properties eligible for tax increment capture are structures, buildings, land improvements and other real property and equipment located within a district whose primary use is either manufacturing, high technology, value-added agricultural processing or energy production.

Activities in the development plan that are eligible for funding:

- Public infrastructure improvements that directly benefit the district, including a street, road, bridge, storm water or sanitary sewer, sewage treatment facility, water line, water tower, etc. Railroads and utility lines (electric and telecommunications are also eligible).
- Acquisition of land, demolition, site preparation and relocation costs.
- Certified alternative energy parks and certified technology park development

Administrative Costs

Local Development Finance Authorities may adopt tax increment finance plans that allow for the capture and retention of all property tax revenue increments beyond an established base year. LDFAs allow for increased tax capture, which may include up to 50 percent of the K-12 and Intermediate School District revenues for a maximum of 15 years, subject to the approval of the State Treasurer. For a more thorough description of tax increment financing, see page 74. **Certified Technology Parks**, enabled by the LDFA Act, are joint municipal tax increment finance districts, the first instance Michigan law allowed for multi-jurisdictional

LOCAL DEVELOPMENT FINANCE AUTHORITY (CONTINUED)

tax finance districts. Certified Technology parks may capture an additional 5 years pursuant to additional requirements.

CHANGES SINCE PROGRAM

INCEPTION:

The Act has been amended recently to expand the definition of “urban township” (2013 PA 62).

The Local Development Finance Authority Act was amended in 2000 to include “Certified Technology Parks,” as defined by the Act, and amended in 2009 to include “Certified Alternative Energy Parks.” LDFA amendments also allow for multi-jurisdiction authorities.

2008 PA 105 allows a municipality that has created an authority that includes a certified technology park to enter into an agreement with another authority that does not contain a certified technology park, designating a distinct geographic area within the authority district as a certified technology park.

2008 PA 156 provides for State Education Tax revenue to be paid to a LDFA if the amount of tax increment revenue the authority lost as a result of certain personal property tax exemptions enacted in 2007 will reduce the allowable school tax capture the authority receives in a fiscal year. The revenue capture is subject to approval by the Department of Treasury.

2010 PA 276 allows the Next Michigan Development Corporation to establish a local development finance authority (LDFA), which could establish a tax increment finance (TIF) plan and issue tax increment bonds and allows an LDFA to convey or lease public facilities at less than fair market value or at below-market rates, if it would assist in increasing employment or private investment in a development area.

2012 PA 290 allows the Michigan Economic Development Corporation (MEDC) to designate an additional three certified technology parks (commonly referred to as “SmartZones”) before March 31, 2013, and eliminates the cap on the number of SmartZones created in Michigan beginning on January 1, 2014.

The act also allows an LDFA to capture school taxes for an additional 5 to 15 years under certain circumstances and with MEDC approval; requires the Michigan Strategic Fund to reimburse school districts for revenue losses due to tax increment for SmartZones created on or after January 1, 2014; extends the deadline for a municipality to apply to the MEDC for designation of all or part of the LDFA district as a certified alternative energy park, and allows a military installation that was operated by the U.S. Department of Defense (DOD) and closed after 1980 to be designated as a certified alternative energy park.

DATA AND SOURCE:

See **Appendix K** for a list of local governments with Tax Increment Finance (TIF) Authorities.

LOCAL DEVELOPMENT FINANCE AUTHORITY (CONTINUED)

SMARTZONES

Public Act 248 of 2000 was enacted to foster public/private technology transfer ventures. This Act expanded the Local Development Finance Authority (LDFA) Act to allow the creation of up to 10 "Certified Technology Parks," also known as "SmartZones." This cap was eventually raised in subsequent legislation and was then eliminated by 2012 PA 290 starting on January 1, 2014. SmartZones are conceptually defined as high-tech development enclaves that are eligible for expanded tax increment financing and specialized state funding. SmartZones are intended to create critical masses of high-technology innovation, by fostering public-private partnerships in high-tech fields. SmartZone technology clusters promote resource collaborations between universities, industry, research organizations, government, and other community institutions, with the intention of growing technology-based businesses and jobs. A municipality that has created an authority in which a SmartZone has been designated may enter into an agreement with another authority without a SmartZone to designate a distinct geographic area within the first district as a second SmartZone. SmartZones may also receive funding from an LDFA established by 2 or more local units of government.

Certified Technology Parks and their partners:

Ann Arbor SPARK: University of Michigan, Eastern Michigan University

Automation Alley SmartZone & Technology Center: Lawrence Technological University, Oakland University

Battle Creek Unlimited: Western Michigan University and Kellogg Community College

CMU Research Corporation: Central Michigan University

Jackson Technology Park: Baker College, Jackson Community College, and Spring Arbor University

MTEC SmartZone: Michigan Technological University

Lansing Regional SmartZone: City of Lansing, City of East Lansing, Ingham County, Lansing Regional Chamber of Commerce, MBI International, Michigan State University, Michigan State University Foundation, University Corporate Research Park

Macomb INCubator: Oakland University, Macomb

Michigan Alternative and Renewable Energy Center: Grand Valley State University

Mount Pleasant SmartZone Satellite MidMichigan innovation Center

OU Incubator: Oakland University-Rochester

Pinnacle Aeropark SmartZone: Detroit Metropolitan Airport, Wayne County Economic Development Growth Engine (EDGE)

Sault Ste. Marie SmartZone: Lake Superior State University

Southwest Michigan Innovation Center: Western Michigan University

TechTown: Wayne State University

West Michigan Science and Technology Initiative: Cook-DeVos Center for Health Sciences

Source: MEDC (<http://www.michiganbusiness.org/cm/files/fact-sheets/mismartzonefactsheet.pdf>)

ALTERNATIVE ENERGY PARKS

Alternative Energy Parks are a type of SmartZone. A municipality that created an authority could apply to the Michigan Economic Development Corporation (MEDC) for designation of all or a portion of the authority district as a certified alternative energy park before December 2012. No new alternative energy parks are available after that date, however. There were 10 certified alternative energy park designations available, but those located in the same county are considered the same alternative energy park.

Upon approval of the Michigan economic development corporation, the certified alternative energy park may be owned and operated by an economic development corporation created under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, or another public body agreeable to all members.

PRINCIPAL SHOPPING DISTRICTS, BUSINESS IMPROVEMENT DISTRICTS, & BUSINESS IMPROVEMENT ZONES

ENABLING LEGISLATION;

STATUTORY CITATION: 1961 PA 120; as amended by 1999 PA 49, 2001 PA 260, 2003 PA 209 2013 PA 126; M.C.L. 125.981 et seq.

SUMMARY PROGRAM

DESCRIPTION:

Business Improvement Districts (BIDs) and Business Improvement Zones (BIZs) are expansions of the Principal Shopping Districts Act of 1961. BIDs and Principal Shopping Districts (PSDs) allow downtown and commercial areas of cities, villages, urban townships, or multiple units of these governments in the case of BIDs, to levy special assessments in addition to ad valorem property taxes for district improvement. Tax revenues may also be bonded against to finance district improvements. BIZs are effectively short-term BIDs, which are petitioned for and adopted by property owners in cities and villages only.

ELIGIBILITY AND

BENEFITS:

Cities, villages, or urban townships may create 1 PSD if the municipality has a commercial area containing a minimum of 10 retail businesses and a master plan that includes an urban design plan that designates a PSD or the development of a PSD. Multi-jurisdictional PSDs are not authorized. For the purposes of this Act, an "urban township" is a township that meets the Local Development Financing Act (page 79) definition of urban township and that is located in a county with a population greater than 750,000 (Macomb, Oakland, Wayne).

Cities, villages, or urban townships (or groups of qualified municipalities with contiguous district boundaries) may establish one or more BIDs by resolution. BIDs must include a portion(s) of the municipality that are predominantly commercial or industrial in use.

The primary benefit of Business Improvement Districts and Principal Shopping Districts is special assessment authorization to finance necessary improvements and maintenance of business districts.

PSDs and BIDs may do all of the following (see statute for a complete listing):

1. Open, widen, extend or realign highways and construct, maintain, or relocate pedestrian walkways. Also, BIDs may prohibit vehicular traffic where necessary and prohibit parking on highways.
2. Acquire, own, improve or demolish properties, off-street parking lots, and parking structures.
3. Construct and maintain malls with bus stops and information centers that serve the public interest.
4. Promote economic activity in the district, specifically by initiating market research, public relations campaigns, institutional promotions and sponsorship of special events and related activities.
5. Provide or contract with public or private entities for the administration, maintenance, operation, security or provision of services to benefit the district.
6. Acquire, maintain and operate real or personal property.

The primary benefits of Business Improvement Zones (BIZs) include special assessment authorization to finance necessary improvements and maintenance within the zone for a period of 7 years. One or more BIZs may be established by property owners within a city or village, even if that city or village already has a BID or PSD. BIZs may do all of the following

PRINCIPAL SHOPPING DISTRICTS, BUSINESS IMPROVEMENT DISTRICTS, & BUSINESS IMPROVEMENT ZONES (CONTINUED)

(see statute for complete listing):

1. Acquire (through purchase, lease, or gift), construct, improve, or operate park and planting areas; and plant and maintain trees, shrubs and flowers within the zone.
2. Acquire, construct, clean, improve, or relocate sidewalks, street curbing, street medians, fountains, and lighting within the zone area.
3. Develop and propose lighting standards within the zone area.
4. Provide or contract with public or private entities for security services or purchase security-related equipment or technology.
5. Promote economic activity in the zone by sponsoring cultural or recreational activities; recruiting developers and businesses; promoting and marketing businesses, retail, or industrial development; engaging in public relations and market research.
6. Acquire, maintain and operate real or personal property.

PSD, BID, and BIZ Boards:

PSD boards are appointed by the chief executive officer of the municipality with concurrence by the municipality's governing body and shall include:

- One representative from an adjacent residential neighborhood
- One representative from the municipality
- A majority shall be nominees of individual businesses located in the PSD

If the municipality also has a Downtown Development Authority (see page 72), the chief executive officer of the municipality may designate the Downtown Development Authority board as the board of the PSD.

BIDs are governed by a locally determined Board consisting of the following representatives:

- One appointee from each local government in the BID as designated by the chief executive officers, subject to the approval of the legislative bodies of the municipalities
- Other board members shall be nominees of the business and property owners in the BID. If a class of business or property owners is projected to pay more than 50 percent of the special assessment levied for district improvement, then a majority of the total board membership shall be nominees of the business/property owners in that class.

BIZs are governed by a locally determined board of directors with membership equal to an odd number between 5 and 15. The chief executive of the city or village may nominate 1 director for the board with the approval of the municipality's governing body.

TERMS AND PERFORMANCE

GUARANTEES:

Principal Shopping Districts and Business Improvement Districts

PSD and BID boards may avail themselves of a host of financing methods for district improvement. Financing methods include, but are not limited to:

- City, village or urban township funds;
- Revenue bonds (cannot use to pay for operational expenses);
- General obligation bonds (cannot use to pay for operational expenses);
- Special assessments, and;
- Grants or gifts.

Assessable property within a PSD/BID means real property that is not classified as residential and is not tax-exempt government-owned property. In addition, PSD/BID-assessable property

PRINCIPAL SHOPPING DISTRICTS, BUSINESS IMPROVEMENT DISTRICTS, & BUSINESS IMPROVEMENT ZONES (CONTINUED)

does not include one or more classes of property owners whose property either is exempt from property taxes or has been determined not to benefit from a project for which special assessments were to be levied.

Principal Shopping Districts

PSDs are initiated through a municipality's master planning process. A municipality with a master plan that includes an urban design plan designating a PSD is sufficient. For PSDs created after July 14, 1992, revenues from special assessments may not exceed \$10,000 per eligible property. The \$10,000 maximum is adjusted each year pursuant to the Detroit Consumer Price Index.

Business Improvement Districts

A municipality's governing body may designate one or more BIDs by resolution. The resolution shall determine the geographic boundaries of the BID, the number of board members, and the different classes of property owners, including any who are projected to pay more than 50 percent of the special assessments levied. The BID board must develop a marketing and development plan before the municipality may levy a special assessment to benefit properties located in the BID. The plan must define the scope and duration of the project(s), identify the different classes of property owners who are going to be assessed, and the respective assessment amounts.

Business Improvement Zones

Any legal entity may initiate the creation of a BIZ by submitting to the city or village clerk a petition for a zone plan with the signatures of more than 30 percent of property owners within the proposed zone. If the plan is adopted by the majority of property owners at a subsequent public hearing, then the adopted plan is presented to the legislative body of the city or village for approval. If the zone and zone plan are approved, an election is held in which property owners may vote to approve or reject the plan; votes are weighted in proportions to the amount of taxable value owned. Cities and villages that approve BIZs are immune from the civil or administrative liability arising from the actions of the BIZ within their boundaries.

The board of a BIZ may finance project costs with grants, gifts, special assessments, and loans as long as the repayment period does not extend beyond the 10-year operating period of the zone; mature within 90 days of the expiration date of the zone; exceed 50 percent of the annual average assessment revenue of the zone; or if the zone has been operating less than one year, exceed 25 percent of the projected annual assessment revenue.

Assessable property within a BIZ is all real property that is not classified as residential and is not government-owned property exempt from property taxes.

CHANGES SINCE PROGRAM

INCEPTION:

Since the last update of the survey, one amendment has been enacted to the Principal Shopping Districts Act.

2013 PA 126 expands the activities that a business improvement zone may conduct; revises requirements related to petitioning and approving a BIZ and zone plan and requires local governing bodies to consider the establishment of a BIZ and zone plan if the plan meets certain conditions; revises provisions related to delinquent BIZ assessments; allows BIZ boards

PRINCIPAL SHOPPING DISTRICTS, BUSINESS IMPROVEMENT DISTRICTS, & BUSINESS IMPROVEMENT ZONES (CONTINUED)

to adopt plans to remedy material exceptions contained in audit reports; requires 30 percent (up from 20 percent) of assessable property owners to sign a petition for dissolution of a BIZ; allows the merger of two or more business improvement zones with the same city or village; and deletes a provision restricting a city's or village's establishment of a BIZ if it already had established a business improvement.

DISCUSSION:

Successful Business Improvement Districts in other major cities (New York, Philadelphia) led partly to the passage of BIDs and BIZs in Michigan in 1999. However, to date, Michigan municipalities have not established any such districts. PSDs, BIDs, and BIZs offer the opportunity for commercial areas to compete with malls, to make capital improvements, to coordinate marketing activities, and to promote a clean and safe downtown experience.

TAXABLE BOND PROGRAM

ENABLING LEGISLATION;

STATUTORY CITATION: 1984 PA 270 (Michigan Strategic Fund legislation), M.C.L. 125.2001 et seq.

SUMMARY PROGRAM

DESCRIPTION: Taxable bonds, issued by the Michigan Strategic Fund (MSF), offer longer term financing options to small- and medium-sized companies.

ELIGIBILITY AND BENEFITS:

Bond applicants need to meet the priority and target objectives of the MSF. Projects including commercial facilities and air and water pollution control facilities (not including solid waste disposal facilities that serve the general public) eligible prior to the 1986 Tax Reform Act are also eligible for this program. Facilities previously eliminated from tax-exempt financing, including industrial facilities exceeding \$10 million, for-profit nursing homes, recreational facilities, automobile sales and service facilities and restaurants are also eligible.

Priorities of the Michigan Strategic Fund include:

- Businesses that would likely leave the state absent economic incentives.
- Revitalization and diversification of the economic base.
- Generation and retention of the greatest number of direct and indirect jobs.

MSF establishes target objectives based on the above priorities.

Taxable bonds offer long-term fixed- or variable-rate financing alternatives for businesses wishing to expand but unable to service debt issued in conventional bond markets. Longer term (10- to 20-year) bonds offered by the program alleviate cash-flow problems often present in conventional bond markets. The Taxable Bond Program can provide up to 100 percent of a project's costs including fixed assets, cost of issuance, and working capital. The Internal Revenue Service does not restrict the use of taxable bond revenues. Furthermore, interest accumulated on MSF-issued, federally taxable bonds is exempt from state and local taxes. Since the IRS does not restrict the uses of taxable bond proceeds, the taxable bond vehicle can be utilized to provide more comprehensive financing than tax exempt bonds.

TERMS AND PERFORMANCE

GUARANTEES:

Consult the MSF of the Michigan Economic Development Corporation for current bond terms and rates. The Taxable Bond Program requires a service fee for applicants according to the following schedule:

- \$500 for projects of \$10 million or less;
- \$1,000 for projects over \$10 million.

Issuance fees are required on or before the close of financing in the following amounts:

- Up to \$10 million - 1/8 of 1 percent
- Over \$10 million - \$12,500 plus 1/16 of 1 percent of the amount over \$10 million
- The minimum issuance fee is \$2,000.
- The maximum fee charged to non-profit corporations is \$40,000.
- Taxable bonds are secured by company equity and future revenue.

TAX INCREMENT FINANCE AUTHORITIES

ENABLING LEGISLATION;

STATUTORY CITATION: 1980 PA 450; as amended by 1986 PA 280 2008 PA 156; M.C.L. 125.1801 et seq.

SUMMARY PROGRAM

DESCRIPTION:

Tax Increment Finance Authority (TIFA) legislation (closed to new applicants since 1987) allowed cities to establish development authorities and use tax increment financing (see page 74) to finance development projects located in the authority. TIF districts allowed for the development of virtually any type of land use, including commercial, residential and industrial, and were essentially an expansion of the Downtown Development Authority Act of 1975.

ELIGIBILITY AND

BENEFITS:

Formerly open to any city in Michigan. Applicant city had to show evidence of deteriorating property values in the proposed development area. Capture of revenues from taxes levied by overlapping governmental unit on eligible TIFA property allows an authority to finance public improvements to the district.

“Public facility,” eligible for TIF, includes one or more of the following:

- (i). A street, plaza, or pedestrian mall, and any improvements to a street, plaza, boulevard, alley, or pedestrian mall, including street furniture and beautification, park, parking facility, recreation facility, playground, school, library, public institution or administration building, right of way, structure, waterway, bridge, lake, pond, canal, utility line or pipeline, and other similar facilities and necessary easements of these facilities designed and dedicated to use by the public generally or used by a public agency. As used in this subparagraph, public institution or administration building includes, but is not limited to, a police station, fire station, court building, or other public safety facility.
- (ii). The acquisition and disposal of real and personal property or interests in real and personal property, demolition of structures, site preparation, relocation costs, building rehabilitation, and all associated administrative costs, including, but not limited to, architect’s, engineer’s, legal, and accounting fees as contained in the resolution establishing the district’s development plan.
- (iii). An improvement to a facility used by the public or a public facility as those terms are defined in section 1 of 1966 PA 1, M.C.L. 125.1351, which improvement is made to comply with the barrier free design requirements of the state construction code promulgated under the state construction code act of 1972, 1972 PA 230, M.C.L. 125.1501 to 125.1531.

CHANGES SINCE PROGRAM

INCEPTION:

TIFAs were effectively replaced by the more restrictive Local Development Finance Authorities (page 79) in 1986. Certain municipal governments still use TIFA, though: For example, 2014 PA 38 was passed to permit the refunding of certain bonds issued by the building authority and the tax increment finance authority of the City of Lansing.

2008 PA 156 allows State Education Tax revenue to be paid to a TIFA if the amount of tax increment revenue the authority lost as a result of certain personal property tax exemptions enacted in 2007 will reduce the allowable school tax capture the authority receives in a fiscal year. The Department of Treasury must approve the revenue capture.

DATA AND SOURCE:

See **Appendix K** for a list of local governments with Tax Increment Finance (TIF) Authorities.

PRIVATE INVESTMENT INFRASTRUCTURE FUNDING

ENABLING LEGISLATION;

STATUTORY CITATION: 2010 PA 250; M.C.L. 125.1871-125.1883

SUMMARY PROGRAM

DESCRIPTION:

The Private Investment Infrastructure Funding Act allows local units of government to use private investment for public infrastructure improvement projects. Funding for a project may come from contributions from participants to a partnership, fees charged to users of the infrastructure, the capture of taxes, special assessments, loans, grants, appropriations, donations, and any other source accepted by the partnership.

ELIGIBILITY AND

BENEFITS:

Any city, village, or township may establish one or more negotiating partnerships to develop and finance projects. Partnerships are developed between the local units and the administering agency of a public facility – including the Michigan Department of Transportation, a county road commission, a county drain commissioner, or the city, village, or township that has jurisdiction over the public facility.

Public infrastructure subject to improvement includes:

- A street, road, or highway, street furniture and beautification, park, parking facility, recreational facility, right-of-way, structure, waterway, bridge, lake, pond, canal, utility line or pipe, water or wastewater facility, or building, including access routes designed and dedicated for use by the public generally, or used by a public agency.
- Public transportation-related infrastructure and light and commuter rail.

Local units that have entered into a negotiating partnership may enter into an agreement with an adjoining local unit that has also entered into a negotiating partnership to jointly cooperate and administer their partnerships under an interlocal agreement under the Urban Cooperation Act (1967 PA 7).

Exclusions:

All taxes levied on properties in the capture district are subject to capture except:

1. State Education Tax, unless the state treasurer determines that the capture of 50 percent of the revenues for a period not to exceed 15 years is necessary to reduce unemployment, promote economic growth, and increase capital investment in the municipality;
2. Taxes levied by local or intermediate school districts, unless the state treasurer determines that the capture of 50 percent of the revenues for a period not to exceed 15 years is necessary to reduce unemployment, promote economic growth, and increase capital investment in the municipality;
3. Taxes otherwise subject to capture by another TIF entity;
4. Taxes excluded from capture by the administering agency;
5. Taxes levied for the repayment of principal and interest of obligations pledging the unlimited taxing power of the local government; or
6. Taxes levied to fund the Detroit Zoo or Detroit Institute of Arts.

When an administering agency determines it is necessary to create a tax increment financing plan, it must prepare and submit the plan to the municipality's governing body. The plan must include:

1. A detailed plan of the development of the public facility;
2. The designation of boundaries of the negotiated benefit area;

PRIVATE INVESTMENT INFRASTRUCTURE FUNDING (CONTINUED)

3. A detailed explanation of the tax increment procedure;
4. The maximum amount of indebtedness to be incurred; and
5. The duration of the program.

The municipality must hold a public hearing on the proposed plan, after which it may approve or reject the submitted plan.

Eligible Spending

Spending authorized by the partnership is subject to approval by the municipality's governing board. Spending may include:

- Study and analysis of the need for public facilities within the negotiated benefit area
- Plan and propose improvements within the negotiated benefit area
- Implement a plan of development of a public facility in the negotiated benefit area
- Enter into contracts necessary or incidental to the exercise of its powers and duties
- Compensate the administering agency for reasonable administrative costs.

WATER RESOURCE IMPROVEMENT TIFAS

ENABLING LEGISLATION;

STATUTORY CITATION: 2008 PA 94; as amended by 2013 PA 25; M.C.L. 125.1771-125.1793

SUMMARY PROGRAM

DESCRIPTION:

The Water Resource Improvement TIFA Act allows local governments to use tax increment financing to prevent the deterioration of water resources or invest in their improvement.

ELIGIBILITY AND

BENEFITS:

Any city, village, or township may establish a Water Resource Improvement TIF Authority to capture tax revenues to be reinvested in public improvements related to bodies of water and waterways.

Geographic Limitations

Water Resource Improvement TIFAs may be used for improvements related to:

- An inland body of water and land that is up to one mile from the shoreline of an inland lake that contains one or more public access points.
- An inland body of water and parcels of land that are contiguous to the shoreline of an inland lake that does not contain a public access point.
- The shoreline of a harbor on a Great Lake and one or more of the following:
 - Land up to one mile from the shoreline of the harbor.
 - A tributary to that Great Lake harbor up to five miles upstream from the shoreline of the Great Lake harbor.
 - Land up to one mile from each bank of the tributary.

Public facilities subject to improvement include streets, street furniture, street beautification, parks, parking facilities, recreational facilities, right-of-way, structures, waterways, bridges, lakes, ponds, canals, utility lines or pipes, or buildings, including routes designed and dedicated for use by the public generally, or used by a public agency, that are related to access to inland lakes or water resource improvement.

Water resource improvement means enhancement of water quality and water dependent natural resources, including, but not limited to, the following:

- The elimination of the causes and the proliferation of aquatic nuisance species.
- Sewer systems that service structures that have failing on-site disposal systems.
- Storm water systems that service existing infrastructure.
- Dredging, removal of spoils, or other improvements or maintenance activities that enhance navigability of a waterway.

Authorities may receive funding from the capture of tax increment, special assessments, revenue bonds, revenues from other property owned or leased by the authority, other sources approved by the municipality, or donations.

Exclusions

All taxes levied on properties in the capture district are subject to capture except:

- State Education Tax;
- Taxes levied by local or intermediate school districts;
- Taxes otherwise subject to capture by another TIF entity;
- Taxes excluded from capture;
- Taxes levied for the repayment of principal and interest of obligations pledging the unlimited taxing power of the local government.

CONVENTION FACILITY AUTHORITY

ENABLING LEGISLATION;

STATUTORY CITATION: 1999 PA 203; M.C.L. 141.1401-141.1414

SUMMARY PROGRAM

DESCRIPTION: The Convention Facility Authority Act is designed to promote tourism and convention business.

ELIGIBILITY AND

BENEFITS:

The Act assists governments in the acquisition, construction, improvement, enlargement, renew, replacement, repair, financing, furnishing, and equipping of convention facilities. A convention facility may be all or any part of, or any combination of, a convention hall, auditorium, arena, sports facility, market, or other facility meeting rooms, exhibition area, and related adjacent public areas that are generally available to the public for lease or use, together with appurtenant property, including parking lots or structures.

A qualified county and a qualified city may jointly establish a Convention Facility Authority. A "qualified city" means a city with a population of more than 170,000 according to the most recent decennial census that is the most populous city in a qualified county. A "qualified county" means a county with a population of more than 500,000 according to the most recent decennial census that contains a qualified city, and that is not a charter county or a county with an optional unified form of government.

Governing Board

The authority is governed by a seven-member board, all of whom must be county residents, consisting of:

- Two members appointed by the county board of commissioners, not less than one of whom is from the private sector with experience in economic development;
- Two members appointed by the mayor with approval by the legislative body of the city, not less than one of whom is from the private sector with experience in economic development;
- One member appointed by the governor;
- Two members appointed by the five members described above, both of whom shall be selected from a list of not fewer than three individuals provided by the local convention and visitors bureau.

Financing

The authority may solicit, receive, and accept gifts, grants, loans, or contributions and other aid or payment, or participate in any way in a federal, state, or local government program. It may issue negotiable revenue bonds. Any bonds issued are not a debt of the county, the city, or the state.

OTHER LOCAL GOVERNMENT ECONOMIC DEVELOPMENT OPTIONS

Certification of Abandoned Property for Accelerated Foreclosure

Certified Business Parks

Conditional Land Transfers

Economic Development Corporations

Waiver of Personal Property Tax

CERTIFICATION OF ABANDONED PROPERTY FOR ACCELERATED FORECLOSURE

ENABLING LEGISLATION;

STATUTORY CITATION: 1999 PA 132; M.C.L. 211.961 et seq.

SUMMARY PROGRAM

DESCRIPTION:

Local units of government may subject abandoned, tax-delinquent real property to a faster foreclosure schedule than the law otherwise allows. Problems associated with tax-delinquent property have hindered redevelopment in Michigan, as discussed in Citizens Research Council of Michigan Report No. 325, *Delinquent Property Taxes as an Impediment to Development in Michigan* (April 1999).

ELIGIBILITY AND

BENEFITS:

Any local unit of government with abandoned, tax-delinquent property is eligible to use this enabling legislation.

Local units of government seeking to return tax-delinquent, abandoned property to the tax rolls may subject such property to an accelerated tax foreclosure schedule. Stricter standards imposed against delinquent property tax owners may compel more rapid payment of property taxes, under threat of an accelerated loss of the property.

TERMS AND PERFORMANCE

GUARANTEES:

Local units of government, in order to effect this act, must determine the quantity of tax-delinquent, abandoned property in its jurisdiction. Abandoned property is defined as that which is vacant or dilapidated, and open to entrance or trespass.

The local unit must make a declaration, by formal resolution, of accelerated forfeiture of tax-delinquent property before October 1 of any tax year. The resolution should state substantively that the local unit of government has determined that parcels of abandoned tax delinquent property exist; that abandoned tax delinquent property contributes to crime, blight, and decay within the local unit of government; that certification of tax delinquent abandoned property will result in the accelerated forfeiture and foreclosure under the general property tax act, and return abandoned property to productive use more rapidly, thereby reducing crime, blight, and decay within the local unit of government. Further, the resolution should state that the local unit of government thereby notifies residents and owners of property within the local unit that abandoned tax delinquent property will be identified and inspected and may be certified as abandoned property under the Certified Abandoned Property for Accelerated Foreclosure Act, and subject to accelerated forfeiture and foreclosure under the General Property Tax Act.

By February 1 succeeding the October 1 declaration, the local unit must inspect all such property to officially determine that it is abandoned. At the time of the inspection, the local unit must post notice on the property that if the taxes levied on the property are returned as delinquent to the county treasurer, that the property will be subject to accelerated forfeiture and foreclosure, and subject to fees as set forth in the General Property Tax Act ([M.C.L. 211.59](#)). The local unit must then send a copy of the posted notice to the taxpayer of record by first-class mail.

Owners of property (or those with a legal interest) whose properties are identified as abandoned by the local unit in this manner, may avert the certification by responding by affidavit to the local unit that the property is not abandoned. This must be done before the taxes are returned as delinquent to the local unit.

CERTIFICATION OF ABANDONED PROPERTY FOR ACCELERATED FORECLOSURE (CONTINUED)

DISCUSSION:

The Certification of Abandoned Property for Accelerated Foreclosure Act was passed as companion legislation to PA [123](#) and [134](#) of 1999, involving major changes to Michigan's real property tax delinquency and reversion processes. A discussion of changes is found in Citizens Research Council of Michigan Memorandum No. 1052, *[Changes to the Property Tax Delinquency and Reversion Process in Michigan](#)*. 1999 PA 134 was repealed effective 2004 by the Land Bank Fast Track Act. This Act is described on page 118.

CERTIFIED BUSINESS PARKS

ENABLING LEGISLATION;

STATUTORY CITATION:

Authorization for Certified Business Parks is found in the Local Development Financing Act 1986 PA 281, M.C.L. 125.2151 et seq.; as amended by 2000 PA 248.

PROGRAM

DESCRIPTION:

The Certified Business Park Program is administered by the Michigan Economic Developers Association (MEDA) and the Michigan Economic Development Corporation (MEDC) to promote uniformity and a set of minimum standards for industrial parks. Such standards ensure that the parks will suit the needs of businesses considering moving there.

ELIGIBILITY AND

BENEFITS:

For Business Park Certification, the following land requirements must be in place:

- Property must be zoned for business or industrial use only.
- Land must be selectively graded and cleared.
- Developers/Owners must have a site plan or plat approved by the local governing unit.
- The site must have reliable utilities available for immediate tap-in.
- The site must have all weather road access to the park and interior sites.

Business Park Certification serves as a marketing tool. Prospective tenants have confidence that Certified Business Parks meet a minimum set of standards necessary to conduct business. In addition, Certified Business Parks may use tax increment financing (see page 74) to acquire land for the development of eligible property. If property in a Certified Business Park purchased with tax increment revenues is sold, the proceeds of the sale may be retained to further the development plan.

TERMS AND PERFORMANCE

GUARANTEES:

The certification fee is \$275 per year, with a \$150 additional processing fee for new certifications. Certified Business Parks are reviewed every three years to ensure that all requirements are maintained.

Business Park Certification requires maintenance of the following features via protective covenants or zoning ordinance restrictions. A copy of the protective covenants should be attached to each deed and signed by each new owner and the applicant shall certify that each owner from the date of this application forward shall execute a copy of the protective covenants at the time of property purchase.

1. **Compatible Uses** – It is the sole intent of the Certified Business Park program to provide ready-to-use sites for eligible businesses and industry (per the current LDFA act). For this reason, the park's principal use is set aside for industrial business and high-tech purposes. The area of the park must be specified at the time of certification. This covenant allows the developer to exclude certain types of industries from locating in the Certified Business Park.
2. **Types of Building Materials** – All buildings shall be constructed in accordance with all applicable laws, statutes, ordinances, codes, rules and regulations of all governmental agencies having jurisdiction thereof and in a manner so as to have the ability to withstand the normal causes of deterioration with normal maintenance procedures. Previously used materials shall not be incorporated within any building without the prior written consent of the developer. No structure, carport, garage, barn or other outbuilding of a temporary nature shall be situated, erected or maintained on the property or any lot. With the intent to have an aesthetically pleasing building, the

CERTIFIED BUSINESS PARKS (CONTINUED)

buildings will be finished in materials such as decorative, fluted or finished brick, block, wood, vinyl, glass or decorative metal on sides that face an exterior or internal road. In most instances, the developer will retain the right to review all site materials planned to be used to ensure that all other covenants will be adhered to.

3. Park Signage – Parks are required to have adequate signage at the park entrance and interior streets. Signs should be of high quality, compatible with appearance of the park and be of a size that will present a professional image. Signs must be free standing and may not be comprised of neon or flashing lights.
4. Landscaping – There must be a general landscaping and continuous maintenance provision (plan) in the protective covenants to qualify for certification. All lots will be seeded or sodded and shrubs and trees must be planted to maintain a park-like atmosphere. Areas that are sold or set aside for future expansion must also be maintained as lawn area within 25 feet of streets, roadways and curbs. Areas that are disturbed (such as through excavation, grading, etc.) must be restored to the above standards within 6 months. Landscaping will be installed within one year of the Certificate of Occupancy. All developments must meet state and local groundwater and watershed standards.
5. Improved Parking – At a minimum, all parking areas, driveways, truck turnaround areas and truck loading/unloading areas will be paved with concrete, asphalt or other hard surface material. Parking must be well maintained.
6. Screened Outdoor Storage – All activities of a business will be carried on within the confines of the building. In those instances when outside storage is a necessity, an opaque fence or wall (that is architecturally compatible to the building's finished materials), or landscaping will shield all items outdoors, so as to effectively screen the view of such storage area from public streets and adjoining properties.
7. Location of Loading Docks – Loading and unloading areas will be designed to permit the pickup and delivery of materials without impeding the public right of way. Design of the truck wells of loading area will not encroach upon the required front yard setback line. Truck or rail docks should be located at the side yard or rear yard of the building. Certified Industrial Park properties approved before 2000 may be permitted to maintain front yard truck wells or loading areas where they are required due to design and space limitations.
8. Continuous Management – Protective Covenants must state who is responsible for the constant maintenance of the park's covenants and restrictions, i.e.: owner/developer, municipality or major property owners. In all cases, the management entity of the park will have the authority to enforce the covenants and restrictions on all tenants and future tenants of the park. Management must also maintain non-development and non-developable areas located within the park.
9. Setback Specifications – Setbacks must be specified and no activities should take place within the setback areas, except sidewalks may be placed in the front setback.
10. Signage – Signs identifying the person, firm, company or corporation shall be permitted. Signs must be permanent, may be of a freestanding nature, or attached to the building, but signs cannot exceed the height of the building. Outdoor advertising, billboards, neon or flashing lights are not permitted. Sign materials should be compatible with the appearance of the building's finished materials.

DATA AND SOURCE:

For a list of current Certified Business Parks in Michigan, see: <https://www.medaweb.org/certified-business-parks?view=featured>

CONDITIONAL LAND TRANSFERS

ENABLING LEGISLATION:

STATUTORY CITATION: 1984 PA 425; as amended by 1990 PA 22, 2011 PA 114; M.C.L. 124.21 et seq.

SUMMARY PROGRAM

DESCRIPTION:

The Conditional Land Transfer Act of 1984 allows municipalities to share, by contractual agreement, property tax revenues generated by a conditional land transfer for the purpose of economic development. The Act defines an economic development project as "land and existing or planned improvements suitable for use by an industrial or commercial enterprise, or housing development, or the protection of the environment, including, but not limited to, groundwater or surface water."

ELIGIBILITY AND

BENEFITS:

Open to any city, village or township in Michigan. The program allows two or more local units of government to jointly benefit from an economic development project that otherwise might not have been built. PA 425 agreements have been cast as a preferable alternative to annexation proceedings, which typically are politically charged and have a winner-take-all outcome.

TERMS AND PERFORMANCE

GUARANTEES:

Intergovernmental agreements under this Act may last up to 50 years and may be renewed. At the close of the predetermined agreement period, the agreement must provide for the return of the transferred parcel to one unit of government. Unless the agreement specifies otherwise, the property is under the jurisdiction of the transferee local unit.

The following are required terms and conditions for local units when executing PA 425 agreements:

Purpose and Consideration: Factors taken into consideration by a city and village before entering into the PA 425 agreement are spelled out in the statute, but they also must be spelled out in the agreement.

Duration: Length of term of agreement must be spelled out. Can be up to 50 years with extensions mutually agreed upon of up to 50 years.

Description of Property: Legal description of property to be transferred.

Tax Sharing Formula: The amount of taxes and other revenue the local units will share, and adjustment amounts, if any.

Schedule and Method of Distribution: The date the collecting local unit is required to remit the shared revenue and method of payment.

Method of Enforcement: How each participating party may enforce the agreement up to and including the return of the transferred area to the intended transferee, liquidated damages, etc.

Jurisdiction: Unless the contract specifies otherwise, property which is conditionally transferred by a PA 425 agreement is under the total jurisdiction of the transferee local unit, including any applicable resident and non-resident income tax.

CONDITIONAL LAND TRANSFERS (CONTINUED)

Recision and Termination: The contract must provide specific terms for the manner for rescinding or terminating the agreement prior to its otherwise intended expiration date.

Source: A presentation given by William B. Beach of Miller Canfield, Paddock and Stone to the Annexation program of the Michigan Municipal League in 1998.

CHANGES SINCE 2007 UPDATE:

2011 PA 114 amended the Act to delete a requirement that an employee who is transferred may not, by reason of the transfer, be placed in any worse position with respect to workers' compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance, or any other benefits that he or she had before the transfer

DATA AND SOURCE:

MEDC, <http://www.michiganbusiness.org/cm/files/fact-sheets/conditionallandusetransferpa425.pdf>

DISCUSSION:

PA 425 agreements are commonly used when a business entity seeks to expand operations but cannot be accommodated for lack of real estate or adequate utility infrastructure. The host local unit, not wishing to lose the tax base, will often seek a PA 425 agreement with a neighboring local unit. This allows the business to build adequate facilities in the neighboring local unit (though the PA 425 agreement does not mandate that the local units be contiguous) while each local unit is accorded a stipulated portion of property tax revenue from the new business expansion.

The danger with PA 425 land transfers is that over time, each participating governmental unit will lose sight of the conditional aspects of the deal. PA 425 land transfers are an economic development tool, but business operations change over time, often in much less than the 50-100 years contemplated by the Act.

ECONOMIC DEVELOPMENT CORPORATIONS ACT

ENABLING LEGISLATION;

STATUTORY CITATION: 1974 PA 338; as amended by 2002 PA 357, 2010 PA 240, M.C.L. 125.1601 et seq.

SUMMARY PROGRAM

DESCRIPTION:

This Act was based on legislative findings that public sector assistance may be necessary in the land acquisition process to assist private sector interests with industrial economic development efforts. PA 338 allows local units of government to establish development corporations to assist private developers with commercial and industrial development projects.

The Act extends tax-exempt status to all municipally-owned property acquired under it. While the General Property Tax Act extends tax-exempt status to such property held for a "public purpose," tax-exempt status does typically not extend to property not expressly held as such.

ELIGIBILITY AND BENEFITS:

All municipalities in Michigan are eligible to set up an economic development corporation.

In addition to extending tax-exempt status to properties acquired by Economic Development Corporations, EDCs may also issue tax-exempt bonds for development projects, allowing a lower interest rate to finance development.

CHANGES SINCE 2007 UPDATE:

2010 PA 240 amended the Act to include a transit-oriented facility and a transit-oriented development in the list of primary purposes and uses for eligible property.

DISCUSSION:

The Economic Development Corporations Act confers many of the powers of the Urban Redevelopment Corporations Law of 1941 (1941 PA 250; M.C.L. 125.901 et seq.) to an economic development corporation established by a local unit.

The Urban Redevelopment Corporations Law enabled 1 or more individuals, corporations or partnerships to incorporate Redevelopment Corporations to clear, re-plan, rehabilitate, modernize, beautify, and reconstruct substandard and unsanitary areas in cities and townships (township development areas are limited to property used for state offices or facilities, hospitals, prisons, or institutions of higher education) to serve a public purpose. Property held by Redevelopment Corporations is exempt from increases in assessed valuation for up to 40 years, but improvements made to the property are not. A city may acquire property by condemnation on behalf of the Redevelopment Corporation.

WAIVER OF PERSONAL PROPERTY TAX

ENABLING LEGISLATION:

STATUTORY CITATION: 1998 PA 328, 2000 PA 415; M.C.L. 211.9f

The enactment of 2014 PA 87, which phases in an exemption of all manufacturing-related personal property from the property tax starting in 2016, will substantially limit the impact of the local exemption option provided in 1998 PA 328. However, this exemption will continue for personal property that does not meet the definition in 2014 PA 87 of “eligible manufacturing personal property”.

This program may be repealed in 2014 (see 2014 PA 87):

M.C.L. 211.9f, section 8 states that any personal property exempt under this statute as of December 31, 2012, will remain exempt until the later of: the date the property would otherwise be exempt from the collection of taxes under this act under M.C.L. 211 section 9m, 9n, or 9o, or the date that eligible manufacturing personal property is no longer exempt under the resolution adopted by the local government that originally exempted the property from taxation under 211.9f.

However, 211.9f (9) states if either House Bill No. 6026 of the 96th Legislature, 2012 PA 408, or Senate Bill No. 822 of the 97th Legislature passes during the 2014 election, subsection (8) shall not apply after the date of that election.

PROGRAM

DESCRIPTION:

Qualifying local units of government may waive personal property taxes for new equipment purchased or leased by eligible businesses, subject to approval from the State Tax Commission. Local units qualify by having various tax-abatement or financing districts and either by meeting standards of economic distress or by containing eligible businesses that maintain jobs and capital investment.

ELIGIBILITY AND

BENEFITS:

Qualified local units of government – cities, villages and townships with “eligible distressed areas” – that eliminate personal property taxes offer a competitive advantage in business attraction, namely, a built-in tax abatement on new personal property. Only new personal property leased or owned by an “eligible business” located within an “eligible district” is exempt.

For the purposes of the Act, “*eligible distressed areas*” are one of the following:

- The term “eligible distressed area” as defined by the Michigan State Housing Development Authority (see **Appendix H** for a list and definition), or
- An area that contains an “eligible business” that “maintains 150 retained jobs at a facility, maintains 1,000 or more full-times jobs in this state, and makes new capital investment in this state” as described by the Michigan Economic Growth Authority Act, M.C.L. 207.808 subsection (5)(b)(ii).

An “*Eligible business*” is a business primarily engaged in manufacturing, mining, research and development, wholesale trade or office operations.

Qualified local units of government may enact PA 328 agreements only within one or more of the following “*eligible districts*”:

1. Industrial Facilities Property Tax Authorities
2. Renaissance Zones

WAIVER OF PERSONAL PROPERTY TAX (CONTINUED)

3. Enterprise Zones
4. Brownfield Redevelopment Authorities
5. Federal Empowerment Zones, Enterprise Communities, and Empowerment Zones which become Renewal Communities
6. Tax Increment Finance Authorities
7. Local Development Finance Authorities
8. Downtown Development Authorities

CHANGES SINCE 2007 UPDATE:

2007 PA 115 and 116 amended the Act to maintain the tax-exempt status of new personal property sold or leased by an existing eligible business to an acquiring eligible business; and extend the exemption to any new personal property leased or purchased by that business.

2008 PA 230 amended the Act to allow the governing body of an eligible local assessing district to exempt all new personal property owned or leased by an eligible business located in one or more "distressed parcels" from the collection of taxes under the Act. "Distressed parcel" is a parcel of real estate in a city or village that is located in a qualified downtown revitalization district, is zoned to allow for mixed use, and either has a blighted or functionally obsolete building located on the parcel or is a vacant parcel that previously had been occupied.

2008 PA 285 amended the Act to make additional facilities eligible for existing property tax exemptions. The facilities include major distribution and logistics facilities, headquarters facilities, competitive edge technology businesses, information technology facilities, and certain businesses that are currently eligible for business tax credits under the Michigan Economic Growth Authority Act.

2010 PA 249 amended the Act to revise the definition of "new personal property": the previous definition refers to personal property that was not previously subject to tax under the Act or was not previously placed in service in this State. The new definition deletes "in this State" and refers to property not previously placed in service by an eligible business claiming an exemption under Section 9f.

2010 PA 274 amended the Act to allow a Next Michigan Development Corporation to exempt new personal property owned or leased by an eligible Next Michigan business from personal property taxes. Next Michigan Development Corporations are described on page --.

2012 PA 399 added sections 9m, 9n, and 9o to the Act to exempt qualified new personal property from taxation beginning December 31, 2015. The exemption applies to eligible manufacturing personal property acquired after December 31, 2012, if it has been subject to taxation for at least 10 years, and, for industrial personal property or commercial personal property owned by a person in a local unit, if the combined taxable value of all such property owned by or under the control of the person is less than \$40,000 in that local unit.

DATA AND SOURCE:

Since program inception through 2014, 372 personal property tax waiver projects in 51 counties have been approved. Source: State Tax Commission

DISCUSSION:

PA 328 provides distressed areas with an alternative to the Industrial Facilities Tax Abatement (discussed on page 44) for new personal property for manufacturing and research and development business concerns.

JOB AND EMPLOYMENT TRAINING

*Michigan New Jobs Training Program
Michigan Works!*

MICHIGAN NEW JOBS TRAINING PROGRAM

ENABLING LEGISLATION;

STATUTORY CITATION: 2008 PA 359, MCL 389.161 et seq.

SUMMARY PROGRAM

DESCRIPTION:

The program allows community college districts to enter into agreements with Michigan employers to educate and train new employees. Program is financed through the diversion of a portion of the income tax withholdings for new employees that participate in the program from the state to the community college delivering the education and training. A community college may sell revenue bonds to finance training programs backed by the withholding payments due under agreements with employers.

ELIGIBILITY AND

BENEFITS:

Education and training projects delivered through the program must benefit workers in a "new job" that is part of a new, existing, or expanding business of an employer and results in a net increase in Michigan employment for that employer. Training cannot be provided for a recalled worker, for a job relocated from another business operation in Michigan, or for a job that existed in the employer's business within one year of the date of the agreement.

Further, the compensation for the job benefiting from the training must meet one of the following criteria: (1) pays wages equal to at least 200 percent of the state minimum wage; or (2) pays wages equal to at least 150 percent of the state minimum wage and includes family health benefits provided and paid for by the employer.

The agreement between the employer and community college must contain: (1) the estimated number of jobs created through the training; (2) information on the financing of training program costs including the minimum amount of income tax withholding to be used to finance these costs; (3) assurances that employers will make up for any withholding shortfalls and meet any security obligations required by the community college; and (4) provisions authorizing an administrative fee to the community college district equal to 15 percent of the total amount paid under the agreement.

The enabling act limits aggregate outstanding obligations of all college-employer agreements to \$50.0 million.

DATA AND SOURCE:

According to the most recent program report from the Department of Treasury http://www.michigan.gov/documents/treasury/NewJobsTrainingPrograms_Report2014_492797_7.pdf, 93 employer agreements were in place as of the end of 2014 involving 18 Michigan community colleges. The outstanding balance of the existing contracts was over \$44 million, with \$12.8 million in income tax withholding being diverted from the program's inception through the end of 2014.

MICHIGAN WORKS!

SUMMARY PROGRAM

DESCRIPTION:

Michigan Works! is a statewide network of regional offices that provide employment training, education and information on job openings to employees and a pool of local workers for employers.

The Association of Michigan Works! Agencies

2500 Kerry Street, Suite 210

Lansing, MI 48912

(517) 371-1100

www.michiganworks.org

Michigan Works! has formed ten Regional Collaboratives called Talent Districts to align with the new Prosperity Regions. For a list of these Talent Districts, see the Michigan Works! website

The following is a list of Michigan Works! offices throughout the state:

Allegan, Kent (5)

Area Community Service Employment and Training Council

1550 Leonard NE, Grand Rapids, MI 49505

(616) 336-000

info@michiganworkska.org

www.michiganworkska.org

Clinton, Eaton, Ingham (3)

Capital Area Michigan Works!

2110 South Cedar Street, Lansing, MI 48910

(517) 492-5500

www.camw.org

Gratiot, Isabella, Ionia, Montcalm (4)

Central Area Michigan Works! Consortium

904 Oak Drive

Greenville, MI 48838

(616) 754-9315

daniel@8cap.org

www.camwc.org

Barry, Branch, Calhoun (4)

Michigan Works! Calhoun ISD

17111 G Drive, North, Marshall, MI 49068

(269) 789-2423

bbcmw@calhounisd.org

www.michpartners.org

Genesee, Shiawassee (2)

Genesee Shiawassee Michigan Works!

711 N. Saginaw, Ste 300, Flint, MI 48503-1452

(810) 233-5974

sgoble@gsworks.org

www.GSworks.org

Wayne (Detroit only) (5)

Detroit Employment Solutions Corporation

404 E. Congress, 4th Floor

Detroit, MI 48226

(313) 876-0674

mooreps@detempsol.org

www.DESCmiworks.com

MICHIGAN WORKS! (CONTINUED)

Chippewa, Luce, Mackinac (3)

Eastern U.P. Michigan Works!
1118 East Easterday Avenue
Sault Ste. Marie, MI 49783
(906) 635-1752
miworks@eupworks.org
www.michworks-upnorth.org

Livingston (1)

Livingston County Michigan Works!

1240 Packard Drive
Howell, MI 48843
(517) 546-7450
wsleight@livgov.com
www.lcmw.org

Berrien, Cass, Van Buren (5)

Michigan Works! Berrien, Cass, Van Buren
499 W. Main Street
Benton Harbor, MI 49022
(269) 927-1799
mw@miworks.org
www.miworks.org

Alger, Delta, Dickinson, Marquette, Menominee, Schoolcraft (6)

Michigan Works! The Job Force Board
2950 College Avenue
Escanaba, MI 49829
(906) 789-0558
mwjob@jobforce.org
www.jobforce.org

Kalamazoo, St. Joseph (2)

Kalamazoo - St. Joseph Michigan Works!
222 South Westnedge
Kalamazoo, MI 49007
(269) 349-1533
miworks@upjohn.org
www.upjohn.org/miworks/

Macomb, St. Clair (4)

Macomb/St. Clair Workforce Development Board
21885 Dunham Road, Suite 11
Clinton Township, MI, 48306
(586) 469-5220
jwurmlinger@macomb-stclairworks.org
www.macomb-stclairworks.org

Arenac, Clare, Gladwin, Iosco, Ogemaw, Roscommon (6)

Michigan Works! Region 7B Consortium
402 N. First Street
PO Box 408
Harrison, MI 48625
(989) 539-2173
Reg7b@michworks4u.org
www.michworks4u.org

Lake, Mason, Mecosta, Newaygo, Osceola (5)

Michigan Works! West Central
14330 Northland Dr.
Big Rapids, MI 49307
(231) 796-4891
info@michworkswc.org
www.michworkswc.org

MICHIGAN WORKS! (CONTINUED)

Muskegon, Oceana (6)

Michigan Works! Muskegon-Oceana
316 Morris Avenue, Suite 300
Muskegon, MI 49442
(231) 724-6381
info@miworksmo.org
www.miworksmo.org

Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, Wexford (5)

Northwest Michigan Council of Governments
2194 Dendrinis Drive
PO Box 506
Traverse City, MI 49685-0506
(231) 929-5000
www.nwm.org

Ottawa (2)

Ottawa County Michigan Works!
115 Clover St.
Suite 200
Holland, MI 49423
(616) 494-3400
braymond@ocmwa.org
www.miottawa.org/ocmwa

Hillsdale, Jackson, Lenawee (3)

South Central Michigan Works!
21 Care Drive
Hillsdale, MI 49242
(517) 437-3381
info@scmw.org
www.scmw.org

Alcona, Alpena, Cheboygan, Crawford, Montmorency, Presque Isle, Oscoda, Otsego (8)

Northeast Michigan Consortium
20709 State Street
PO Box 711
Onaway, MI 49765
(989) 733-8548
general@nemcworks.org
www.nemcworks.org

Oakland (9)

Oakland County Michigan Works!
Workforce Development Division
2100 Pontiac Lake Road
Waterford, MI 48328
(248) 858-5520
laked@oakgov.com
www.michworks.org

Bay, Midland, Saginaw (6)

Great Lakes Bay Michigan Works!
1600 N. Michigan, Room 400
Saginaw, MI 48602
(989) 754-1144
smb@michiganworks.com
www.michiganworks.com

Monroe, Wayne (non-Detroit) (7)

Southeast Michigan Community Alliance
25636 Eureka Rd.
Taylor, MI 48180
(734) 229-3500
semca@semca.org
www.semca.org

MICHIGAN WORKS! (CONTINUED)

Huron, Lapeer, Sanilac, Tuscola (4)

Thumbworks!, a Michigan Works! Agency
3270 Wilson Street
Marlette, MI 48453
(989) 635-3561
centraladm@thumbworks.org
www.thumbworks.org

Baraga, Gogebic, Houghton, Iron, Keweenaw, Ontonagon (5)

Western U.P. Michigan Works!
110 East Quincy Street
Hancock, MI 49930
(906) 482-6916
mwjob@wupmwa.org
www.wupmwa.org

Washtenaw (1)

Washtenaw County Michigan Works!
304 Harriet Street
Ypsilanti, MI 48197
(734) 714-9814
michiganworks@washtenaw.org
michiganworks.ewashtenaw.org

MISCELLANEOUS ECONOMIC DEVELOPMENT AUTHORITIES

Building Authorities

Land Reclamation and Improvement Authorities

State and County Land Bank Fast Track Authorities

Non-Profit Housing Property Development Program

BUILDING AUTHORITIES

ENABLING LEGISLATION:

STATUTORY CITATION: 1948 PA 31 (1st Ex. Sess.); as amended by 2010 PA 243, 2014 PA 37; M.C.L. 123.951 et seq.

SUMMARY PROGRAM

DESCRIPTION:

Building Authority legislation enables local units of government to acquire and/or develop buildings and sites for public use.

ELIGIBILITY AND

BENEFITS:

Counties, cities, villages, and townships may incorporate 1 or more Building Authorities for the acquisition, development, operation, and maintenance of buildings, parking lots and structures, transit-oriented developments, transit-oriented facilities, recreational facilities, stadiums, and other sites necessary for the effective use of these facilities. Joint authorities between 1 or more units of government, or a school district and any combination of 1 or more units of government, are allowable. Intermediate school districts may also incorporate Building Authorities with constituent school districts for the purpose of acquiring, developing, or maintaining facilities for special needs children.

Building Authorities may acquire property through purchase, construction, gift, devise, or condemnation. Established Building Authorities have full condemnation powers under the provisions of appropriate state statutes. The legislative body of any incorporating unit, by majority vote, may also transfer property owned by the incorporating unit to the authority.

The authority may enter into contracts with the incorporating units to acquire and lease property for a period not to exceed 50 years. Unless otherwise stated in the contract, obligations are considered general obligations of the incorporating units. The acquisition and lease of buildings, parking lots and structures, recreational facilities, stadiums, and other necessary sites must constitute a benefit to and a legitimate public purpose of the authority and incorporating unit(s).

Building Authorities may issue revenue bonds in anticipation of cash rental paid by the incorporating units to the authority. In turn, incorporating units may levy ad valorem taxes to pay the cash rental needed to make bond payments. These taxes may be levied without limitation and are in addition to other taxes that the incorporating units are authorized to levy. Incorporating units may also raise funds to pay the authority from sublease revenues, from revenue earned from operation of the property, or from money received from the state or other governmental units.

CHANGES SINCE

PROGRAM INCEPTION:

2010 PA 243 amended the Act to add transit-oriented developments and transit-oriented facilities to the list of structures for which a Building Authority can acquire, improve, or maintain. "Transit-oriented development" means infrastructure improvements that are located within one-half mile of a transit station or transit-oriented facility that promotes transit ridership or passenger rail use. "Transit-oriented facility" means a facility that houses a transit station in a manner that promotes transit ridership or passenger rail use.

2014 PA 37 amended the Act to permit an authority to issue negotiable bonds to refund other refunding bonds, allow refunding bonds to be payable through 2043, rather than 2039, and exempt refunding bonds issued before December 31, 2019, from certain provisions of the Revised Municipal Finance Act.

LAND RECLAMATION AND IMPROVEMENT AUTHORITIES

ENABLING LEGISLATION;

STATUTORY CITATION: 1992 PA 173; M.C.L. 125.2451 et seq.

SUMMARY PROGRAM

DESCRIPTION:

This act allows public or private interests to reclaim blighted areas within townships, including land previously used for mining, commercial, or industrial purposes, and to convert that property to useful recreational, residential, or commercial purposes.

ELIGIBILITY AND

BENEFITS:

Blighted areas are lands that were used for mining, commercial, or industrial purposes, the use of which disturbed the natural qualities of the land. Blighted areas must not be currently used for residential, recreation, or commercial purposes, but must have the potential to be reclaimed for such purposes, i.e. the land cannot be a “facility” as defined by part 201 of 1994 PA 451 (see **Appendix F** for a definition) and cannot be on the National Priorities List established pursuant to Public Law 96-510, 42, U.S.C. 9605.

Any individual, corporation, government, or other legal entity may file a petition—signed by all property owners within the proposed district boundaries—with the Department of Treasury to establish a Land Reclamation and Improvement Authority. After a public hearing, the Department of Treasury may approve the establishment of the authority if the proposed authority district contains 1 or more blighted areas that in total are not less than 20 percent of the total area of the authority district (which must be over 300 acres), or 100 acres, whichever is less; the proposed district had less than 100 residents when the petition was filed; the proposed district is located within 1 or 2 townships, but only 1 county, and; the blighted area can be reclaimed.

Statutory benefits include authorization to carry out improvements, implement development plans to improve blighted areas, make and enter into contracts, acquire by purchase or condemnation property, and fix and charge rents or to let leases for property acquired under this act. The State Treasurer shall exercise the power of condemnation on behalf of the authority pursuant to the Uniform Condemnation Procedures Act, 1980 PA 87. Activities of the authority may be financed through contributions of property or labor, revenues from lease or operation of the properties, special assessments imposed by the authority, proceeds of bonds and notes issued in anticipation of the collection of special assessments, and other legal sources.

STATE AND COUNTY LAND BANK FAST TRACK AUTHORITIES

ENABLING LEGISLATION;

STATUTORY CITATION: 2003 PA 258; M.C.L. 124.751 et seq.

SUMMARY PROGRAM

DESCRIPTION:

Land Bank Fast Track Authorities promote the economic redevelopment of tax foreclosed and other properties and are capable of assisting in expediting quiet title.

ELIGIBILITY AND

BENEFITS:

PA 258 created the state-level Michigan Land Bank Fast Track Authority (MLBFTA), which county "foreclosing governmental units" or a "qualified city" may enter into an intergovernmental agreement with to create a county or local authority.

A "qualified city" means any city that contains a first class school district (Detroit).

County "foreclosing governmental units" are county treasurers that choose to act as property tax foreclosing governmental units.

A state, county, or qualified city authority may take any action, provide any notice, or institute any proceeding necessary to clear or quiet title to property held by the authority in order to establish ownership, including by not limited to, expedited quiet title and foreclosure action. Quiet title action establishes the authority's title to real property by "quieting" others' claims to the title. Quiet title action does not provide a clear title per se, but does clear known or perceived title defects. Authorities may hold and own property conveyed by governmental entities or private interests. Authorities may acquire, lease, convey, demolish, rehabilitate or remediate real or personal property for the purposes of development or assembly for sale or lease, to preserve property value, or to protect any lien held by the authority. Authorities may convey property for any amount of consideration that is proper, fair, valuable and in the best interest of the community. Authorities shall not assist or expend funds for, or related to, the development of a casino; authorities may not condemn property, exercise eminent domain or levy special assessments or taxes.

Authorities may retain proceeds from sale of property and 50 percent of the revenues from the specific tax levied pursuant to the Tax Reverted Clean Title Act for 5 years after sale or conveyance of property. Authorities may also finance activities through issuance of notes and bonds. Authority property, income and activities are tax exempt.

TERMS AND PERFORMANCE

GUARANTEES:

The Act establishes procedures for expedited quiet title and foreclosure of property or interests in tax reverted property held by an authority. After the authority files a petition with the circuit court, the clerk immediately sets a date for a hearing on the petition. The authority must follow procedures to identify and inform persons with interest in the property of the pending foreclosure and hearing date. Within 10 days of the hearing, the court will issue judgment on shifting fee simple (complete) ownership to the authority. After judgment, all liens against the property and all recorded or unrecorded interests, except for specified restrictions, are extinguished. An appeal may be made within 21 days.

DATA AND SOURCE:

The Michigan State Land Bank Fast Track Authority inventory of property may be accessed at: <http://www.michigan.gov/landbank/0,3190,7-298-51746---,00.html>

STATE AND COUNTY LAND BANK FAST TRACK AUTHORITIES (CONTINUED)

County land bank authorities in Michigan consist of:

| | |
|------------------------------------|---------------------------------|
| Alger County Land Bank | Arenac County Land Bank |
| Bay County Land Bank | Benzie County Land Bank |
| Berrien County Land Bank | Calhoun County Land Bank |
| Cass County Land Bank | Charlevoix County Land Bank |
| Clare County Land Bank | Delta County Land Bank |
| Detroit Land Bank Authority | Emmet County Land Bank |
| Genesee County Land Bank | Gladwin County Land Bank |
| Gogebic County Land Bank | Grand Traverse County Land Bank |
| Houghton County Land Bank | Ingham County Land Bank |
| Ionia County Land Bank | Jackson County Land Bank |
| Kalamazoo County Land Bank | Kent County Land Bank |
| Lake County Land Bank | Lapeer County Land Bank |
| Lenawee County Land Bank | Marquette County Land Bank |
| Monroe County Land Bank | Muskegon County Land Bank |
| Oceana County Land Bank | Ogemaw County Land Bank |
| Osceola County Land Bank | Ottawa County Land Bank |
| Saginaw County Land Bank | Sanilac County Land Bank |
| Saint Clair County Land Bank | Van Buren County Land Bank |
| Wayne County Land Bank Corporation | |

Between fiscal years 2009 and 2010, the Michigan Land Bank Fast Track Authority returned to the tax rolls more than 433 properties from the state's inventory of tax reverted parcels.

Source: Michigan State Land Bank Fast Track Authority

DISCUSSION:

The Land Bank Fast Track Authority Act's focus is promoting economic growth through the coordinated disposition of tax reverted properties. Land Banks can also raise money and assemble larger parcels for sale, for public use, or for "banking" until the market develops. Land Bank Fast Track Authorities' success at selling these properties will depend on the extent to which the acquired properties are able to be put to productive and economically viable uses. The Land Bank Fast Track Authority Act was tie-barred with several bills that amended the General Property Tax Act and the Brownfield Redevelopment Financing Act, and authorized the Tax Reverted Clean Title Act. All Authority properties qualify for Brownfield designation and are eligible for funding through the Brownfield Redevelopment Financing Act, PA 381 of 1996 (See page 66).

NON-PROFIT HOUSING PROPERTY DEVELOPMENT PROGRAM

The Michigan Land Bank Fast Track Authority and the Michigan State Housing Development Authority (MSHDA) transfer certain state-owned, tax-reverted properties at no financial cost to non-profit organizations for the development of affordable housing. Non-profits must have 501(c)(3) status, a feasible plan for use of the property that is consistent with the community's redevelopment plan, and must be able to demonstrate sufficient capacity and funding to carry out a project that will be of equal or better quality to comparable housing units in the community.

Requests should be submitted to:
Michigan Land Bank Fast Track Authority
7150 Harris Drive
Lansing, MI 48909
(517) 636-5149

ADJACENT LOT DISPOSITION PROGRAM

The Michigan Land Bank Fast Track Authority (MLBFTA) sells individual parcels of property to adjacent property owners for a nominal cost plus property costs if the properties:

- Share at least a 75 percent common boundary;
- The property is not buildable or able to be developed independently according to local zoning/building code;
- The parcel is not part of a proposed development requiring land assembly (as determined by MLBFTA).

For more information on the Adjacent Lot Disposition Program, contact the MLBFTA at the address or phone number listed above.

HARDEST HIT FUND – BLIGHT ELIMINATION PROGRAM

The U.S. Treasury Department authorized the Michigan State Housing Development Authority (MSHDA) to re-program \$100 million from the \$498 million already allocated to Michigan under Hardest Hit Fund to facilitate a new Blight Elimination Program. The \$100 million will be divided among five cities in the state of Michigan (Detroit, Flint, Grand Rapids, Pontiac and Saginaw) to focus on eliminating the surplus of blighted single family homes that have distressed these communities for several years. The State of Michigan Land Bank Fast Track Authority (Michigan Land Bank) has partnered with the Detroit Land Bank Authority (DLBA) to perform the day-to-day demolition management duties.

To get up to date information on the DLBA's progress, please visit <http://www.buildingdetroit.org/our-programs/hardest-hit-funddemolition>

Source: <http://www.treasury.gov/initiatives/financial-stability/TARP-Programs/housing/Documents/Redacted%20Eighth%20Amendment%20to%20HPA%20-%20Michigan.PDF>

MISCELLANEOUS GRANT AND LOAN PROGRAMS

*21st Century Jobs Fund
Federal and State Brownfield Grants and Loans*

21ST CENTURY JOBS FUND

ENABLING LEGISLATION;

STATUTORY CITATION: 2005 PA 232; M.C.L. 12.257

SUMMARY PROGRAM

DESCRIPTION:

The 21st Century Jobs Fund seeks to diversify and grow the state's economy by encouraging the development and commercialization of competitive-edge technologies, and increasing capital investment and commercial lending activities. The Fund is administered by the Michigan Economic Development Corporation (MEDC) through the Strategic Economic Investment and Commercialization (SEIC) Board.

ELIGIBILITY AND

BENEFITS:

General Eligibility:

Michigan institutions of higher education, non-profit research institutions and non-profit corporations are eligible for grants, unless the proposed project has an apparent for-profit intent, in which case loans, convertible loans and other investment tools may be provided. For-profit organizations are only eligible for loans.

Out-of-state applicants that wish to relocate or that have a substantial portion of their business in Michigan are eligible to apply, but must have a presence in Michigan at signing of contract.

Development and commercialization of competitive-edge technologies:

The 21st Century Jobs Fund invests in basic and applied research, technology transfer, and commercialization of products, processes and services in 4 competitive-edge technologies at institutions of higher education, non-profit research organizations, non-profit corporations and for-profit businesses.

Technologies and activities related to the research and development of any competitive-edge technology products are also eligible for 21st Century Jobs funding (e.g., design, engineering, testing).

21st Century Investment Fund:

A portion of the 21st Century Jobs Fund proceeds have been invested in or alongside qualified equity, mezzanine or venture capital funds to create or retain jobs in competitive-edge technologies in Michigan.

Commercial lending activity:

The 21st Century Jobs Fund established a Jobs for Michigan Investment Fund, which supports commercial loan and capital access enhancement programs to stimulate additional commercial lending to support competitive-edge technology activities.

TERMS AND PERFORMANCE

GUARANTEES:

Proposals will be peer reviewed by a panel of scientific experts, technology transfer specialists, venture capitalists and entrepreneurs recruited by the American Association for the Advancement of Science and approved by MEDC. Proposals will be reviewed on 4 criteria of equal weight: scientific and technical merit, personnel expertise, commercialization merit, and ability to leverage other resources. Applicants are required to match investments with cash or in-kind contributions. Cash contributions need not come directly from the applicants themselves.

Applicants are encouraged to collaborate. Applied research proposals must include high-value

21ST CENTURY JOBS FUND (CONTINUED)

collaboration between the eligible applicant and another, preferably Michigan-based entity. If the collaboration is between non-profit and for-profit entities, the stage of technological development and determination of which entity receives the economic benefit will be considered to ascertain whether the applicants are eligible for grants or loans.

Commercialization, basic and applied research funding may be requested for up to 3 years. Commercialization Services, which provide funds for specialized business resources to ensure successful commercialization, may be requested for up to 2 years.

If a recipient leaves the state within 3 years of award, it will be considered a breach of contract; repayment and other penalties may apply.

DISCUSSION:

The 21st Century Jobs Fund is a 10-year initiative to diversify Michigan's economy. In addition to \$400 million in securitized tobacco settlement revenues, each fiscal year from 2008-2015, \$75 million in tobacco settlement revenues will be invested in the Fund. The initiative builds on former programs such as the Michigan Life Sciences Corridor and the Michigan Technology Tri-Corridor.

The Michigan Legislature has enacted several bills diverting this funding elsewhere.

2007 PA 50, as part of a comprehensive agreement to eliminate a FY2007 budget deficit, transferred \$50.0 million from the 21st Century Jobs Fund to the General Fund.

2008 PA 98 transferred \$60.0 million from the General Fund to the 21st Century Jobs Trust Fund for FY2008, while appropriating \$50.0 million from the 21st Century Jobs Trust Fund to the MSF for tourism promotion and business development activities.

2008 PA 553 transferred \$9.0 million for FY2009 from the 21st Century Jobs Trust Fund to a regional convention facility authority created under the Regional Convention Facility Authority Act for the purpose of developing a qualified convention facility.

2009 PA 183 transferred funds from the 21st Century Jobs Fund to the state's General Fund for two fiscal years: \$42.0 million for FY 2009, and \$37.5 million for FY 2010, but also increased the specified amount of tobacco settlement revenue to be deposited into the 21st Century Jobs Fund in FY 2016 from \$30.0 million to \$72.0 million. (FY 2016 is the final year for which the act specifies a deposit of tobacco settlement revenue into the fund.)

FEDERAL AND STATE BROWNFIELD GRANTS AND LOANS

BROWNFIELD REDEVELOPMENT GRANTS, SITE RECLAMATION GRANT, AND SITE ASSESSMENT GRANT PROGRAMS

ENABLING LEGISLATION;

STATUTORY CITATION: 1988 PA 328; as amended by 1994 PA 451; 2003 PA 253; M.C.L. 324.19501 et. seq. (Environmental Protection Bond), M.C.L. 324.19606 et. seq. (Clean Michigan Initiative), M.C.L. 324.2010 et. seq. (Environmental Remediation)

SUMMARY PROGRAM

DESCRIPTION: Clean Michigan Initiative Brownfield Redevelopment Grants (CMIBRG), Site Assessment Grants (SAG) and Site Reclamation Grants (SRG) are awarded to local units of government, Brownfield Redevelopment Authorities and other authorities created pursuant to state law for investigation and remediation of known contaminated sites that will be used for a determined economic development.

**ELIGIBILITY AND
BENEFITS:**

Sites must be facilities as defined by part 201 of the Natural Resources and Environmental Protection Act 381 of 1994. Grants up to \$1 million for CMIBRG are available for response activities such as investigation, assessment and due care activities at facilities where an economic development that creates jobs, private investment and/or increases property tax has been identified. Grants up to \$2 million are available for environmental response activities on property where an economic development has been identified through SAG and SRG.

TERMS AND PERFORMANCE

GUARANTEES: Proposals are accepted on a continual basis. The Director of the Michigan Department of Environmental Quality (MDEQ) approves projects. Only one project per applicant will be awarded within a fiscal year. Both grants are administered by the MDEQ Environmental Science and Services Division. The Clean Michigan Initiative Bond Fund of 1998 funds CMIBRG. The Environmental Protection Bond Fund of 1988 funds SAG and SRG. For more information on grant revenue sources, see the description on page 128.

**CHANGES SINCE
LAST UPDATE:**

2014 PA 115 amended the Act to allow the terms of an outstanding loan to a local unit of government or brownfield redevelopment authority from the Clean Michigan Initiative Bond Fund to be renegotiated upon a loan recipient's request and demonstration of financial hardship related to the project that was financed by the loan and requires new reporting to the legislature on refinanced loans.

DATA AND SOURCE:

Through the end of FY2013, a total of 73 projects totaling \$46.1 million have been funded through the BRG program, generating cumulative expenditures of \$31.3 million. The SRG program has supported 76 projects, awarding grants of \$44.8 million which have generated expenditures of \$34.4 million through FY2013. Finally, the SAG program has awarded grants totaling \$13.8 million to 120 different projects through FY2013. SAG project expenditures totaled \$9.9 million.

Source: MDEQ

FEDERAL AND STATE BROWNFIELD GRANTS AND LOANS (CONTINUED)

BROWNFIELD REDEVELOPMENT LOANS AND REVITALIZATION REVOLVING LOAN PROGRAMS

ENABLING LEGISLATION:

STATUTORY CITATION

1988 PA 328; as amended by 1994 PA 451; 2003 PA 253; M.C.L. 324.195 (Environmental Protection Bond), M.C.L. 324.196 (Clean Michigan Initiative), M.C.L. 324.201 (Environmental Remediation).

PROGRAM

DESCRIPTION:

Clean Michigan Initiative Brownfield Redevelopment Loans (CMIBRL) and Revitalization Revolving Loans (RRL) are awarded to local units of government and Brownfield Redevelopment Authorities for assessments, demolition and other remediation activities at sites with known or suspected contamination.

ELIGIBILITY AND

BENEFITS:

The Clean Michigan Initiative Bond Fund of 1998 funds CMIBRL programs and the Environmental Protection Bond Fund of 1988 funds RRL programs; therefore, each loan has distinct criteria. CMIBRL projects must have identified economic development; RRL projects must be used to promote economic development, but are not required to propose an identified development. Eligible response activities of both loans including investigation, assessment, interim response activities and demolition to reach contaminants; however, CMI-funded loans also allow for due care responses while RRL programs do not. CMIBRL loans award up to \$1 million whereas RRL programs do not cap the amount an applicant may borrow.

TERMS AND PERFORMANCE

GUARANTEES:

CMIBRL and RRL are low-interest loans offered at no more than 50 percent of the prime rate. The current rate is 1.5 percent simple interest. No interest is due in the first 5 years; interest accrues at the beginning of the 6th year. Loan periods are 15 years. Loans are limited to one project per applicant per fiscal year. The Michigan Department of Environmental Quality (MDEQ) Environmental Science and Services Division administers CMIBRL and RRL programs.

These loans represent an opportunity for local units and authorities to use tax increment financing to repay loans (See section on Brownfield Authorities and the Brownfield Redevelopment Financing Act of 1996 on page 66 and the box on tax increment financing on page 74.)

DATA AND SOURCE:

Through FY2014, 55 BRL loans have been awarded totaling \$32.2 million, including 5 new loans awarded in FY2013 totaling \$3.7 million. The RRL program has supported 27 projects totaling approximately \$11 million through FY2014.

www.michigan.gov/documents/deq/FY2014DEQConsolidatedReport_486950_7.pdf

DISCUSSION:

The MDEQ also initiates state-funded cleanups: The MDEQ Remediation and Redevelopment Division administers the Environmental Cleanup and Redevelopment Programs, which foster cleanup of environmentally contaminated sites when the liable party is either financially unable or refuses to act in a timely manner and public health necessitates immediate action. The MDEQ annually proposes projects to the Legislature; projects are approved through appropriation bills. Cleanup projects are prioritized by the magnitude of the public health or environmental risk and by the potential for redevelopment.

FEDERAL AND STATE BROWNFIELD GRANTS AND LOANS (CONTINUED)

REVENUE SOURCES FOR MDEQ BROWNFIELD REDEVELOPMENT GRANTS AND LOANS

Environmental Protection Bond Fund:

In 1988, voters passed Proposal C, the Environmental Bond Issue, which authorized MDEQ to use \$660 million in general obligation bonds for environmental protection (established by PA 328 of 1988; Part 195 of PA 451 explains uses of bond proceeds). \$425 million was specifically reserved for environmental cleanup. As of September, 2012, approximately \$8.5 million of authorized proceeds remain available.

Clean Michigan Initiative (CMI):

In 1996, voters approved a \$675 million bond initiative for brownfield redevelopment and cleanup; to protect and enhance lakes, rivers and streams; reclaim waterfront; improve state and local parks and recreation activities; and prevent pollution and hazards from lead (Part 196 of PA 451). CMI has 6 main categories: response activities, waterfront improvement (grants exhausted), lake and river sediment cleanup, nonpoint source pollution control grants, clean water programs and pollution prevention programs. 2003 PA 253 significantly increased the amount of CMI grant and loan funds available to local units; \$335 million is now reserved for brownfield cleanup, including:

- \$155 million for site cleanup and redevelopment,
- \$37.5 million in grants and \$37.5 million in loans for local units of government for response activities at suspected or known contaminated sites with redevelopment potential,
- \$93 million for cleanup of sites that pose danger to public health or the environment, and
- \$12 million in grants to local units for landfill remediation at sites listed on the National Priorities List (the "Superfund" list).

U.S. ENVIRONMENTAL PROTECTION AGENCY ASSESSMENT GRANTS

The EPA awards grants of up to \$200,000 to states, local governments, tribal governments and governmental or quasi-governmental entities and authorities for Brownfield site inventory, characterization, assessment and to conduct planning and community involvement activities relevant to Brownfields. Applicants may request up to \$350,000 for petroleum-impacted or hazardous substance contamination. A coalition of three or more eligible applicants can submit one grant proposal under the name of one of the coalition members for up to \$ 1,000,000. The performance period is 3 years.

Cleanup Grants:

Applicant eligibility is the same as Assessment Grant eligibility. Applicants must own the property and have conducted a Phase I site assessment prior to proposal submission. Grants up to \$200,000 for no more than 3 sites per applicant are available for cleanup activities. Grants require a 20 percent cost share in the form of monetary resources, labor or materials (may be waived for hardship). The performance period is 3 years.

FEDERAL AND STATE BROWNFIELD GRANTS AND LOANS (CONTINUED)

Targeted Brownfields Assessments:

The Environmental Protection Agency offers funding and technical assistance through its regional offices for certain costs associated with assessment for remediation of certain contaminated sites.

A Targeted Brownfields Assessment may encompass one or more of the following activities:

- A screening (phase I) assessment, including a background and historical investigation and a preliminary site inspection;
- A full (phase II) site assessment, including sampling activities to identify the types and concentrations of contaminants and the areas of contamination to be cleaned;
- Establishment of cleanup options and cost estimates based on future uses and redevelopment plans.

Targeted Brownfields Assessment (TBA) funding may only be used at real property at which redevelopment, reuse or expansion may be complicated by contamination. The Small Business Liability Relief and Brownfields Revitalization Act expanded TBA eligible property to include mine scarred land, properties contaminated by a controlled substance and low-risk petroleum-contaminated properties

Regional EPA offices have discretion in selecting properties for TBA. Typically, preference is given to publicly owned or abandoned property, low or moderately contaminated sites, projects that include environmental justice issues or that suffer from the stigma of liability, and sites with prospective purchasers willing to buy and pay for cleanup if needed.

Source: EPA at http://www.epa.gov/brownfields/grant_info/index.htm

U.S. ENVIRONMENTAL PROTECTION AGENCY LOANS

Brownfields Cleanup Revolving Loan Fund:

Brownfields Revolving Loan Fund Grants provide funding to a grant recipient to capitalize a revolving loan fund that provides loans and sub-grants to carry out cleanup activities at brownfields sites. Revolving Loan Fund Grants can provide up to \$1 million per eligible entity, and are available for a single recipient or a coalition of eligible entities. Requirements include:

- Funds may be used to address sites contaminated by petroleum and/or hazardous substances, pollutants, or contaminants.
- At least 60 percent of the awarded funds must be used to implement a revolving loan fund, in order to provide no-interest or low interest loans for brownfield cleanups
- An RLF award requires a 20 percent cost share, which may be in the form of a contribution of money, labor, material, or services, and must be for eligible and allowable costs.

DATA AND SOURCE:

Since 2000, the EPA awarded a total of \$87.2 million in grants to 104 Michigan communities, including:

City of Adrian
Albion Brownfield Redevelopment Authority
Alger County
Allegan County
City of Allegan

**FEDERAL AND STATE BROWNFIELD GRANTS AND LOANS
(CONTINUED)**

City of Alma
 City of Alpena
 Arenac County
 Battle Creek
 Bay City
 Benton Harbor Brownfield Redevelopment Authority
 Berrien County Brownfield Redevelopment Authority
 Branch County
 Bridgeport Charter Township
 Buchanan, City of
 Calhoun County
 Cedar Springs
 Charlotte Brownfield Redevelopment Authority
 Cheboygan County
 Clare County
 Clinton County
 Delta County
 Dearborn
 Detroit
 Detroit/Wayne County Port Authority
 Dickinson County Brownfield Redevelopment Authority
 Downriver Community Conference
 East Lansing
 Eaton County
 Ecorse
 Flint
 Frankfort
 Genesee County Land Bank Authority
 Grand Rapids
 Grand Rapids Brownfield Redevelopment Authority
 Grand Traverse County
 Grand Traverse County Brownfield Redevelopment Authority
 Grand Valley Metropolitan Council
 Gratiot County Brownfield Redevelopment Authority
 Hamtramck
 Harbor Shores Community Redevelopment, Inc.
 Hastings
 Huron County
 Ingham County
 Inkster
 Ionia County
 Jackson County Brownfield Redevelopment Authority
 Kalamazoo County
 Kalamazoo
 Kent County
 Kentwood
 Keweenaw Bay Indian Community (KBIC)
 Keweenaw County

FEDERAL AND STATE BROWNFIELD GRANTS AND LOANS (CONTINUED)

Lake County
 Lansing Brownfield Redevelopment Authority
 Lansing
 Leelanau County
 Lenawee County
 Lincoln Park
 Macatawa Area Coordinating Council
 Macomb County
 Manistee County Brownfield Redevelopment Authority
 Manistee
 Marquette County
 Mason County
 Mecosta County
 Michigan Department of Environment Quality
 Michigan Land Bank Fast Track Authority
 Monroe
 Charter Township of Northville
 Oakland County
 Osceola County Brownfield Redevelopment Authority
 Otsego County Brownfield Redevelopment Authority
 Ottawa County (Michigan)
 Redford, Charter Township of
 Reed City Brownfield Redevelopment Authority
 Roscommon County
 City of Saginaw
 Saginaw County Brownfields Redevelopment Authority
 Sanilac County, Michigan
 Schoolcraft County
 Southfield (City of) Brownfield Redevelopment Authority
 St. Clair County Brownfield Redevelopment Authority
 St. Joseph County
 St. Joseph County Brownfield Redevelopment Authority
 St. Joseph County Economic Development Corporation
 City of St. Louis
 Sturgis
 Taylor
 Three Rivers
 Traverse City and Charter Township of Garfield Recreational Authority
 Trenton
 Tuscola
 Washtenaw County
 Wayne County Brownfield Redevelopment Authority
 Wayne County
 Wyandotte
 Wyoming
 Ypsilanti

Source: U.S. EPA Brownfields Grant Fact Sheet

APPENDICES

- Appendix A: HUBZones—Census Tract Designation by County*
- Appendix B: CDBG Eligible Communities*
- Appendix C: Economic Development Corporation Account Managers & Territories*
- Appendix D: Qualified Local Government Units (OPRA)*
- Appendix E: Small Business & Technology Development Centers by Region*
- Appendix F: Definitions of Blight, Functional Obsolete and Facility*
- Appendix G: MEGA Definition of High-Tech Activity and Business*
- Appendix H: MSHDA Definition of Eligible Distressed Areas*
- Appendix I: Local Development Finance Authorities*
- Appendix J: Industrial Facility Tax Abatements*
- Appendix K: Local Governments with Tax Increment Finance (TIF) Authorities*

APPENDIX A HISTORICALLY UNDERUTILIZED BUSINESS ZONES (HUBZONES) CENSUS TRACT DESIGNATION BY COUNTY

The following are census tracts with Historically Underutilized Business Zone designation under U.S.C. 26 sec. 42(d)(5)(C)(ii)(I). For a listing of entire counties, Indian reservations and former military bases in Michigan with HUBZone designation, see page 10.

County - Tract(s)

Allegan – 26005030901, 26005031000

Alpena – 26007000400, 26007000500

Antrim – 26009960700

Bay – 26017280300, 26017280400, 26017280700, 26017286500, 26017285202

Berrien – 26021000400, 26021000500, 26021002300, 26021002500, 26021021300, 26021002200, 26021000600, 26021020500, 26021000300, 26021002100

Branch – 26023951500, 26023950800

Calhoun – 26025003300, 26025003600, 26025000300, 26025004100, 26025000700, 26025002100, 26025001300, 26025000600, 26025001100

26025000500 (Predesignated until October 2015)

Cheboygan – 26031960200

Chippewa – 26033970900, 26033970300

Clare – 26035001300, 26035000500, 26035000300, 26035000600

Clinton – 26037011200, 26037010203

Delta – 26041970900

Genesee - 26049002300, 26049002600, 26049000200, 26049010304, 26049003200, 26049004000, 26049010305, 26049003400, 26049001400, 26049001500, 26049002800, 26049002900, 26049003800, 26049013600, 26049001800, 26049012202, 26049002400, 26049000400, 26049000600, 26049001700, 26049002000, 26049012310, 26049012311, 26049000300, 26049000500, 26049000700, 26049000800, 26049000900, 26049001000, 26049001100, 26049010812, 26049002200, 26049001900, 26049000100

Gladwin – 26051000900

Gogebic – 26053950500

Gratiot – 26057000600

Hillsdale – 26059051200, 26059050700

APPENDIX A HISTORICALLY UNDERUTILIZED BUSINESS ZONES (HUBZONES CENSUS TRACT DESIGNATION BY COUNTY (CONTINUED)

Houghton – 26061000800

Ingham – 26065001000, 26065003902, 26065004000, 26065004100, 26065004301, 26065004302, 26065004402, 26065004403, 26065003301, 26065002902, 26065005304, 26065000400, 26065000600, 26065000700, 26065000800, 26065001200, 26065002000, 26065002101, 26065006500, 26065006600, 26065006700, 26065003602, 26065003700, 26065005100, 26065005201, 26065003200

Ionia – 26067031700

Isabella – 26073000500, 26073000600, 26073940500, 26073000400, 26073000700, 26073000800

Jackson – 26075000200, 26075000600, 26075001000, 26075001100, 26075001200, 26075005900, 26075006900

Kalamazoo – 26077000100, 26077000201, 26077000202, 26077000300, 26077000500, 26077000600, 26077000900, 26077001100, 26077001504, 26077001000, 26077001702, 26077001507, 26077001604, 26077001506, 26077002903

Kalkaska - 26079950200

Kent – 26081001102, 26081003500, 26081012606, 26081012607, 26081000800, 26081001101, 26081001200, 26081001300, 26081001400, 26081001500, 26081001600, 26081002000, 26081002100, 26081002200, 26081002500, 26081002600, 26081002700, 26081002800, 26081003000, 26081003100, 26081003200, 26081003600, 26081003700, 26081014701, 26081014200, 26081003800, 26081003900, 26081004000, 26081013600

Lake – 26085961200

Lenawee – 26091061302, 26091061600, 26091061500

Livingston – 26093725100, 26093742401

Macomb – 26099262100, 26099263200, 26099263800, 26099264000, 26099268300, 26099255200, 26099263600, 26099245200, 26099245400, 26099247100, 26099256600

Marquette – 26103002400, 26103000100, 26103000300, 26103000500, 26103000600

Mecosta – 26107960600, 26107960500

Midland – 26111290600, 26111290200

Monroe – 26115831800

Montcalm – 26117971200

APPENDIX A HISTORICALLY UNDERUTILIZED BUSINESS ZONES (HUBZONES) CENSUS TRACT DESIGNATION BY COUNTY (CONTINUED)

Muskegon – 26121001402, 26121000100, 26121000300, 26121000500, 26121000601, 26121004200, 26121001200, 26121001300, 26121004300, 26121000402

Newaygo – 26123970700

Oakland – 26125140301, 26125141000, 26125197400, 26125198100, 26125181000, 26125144701, 26125175100, 26125175200, 26125141100, 26125141200, 26125142300, 26125171600, 26125172500, 26125141400, 26125141500, 26125141600, 26125141700, 26125142000, 26125142100, 26125142200, 26125142400, 26125172400, 26125160300

Redesignated until October 2015: 26125142500, 26125142700

Oceana – 26127010500

Ogemaw – 26129950900

Oscoda – 9704 26135970300

Ottawa – 26139024900, 26139024500

Roscommon – 26143971100, 26143970200

Saginaw – 26145000800, 26145011000, 26145000100, 26145000200, 26145000400, 26145000600, 26145000700, 26145001000, 26145001100, 26145001200, 26145001300, 26145001600, 26145001700, 26145000900

Redesignated until October, 2015: 26145001800

St. Clair – 26147623000, 26147621000, 26147624000, 26147625000, 26147626000, 26147620000, 26147636000

Shiawassee – 26155030700, 26155030600

St. Joseph – 26149040200, 26149040700

Redesignated until October 2015- 26149040400

Tuscola – 26157000600

Van Buren – 26159010600, 26159011400

Washtenaw – 26161400100, 26161400200, 26161400300, 26161400500, 26161400800, 26161402100, 26161402200, 26161402600, 26161400800, 26161402100, 26161402200, 26161402600, 26161412000, 26161404200, 26161414000, 26161413000, 26161410100, 26161411200, 26161411900, 26161412100, 26161410500, 26161410600, 26161410700, 26161411000

APPENDIX A HISTORICALLY UNDERUTILIZED BUSINESS ZONES (HUBZONES CENSUS TRACT DESIGNATION BY COUNTY (CONTINUED)

Redesignated until October, 2015: 26161400700, 26161414300, 26161421900, 26161410800, 26161411100

Wayne – 26163506700, 26163541700, 26163500300, 26163500400, 26163500500, 26163500600, 26163501100, 26163503200, 26163503300, 26163503500, 26163503600, 26163503900, 26163504000, 26163504100, 26163504200, 26163504300, 26163504400, 26163505000, 26163505100, 26163505200, 26163505400, 26163506100, 26163506200, 26163506300, 26163525800, 26163526000, 26163526100, 26163526200, 26163526300, 26163526400, 26163526500, 26163527200, 26163527300, 26163533700, 26163534400, 26163534500, 26163534600, 26163534700, 26163535000, 26163535500, 26163535700, 26163545500, 26163545600, 26163573300, 26163573500, 26163573600, 26163573702, 26163573800, 26163573900, 26163574000, 26163574100, 26163985000, 26163546100, 26163523800, 26163524000, 26163524100, 26163524200, 26163524300, 26163524900, 26163525700, 26163515200, 26163515300, 26163516400, 26163516600, 26163516700, 26163516800, 26163516900, 26163517000, 26163517100, 26163517300, 26163517500, 26163518800, 26163518900, 26163520200, 26163520300, 26163520400, 26163520700, 26163521400, 26163521500, 26163521800, 26163521900, 26163522000, 26163522100, 26163522200, 26163522300, 26163522500, 26163579500, 26163579600, 26163579700, 26163579800, 26163568700, 26163570500, 26163570600, 26163521100, 26163521300, 26163523100, 26163523200, 26163523300, 26163523400, 26163525000, 26163525400, 26163525500, 26163525600, 26163545800, 26163501700, 26163501300, 26163501900, 26163502000, 26163512100, 26163512200, 26163512300, 26163512400, 26163512600, 26163512900, 26163513200, 26163513300, 26163513600, 26163513700, 26163513900, 26163514100, 26163515600, 26163515700, 26163504700, 26163504800, 26163505500, 26163506400, 26163506500, 26163506600, 26163510600, 26163510700, 26163511000, 26163511200, 26163511300, 26163511400, 26163511900, 26163514200, 26163514300, 26163514500, 26163515900, 26163516000, 26163516100, 26163516200, 26163518000, 26163518400, 26163518500, 26163518600, 26163522400, 26163533900, 26163552000, 26163552100, 26163552200, 26163552300, 26163552400, 26163552800, 26163500100, 26163500700, 26163500900, 26163501000, 26163501200, 26163506800, 26163507400, 26163507500, 26163508000, 26163508100, 26163507000, 26163507100, 26163507200, 26163507300, 26163507800, 26163507900, 26163510400, 26163510500, 26163530100, 26163530200, 26163530300, 26163530400, 26163530500, 26163530800, 26163530900, 26163531100, 26163531300, 26163531400, 26163531500, 26163531600, 26163531700, 26163531800, 26163531900, 26163532400, 26163532600, 26163532700, 26163533000, 26163533100, 26163533200, 26163533300, 26163533400, 26163533500, 26163533600, 26163534100, 26163534200, 26163536100, 26163536300, 26163536400, 26163536500, 26163536600, 26163536700, 26163536800, 26163538300, 26163553000, 26163553100, 26163553200, 26163553300, 26163553400, 26163553600, 26163553800, 26163570400, 26163570800, 26163570900, 26163571000, 26163524800, 26163577000, 26163577100, 26163524500, 26163568500, 26163534300, 26163535100, 26163535200, 26163535300, 26163535400, 26163537000, 26163537100, 26163537200, 26163537300, 26163537500, 26163537600, 26163537700, 26163537800, 26163541100, 26163541200, 26163542200, 26163542400, 26163542700, 26163543400, 26163543500, 26163543600, 26163543700, 26163543800, 26163543900, 26163544200, 26163545100, 26163545200, 26163545300, 26163545400, 26163545900, 26163546000, 26163546400, 26163546500, 26163546600, 26163546800, 26163546900, 26163536900, 26163538700, 26163539100, 26163539200,

APPENDIX A
HISTORICALLY UNDERUTILIZED BUSINESS ZONES (HUBZONES)
CENSUS TRACT DESIGNATION BY COUNTY (CONTINUED)

26163539700, 26163540100, 26163540200, 26163540300, 26163541300, 26163541400,
26163544100, 26163544300, 26163524700, 26163579100, 26163579200, 26163579300,
26163564900, 26163594000, 26163541000, 26163541500, 26163585500, 26163584200,
26163584800, 26163566500, 26163568800

Redesignated until October, 2015: 26163503400, 26163516300, 26163539000, 26163532200,
26163540400, 26163584600

Wexford - 26165380700

Source: <http://www.sba.gov/content/hubzone-maps>

APPENDIX B LOCAL UNITS OF GOVERNMENT ELIGIBLE FOR U.S. HOUSING AND URBAN DEVELOPMENT-ADMINISTERED COMMUNITY DEVELOPMENT BLOCK GRANTS

Entitlement Communities Grants are entitled to direct federal Community Development Block Grant funding.

Eligible grantees include: principal cities of Metropolitan Statistical Areas (MSAs); other metropolitan cities with populations of at least 50,000; and qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities) are entitled to receive annual grants.

List of principal cities in Michigan MSAs:

Ann Arbor
Battle Creek
Bay City
Detroit, Warren, Dearborn, Livonia, Troy, Farmington Hills, Southfield, Taylor, Pontiac, Novi
Flint
Grand Rapids, Wyoming (but not Holland or Grand Haven)
Jackson
Kalamazoo, Portage
Lansing, East Lansing
Midland
Monroe
Muskegon (but not Norton Shores)
Niles, Benton Harbor
Saginaw (but not Saginaw Township North)

Small cities, villages, and townships with populations of less than 50,000 and non-urban counties are generally eligible for Community Development Block Grant (CDBG) funds administered by the State of Michigan. There are over 1,600 of such units of local government, referred to as nonentitlement communities. All communities are nonentitlement unless otherwise noted below. Units of government listed below may receive CDBG funds directly from the U.S. Department of Housing and Urban Development.

The following counties and all respective units of local government within are not eligible for CDBG funds administered by the State of Michigan:

Genesee County (with the exception of the Cities of Flushing and Linden)
Kent County (with the exception of the City of Cedar Springs)
Macomb County
Oakland County (except for the Townships of Novi and Southfield)
Wayne County

In Washtenaw County, the following units of government are not eligible for CDBG funds administered by the State of Michigan:

| | | | |
|---------------------|----------------------|--------------------|-------------------|
| City of Ann Arbor | Northfield Township | Superior Township | City of Ypsilanti |
| Pittsfield Township | York Township | Ann Arbor Township | Salem Township |
| Ypsilanti Township | Bridgewater Township | Scio Township | |

APPENDIX B LOCAL UNITS OF GOVERNMENT ELIGIBLE FOR U.S. HOUSING AND URBAN DEVELOPMENT-ADMINISTERED COMMUNITY DEVELOPMENT BLOCK GRANTS (CONTINUED)

The following cities are not directly eligible for CDBG funds administered by the State of Michigan, but an eligible county may apply for funding that will be used in these jurisdictions:

| | | | |
|--------------|---------------|---------------|------------------|
| Battle Creek | Bay City | Benton Harbor | East Lansing |
| Holland | Jackson | Kalamazoo | Lansing |
| Midland | Monroe | Muskegon | Muskegon Heights |
| Niles | Norton Shores | Portage | Port Huron |
| Saginaw | | | |

Indian tribes are not directly eligible for CDBG funds, but an eligible county or township may apply for funding that will be used on Indian reservations if the unit of local government has the legal authority to fund projects on Indian reservations and Indian preference is not provided.

Source: Michigan State Housing Development Authority

APPENDIX C

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY COMMUNITY DEVELOPMENT REGION CONTACTS AND MICHIGAN ECONOMIC DEVELOPMENT CORPORATION ACCOUNT MANAGERS AND TERRITORIES

The Michigan State Housing Development Authority maintains a field staff responsible for different community development regions. Corresponding community development regions and their associated staff phone numbers and emails are as follows (current through July 2014):

Region 1: Northern Michigan and the Upper Peninsula

| | | |
|----------------|--------------|--|
| Tracy Barnes | 517-241-2588 | barnest5@michigan.gov |
| James Espinoza | 517-335-3078 | espinozaj@michigan.gov |
| Julie Gardner | 517-241-4656 | gardnerj@michigan.gov |
| Emily Petz | 517-373-3181 | petze@michigan.gov |

Region 2: Western Michigan

| | | |
|-------------|--------------|--|
| Sue DeVries | 517-241-4350 | devriess@michigan.gov |
| Kelly Gram | 517-335-4358 | gramk@michigan.gov |
| Amy Korp | 517-335-2307 | korpa@michigan.gov |

Region 3: Eastern Michigan (without Oakland and Wayne County)

| | | |
|----------------|--------------|--|
| Diane Karkau | 517-241-2852 | karkaud@michigan.gov |
| Debbie Neumann | 517-335-1096 | neumannnd1@michigan.gov |
| Louis Vinson | 517-335-6681 | vinsonL2@michigan.gov |

Region 4: Oakland and Wayne Counties

| | | |
|------------------|--------------|--|
| Nicol Brown | 313-456-3597 | brownn8@michigan.gov |
| Esther Haugabook | 313-456-3592 | haugabooken@michigan.gov |
| Emanuel Odom | 313-456-3581 | odome@michigan.gov |

The Michigan Economic Development Corporation maintains a Community Assistance Team throughout the state to provide business assistance through state and federal programs. Corresponding territories and Community Assistance Team member phone numbers are as follows (current through January 2014):

East Central Region, East Michigan Region

Arenac, Bay, Clare, Gladwin, Gratiot, Isabella, Midland, Saginaw Counties; Genesee, Huron, Lapeer, Sanilac, Shiawassee, Tuscola Counties -

| | | |
|---------------|--------------|--|
| Nate Scramlin | 517-862-7742 | scramlinn@michigan.org |
|---------------|--------------|--|

South Central Region

Clinton, Eaton, Ingham Counties

| | | |
|-----------------|--------------|--|
| Marilyn Crowley | 517-803-0634 | crowleym@michigan.org |
|-----------------|--------------|--|

APPENDIX C MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY COMMUNITY DEVELOPMENT REGION CONTACTS AND MICHIGAN ECONOMIC DEVELOPMENT CORPORATION ACCOUNT MANAGERS AND TERRITORIES (CONTINUED)

Northwest Region and Northeast Region

Antrim, , Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, Wexford Counties; Alcona, Alpena, Cheboygan, Crawford, Iosco, Montmorency, Ogemaw, Oscoda, Otsego, Presque Isle, Roscommon Counties

Dan Leonard 989-387-4467 leonardd6@michigan.org

Southeast Michigan Region

Hillsdale, Jackson, Lenawee, Livingston, Monroe, Washtenaw Counties

Marilyn Crowley 517-803-0634

Upper Peninsula Region

Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon, Schoolcraft Counties

Jennifer Tucker 906-241-0589 tuckerj@michigan.org

West Michigan Region

Allegan, Barry, Ionia, Kent, Lake, Mason, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola, Ottawa Counties

Ryan Kilpatrick 616-430-8015 kilpatrickr@michigan.org

Southwest Region

Calhoun, Kalamazoo, St. Joseph, Berrien, Cass, Van Buren Counties

Rosalyn Jones 517-712-7071 jonesr4@michigan.org

Detroit Metro Region

Oakland, Macomb, Wayne Counties

Stacy Esbrook 517-819-3144 esbrooks@michigan.org

APPENDIX D

QUALIFIED LOCAL GOVERNMENTAL UNITS UNDER THE OBSOLETE PROPERTY REHABILITATION ACT (PUBLIC ACT 146 OF 2000)

Qualified local governmental units, as defined by the Obsolete Property Rehabilitation Act, are:

1. Cities with populations more than 20,000 or less than 5,000, located in a county with a population more than 2,000,000 and, as of January 1, 2000, with overall increases in state equalized valuation of real and personal property of less than 65 percent of the statewide average increase since 1972; or
2. Cities with median household incomes of 150 percent or less of the statewide median family income as reported in the 1990 census, and that meet at least one of the following criteria:
 - Contains or has within its borders an eligible distressed area as defined by the State Housing Development Authority Act (See **Appendix H** for a definition and list of current eligible distressed areas);
 - Is contiguous to a city with a population of 500,000 or more;
 - Has a population of 10,000 or more and is located outside of an urbanized area as delineated by the federal census bureau;
 - Is the central city of a metropolitan area as designated by the U.S. Office of Management and Budget;
 - Has a population of 100,000 or more and is located in a county with a population of 2,000,000 or more according to the 1990 federal census.
3. Townships with a median family income of 150 percent or less of the statewide median family income as reported in the 1990 federal census, and is either:
 - Contiguous to a city with a population of 500,000 or more, or
 - Contains an eligible distressed area as defined by the State Housing Development Authority Act (See **Appendix H** for a definition and list of current eligible distressed areas) and has a population of 10,000 or more.
4. Villages with populations of 500 or more as reported by the 1990 federal census located in an area designated as a Rural Enterprise Community before 1998.

As of March, 2013, the following local units of government are “qualified local governmental units.”

| | | | |
|--------------|---------------|---------------------------|-------------------------------|
| Adrian | Albion | Alma | Alpena |
| Ann Arbor | Bad Axe | Baldwin | Bangor |
| Battle Creek | Bay City | Benton Harbor | Benton Twp. ¹ |
| Bessemer | Big Rapids | Bronson | Buena Vista Twp. ² |
| Burton | Cadillac | Carson City | Caspian |
| Center Line | Charlotte | Cheboygan | Coldwater |
| Coleman | Crystal Falls | Dearborn | Dearborn Hts. |
| Detroit | Dowagiac | Duncan Twp. ³ | East Lansing |
| Eastpointe | Ecorse | Escanaba | Ferndale |
| Flint | Gaastra | Genesee Twp. ⁴ | Gibraltar |
| Gladstone | Grand Haven | Grand Rapids | Grayling |
| Hamtramck | Harbor Beach | Harper Woods | Hart |

APPENDIX D

**QUALIFIED LOCAL GOVERNMENTAL UNITS UNDER THE
OBSOLETE PROPERTY REHABILITATION ACT
(PUBLIC ACT 146 OF 2000) (CONTINUED)**

| | | | |
|----------------|---------------------------|------------------|------------------------------|
| Hartford | Hazel Park | Highland Park | Holland |
| Howell | Inkster | Ionia | Iron Mountain |
| Iron River | Ironwood | Ishpeming | Ithaca |
| Jackson | Kalamazoo | Lansing | Lincoln Park |
| Livonia | Ludington | Manistee | Manistique |
| Marquette | Melvindale | Menominee | Midland |
| Monroe | Mt. Clemens | Mt. Morris | Mt. Morris Twp. ⁵ |
| Mount Pleasant | Muskegon | Muskegon Hts. | Norton Shores |
| Norway | Oak Park | Omer | Onaway |
| Owosso | Pinconning | Pontiac | Portage |
| Port Huron | Redford Twp. ⁶ | River Rouge | Royal Oak Twp. ⁷ |
| Saginaw | St. Louis | Sault Ste. Marie | Southfield |
| Sturgis | Taylor | Three Rivers | Traverse City |
| Trenton | Vassar | Wakefield | Warren |
| Wayne | Wyandotte | Wyoming | Ypsilanti |

¹Berrien County

²Saginaw County

³Houghton County

⁴Saginaw County

⁵Genesee County

⁶Wayne County

⁷Oakland County

APPENDIX E SMALL BUSINESS & TECHNOLOGY DEVELOPMENT CENTERS BY REGION

Funded primarily by the Small Business Administration of the US Department of Commerce, Small Business Development Centers (SBDCs) are cooperative efforts of the private sector, the education community, federal, state, and local governments. They exist throughout most of the United States. SBDCs in Michigan, called Michigan Small Business & Technology Development Centers (SBTDCs), are business management assistance and training centers that assist people interested in starting a business as well as existing businesses with less than 500 employees.

SBTDCs provide no-cost or very low-cost business management consulting and training to Michigan's new venture companies, existing small businesses, expanding businesses, new technology companies, and innovators. According to the Michigan Economic Development Corporation, certified counselors assist businesses in handling cash flow problems, developing sound accounting practices, producing marketing materials, packaging loan proposals, addressing personnel issues, and referring clients to experts who partner with the SBTDC network. These consultants include CPAs, loan counselors, attorneys and marketing specialists. Firms interested in exporting, research and development, manufacturing and technology transfer may receive specialized assistance from the SBTDCs.

Michigan SBTDC State Office:

Grand Valley State University
Seidman College of Business
510 W Fulton Street
Grand Rapids, MI 49504
p: (616) 336-7480 f: (616) 336-7485
SBDCMichigan@gvsu.edu
www.misbtdc.org

For a listing of all Small Business & Technology Development Center programs and other Small Business Administration programs, contact the appropriate regional office. Most SBTDC Regional Offices listed below have satellite offices not listed here. See www.misbtdc.org for a listing of the more than 30 satellite offices located throughout Michigan's 83 counties.

APPENDIX F

DEFINITIONS OF BLIGHTED, FUNCTIONALLY OBSOLETE AND FACILITY

Eligible Properties for Obsolete Property Rehabilitation Act and Brownfield Redevelopment Financing Act

A property must meet the Brownfield Redevelopment Financing Act's (1996 PA 381; M.C.L. 125.2651) definition of "functional obsolescence," or "blighted," or the property must be a contaminated "facility" as defined in the Michigan Natural Resources and Environmental Protection Act of 1994 (PA 451 of 1994; M.C.L. 324.20101).

Accordingly, "functionally obsolete" is defined as property that is 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 superadequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property.

"Blighted" is defined as property that meets any of the following criteria:

1. Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.
2. Is an attractive nuisance to children because of physical condition, use, or occupancy.
3. Is a fire hazard or is otherwise dangerous to the safety of persons or property.
4. 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.
5. Is tax reverted property owned by a qualified local governmental unit, by a county, or by this state. The sale, lease, or transfer of tax reverted property by a qualified local governmental unit, county, or this state after the property's inclusion in a brownfield plan shall not result in the loss to the property of the status as blighted property for purposes of this act.
6. Is property owned or under the control of a land bank fast track authority under the land bank fast track act, whether or not located within a qualified local governmental unit. Property included within a Brownfield plan prior to the date it meets the requirements of this subdivision to be eligible property shall be considered to become eligible property as of the date the property is determined to have been or becomes qualified as, or is combined with, other eligible property. The sale, lease, or transfer of the property by a land bank fast track authority after the property's inclusion in a Brownfield plan shall not result in the loss to the property of the status as blighted property for the purpose of this act.
7. Has substantial subsurface demolition debris buried on site so that the property is unfit for its intended use.

"Facility" means any area, place, or property where a hazardous substance in excess of the concentrations that satisfy the cleanup criteria for unrestricted residential use has been released, deposited, disposed of, or otherwise comes to be located. Facility does not include any area, place, or property where any of the following conditions are satisfied:

1. Response activities have been completed under this part that satisfy the cleanup criteria for unrestricted residential use.
2. Corrective action has been completed under part 213 that satisfies the cleanup criteria for unrestricted residential use.
3. Site-specific criteria that have been approved by the department for application at the area, place, or property are met or satisfied and both of the following conditions are met.

APPENDIX G

MICHIGAN ECONOMIC GROWTH AUTHORITY

Definition of “High-Technology Activity” and “Qualified High-Technology Business”

The State of Michigan defines a high-technology activity in the Michigan Economic Growth Authority statute (M.C.L. 207.801 et seq.). This definition is also used to define high-tech activities in Public Act 247 of 2000 (amendments to the Industrial Facilities Tax Abatement program) and Public Act 248 of 2000 (amendments to the Local Development Finance Authority Act).

A “qualified high-technology business” means a or facility whose primary business activity is high-technology activity, or a qualified high-wage activity.

As defined in the Act, “high-technology activity” means one or more of the following:

1. Advanced computing, which is any technology used in the design and development of computer hardware and software, data communications, information technologies, or film and digital media production.
2. Advanced materials, which are materials with engineered properties created through the development of specialized process and synthesis technology.
3. Biotechnology, which is any technology that uses living organisms, cells, macromolecules, microorganisms, or substances from living organisms to make or modify a product, improve plants or animals, or develop microorganisms for useful purposes. Biotechnology does not include human cloning as defined in section 16274 of the public health code, 1978 PA 368, MCL 333.16274, or stem cell research with embryonic tissue.
4. Electronic device technology, which is any technology that involves microelectronics, semiconductors, electronic equipment, and instrumentation, radio frequency, microwave, and millimeter electronics, and optical and optic-electrical devices, or data and digital communications and imaging devices.
5. Engineering or laboratory testing related to the development of a product.
6. Technology that assists in the assessment or prevention of threats or damage to human health or the environment, including, but not limited to, environmental cleanup technology, pollution prevention technology, or development of alternative energy sources.
7. Medical device technology, which is any technology that involves medical equipment or products other than a pharmaceutical product that has therapeutic or diagnostic value and is regulated.
8. Product research and development.
9. Advanced vehicles technology, which is any technology that involves electric vehicles, hybrid vehicles, or alternative fuel vehicles, or components used in the construction of electric vehicles, hybrid vehicles, or alternative fuel vehicles. For purposes of this act:
 - “Electric vehicle” means a road vehicle that draws propulsion energy only from an on-board source of electrical energy.
 - “Hybrid vehicle” means a road vehicle that can draw propulsion energy from both a consumable fuel and a rechargeable energy storage system.
10. Tool and die manufacturing.
11. Competitive edge technology as defined in section 88a of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088a. (The four competitive edge technologies are: life sciences technology; advanced automotive, manufacturing, and materials technology; homeland security and defense technology; alternative energy technology. For a detail description of each technology, please consult the section 88a.)

APPENDIX G MICHIGAN ECONOMIC GROWTH AUTHORITY (CONTINUED)

As defined in the Act, “qualified high-wage activity” means a business that has an average wage of 300% or more of the federal minimum wage. Qualified high-wage activity may also include, but is not limited to, 1 or more of the following as long as they have an average wage of 300% or more of the federal minimum wage:

1. Architecture and design, including architectural design, graphic design, interior design, fashion design, and industrial design.
2. Advertising and marketing, including advertising and marketing firms and agencies, public relations agencies, and display advertising.

APPENDIX H

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Definition of Eligible Distressed Areas

The State Housing Development Authority Act (1966 PA 346), defines an Eligible Distressed Area as any of the following:

1. An area located in a city with a population of at least 10,000, which area is either designated as a "blighted area" by a local legislative body pursuant to Public Act No. 344 of 1945, MCL 125.71 to 125.84, or which area is determined by the authority to be blighted or largely vacant by reason of clearance of blight, if, with respect to the area, the authority determines all of the following:
 - That private enterprise has failed to provide a supply of adequate, safe, and sanitary dwellings sufficient to meet market demand.
 - That approval of elimination of income limits applicable in connection with authority loans has been received from the city in the form of either a resolution adopted by the highest legislative body in the city, or, if the city charter provides for the mayor to be elected at large with that office specifically designated on the ballot, provides that the office of the mayor is a full-time position, and provides that the mayor has the power to veto legislative actions of the legislative body of that city, a written communication from the mayor of that city.
2. A municipality (city, village, or township) that meets all of the following requirements:
 - The municipality shows a negative population change from 1970 to the date of the most recent federal decennial census.
 - The municipality shows an overall increase in the state-equalized value of real and personal property of less than the statewide average increase since 1972.
 - The municipality has a poverty rate, as defined by the most recent federal decennial census, greater than the statewide average.
 - The municipality has had an unemployment rate higher than the statewide average unemployment rate for 3 of the preceding 5 years.
3. An area located in a local unit of government certified by the Michigan Enterprise Zone Authority as meeting the criteria prescribed in section 2(d) of the Neighborhood Enterprise Zone Act (1992 PA 147).

As of May, 2014, there were 168 Eligible Distressed Areas in Michigan: 127 cities, 25 townships, and 16 villages. The following local units of government contained Eligible Distressed Areas:

Cities:

| | | | |
|--------------|------------------|---------------|---------------|
| Adrian | Albion | Allegan | Alma |
| Alpena | Ann Arbor | Bad Axe | Bangor |
| Battle Creek | Bay City | Benton Harbor | Bessemer |
| Big Rapids | Bronson | Buchanan | Burton |
| Cadillac | Caro | Carson City | Caspian |
| Center Line | Charlevoix | Charlotte | Cheboygan |
| Coldwater | Coleman | Corunna | Crystal Falls |
| Dearborn | Dearborn Heights | Detroit | Dowagiac |
| East Lansing | Eastpointe | Ecorse | Escanaba |
| Ferndale | Flint | Frankfort | Gaastra |

APPENDIX H

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY (CONTINUED)

| | | | |
|------------------|--------------|---------------|------------------|
| Gaylord | Gibraltar | Gladstone | Gladwin |
| Grand Haven | Grand Rapids | Grayling | Hamtramck |
| Harbor Beach | Harper Woods | Harrison | Harrisville |
| Hart | Hartford | Hastings | Hazel Park |
| Highland Park | Hillsdale | Holland | Houghton |
| Howell | Inkster | Ionia | Iron Mountain |
| Iron River | Ironwood | Ishpeming | Ithaca |
| Jackson | Kalamazoo | Lake City | Lansing |
| Lapeer | Lincoln Park | Livonia | Ludington |
| Madison Heights | Manistee | Manistique | Marine City |
| Marquette | Marshall | Mason | Melvindale |
| Menominee | Midland | Monroe | Mt. Clemens |
| Mt. Morris | Mt. Pleasant | Munising | Muskegon |
| Muskegon Heights | Niles | Norton Shores | Norway |
| Oak Park | Olivet | Omer | Onaway |
| Owosso | Petoskey | Pinconning | Pontiac |
| Port Huron | Portage | Reed City | River Rouge |
| Rogers City | Saginaw | Sandusky | Sault Ste. Marie |
| St. Ignace | St. Johns | St. Joseph | St. Louis |
| Southfield | Standish | Stanton | Sturgis |
| Tawas City | Taylor | Three Rivers | Traverse City |
| Trenton | Vassar | Wakefield | Warren |
| Wayne | West Branch | White Cloud | Wyandotte |
| Wyoming | Ypsilanti | | |

Villages:

| | | | |
|------------|-------------|-------------|----------|
| Atlanta | Baldwin | Bellaire | Beulah |
| Cassopolis | Centerville | Eagle River | Kalkaska |
| L'Anse | Leland | Mio | Newberry |
| Ontonagon | Paw Paw | Roscommon | |

Townships:

| | | |
|-----------------------|------------------------|-----------------------|
| Benton (Berrien) | Brookfield (Huron) | Buena Vista (Saginaw) |
| Carp Lake (Ontonagon) | Carrollton (Saginaw) | Champion (Marquette) |
| Columbia (Tuscola) | Duncan (Houghton) | Elba (Gratiot) |
| Elmwood (Tuscola) | Emerson (Gratiot) | Fairfield (Lenawee) |
| Genesee (Genesee) | Indianfields (Tuscola) | L'Anse (Baraga) |
| Leoni (Jackson) | Marlette (Sanilac) | Minden (Sanilac) |

APPENDIX H MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY (CONTINUED)

| | | |
|-----------------------|-------------------------|--------------------|
| Montrose (Genesee) | Mt. Morris (Genesee) | Oscoda (Iosco) |
| Oliver (Huron County) | Pulawski (Presque Isle) | Redford (Wayne) |
| Royal Oak (Oakland) | Sebewaing (Huron) | Sheridan (Calhoun) |
| Sodus (Berrien) | Spaulding (Saginaw) | Turner (Arenac) |
| Wakefield (Gogebic) | Wisner (Tuscola) | |

Source: Michigan State Housing Development Authority

APPENDIX I LOCAL DEVELOPMENT FINANCE AUTHORITIES

Through 2005, the following municipalities in Michigan had Local Development Finance Authorities:

| | | | |
|-----------------|------------------|--------------|---------------|
| Adrian | Alma | Augusta Twp. | Battle Creek |
| Bay City | Belding | Big Rapids | Blackman Twp. |
| Boyne City | Brighton | Byron Twp. | Cadillac |
| Cedar Springs | Charlotte | Clare | Coldwater |
| Comstock Twp. | Davison | Decatur | Detroit |
| Dexter | Dowagiac | Dundee | Eaton Rapids |
| Ecorse | Emmet | Ewart | Farwell |
| Fenton | Fowlerville | Fremont | Gaines Twp. |
| Garden City | Grand Blanc Twp. | Grand Ledge | Grand Rapids |
| Greenville | Harbor Beach | Hastings | Hazel Park |
| Hillman | Homer | Houghton | Howell |
| Hudson | Hudsonville | Huron Twp. | Imlay City |
| Ionia | Jackson | Jonesville | Kalamazoo |
| Lapeer | Lawrence | Leslie | Manistee |
| Marine City | Marlette | Marquette | Marshall |
| Marysville | Mason | Mattawan | Middleville |
| Millington | Monroe | Mt. Pleasant | Mundy Twp. |
| Muskegon | Negaunee | Niles | Owosso |
| Parma | Port Huron | Portage | Quincy |
| Rochester Hills | Saginaw | St. Charles | St. Clair |
| St. Johns | Saline | Sandusky | South Haven |
| Southfield | Surrey Twp. | Tecumseh | Three Rivers |
| Van Buren Twp. | Vicksburg | Westland | White Cloud |
| Whitehall | Wixom | Wyoming | Yale |
| Ypsilanti | Zeeland | | |

APPENDIX J INDUSTRIAL FACILITY TAX ABATEMENTS

| <u>County</u> | <u>Abated Real Property</u> | <u>Abated Personal Property</u> | <u>Total Abatement</u> |
|----------------------|------------------------------------|--|-------------------------------|
| Alcona | \$ 461,751 | \$ 0 | \$ 461,751 |
| Alger | 235,000 | 38,000 | 273,000 |
| Allegan | 244,597,904 | 519,977,968 | 764,575,872 |
| Alpena | 11,823,833 | 77,745,309 | 89,569,142 |
| Antrim | 4,274,019 | 5,057,619 | 9,331,638 |
| Arenac | 7,264,148 | 15,151,619 | 22,415,767 |
| Baraga | 2,886,690 | 16,233,765 | 19,120,455 |
| Barry | 29,283,397 | 54,877,859 | 84,161,256 |
| Bay | 2,091,469,021 | 649,128,441 | 2,740,597,462 |
| Berrien | 111,345,259 | 415,396,879 | 526,742,138 |
| Branch | 47,279,433 | 149,976,178 | 197,255,611 |
| Calhoun | 268,141,252 | 1,187,394,475 | 1,455,535,727 |
| Cass | 29,945,169 | 130,061,637 | 160,006,806 |
| Charlevoix | 40,388,567 | 121,844,216 | 162,232,783 |
| Cheboygan | 3,650,000 | 3,995,748 | 7,645,748 |
| Chippewa | 9,849,897 | 1,860,566 | 11,710,463 |
| Clare | 12,947,191 | 47,419,429 | 60,366,620 |
| Clinton | 48,721,045 | 60,271,676 | 108,992,721 |
| Crawford | 3,713,653 | 11,414,750 | 15,128,403 |
| Delta | 41,587,799 | 147,975,106 | 189,562,905 |
| Dickinson | 22,357,280 | 44,938,847 | 67,296,127 |
| Eaton | 226,003,738 | 442,036,759 | 668,040,497 |
| Emmet | 8,214,476 | 47,765,270 | 55,979,746 |
| Genesee | 601,649,530 | 457,733,289 | 1,059,382,819 |
| Gladwin | 11,907,200 | 36,763,278 | 48,670,478 |
| Gogebic | 5,968,535 | 8,464,082 | 14,432,617 |
| Grand Traverse | 42,950,170 | 160,772,456 | 203,722,626 |
| Gratiot | 34,591,922 | 92,654,163 | 127,246,085 |
| Hillsdale | 62,128,678 | 303,113,107 | 365,241,785 |
| Houghton | 5,328,019 | 11,428,059 | 16,756,078 |
| Huron | 60,767,503 | 455,724,740 | 516,492,243 |
| Ingham | 783,316,334 | 684,336,025 | 1,467,652,359 |
| Ionia | 21,950,938 | 89,226,400 | 111,177,338 |
| Iosco | 189,173 | 2,805,668 | 2,994,841 |
| Iron | 2,127,084 | 6,919,716 | 9,046,800 |
| Isabella | 11,701,732 | 49,325,733 | 61,027,465 |
| Jackson | 123,888,413 | 741,421,455 | 865,309,868 |
| Kalamazoo | 414,362,816 | 462,076,359 | 876,439,175 |
| Kalkaska | 3,300,000 | 5,373,409 | 8,673,409 |
| Kent | 838,208,180 | 2,257,774,210 | 3,095,982,390 |
| Lake | 175,055 | 61,647 | 236,702 |

APPENDIX J

INDUSTRIAL FACILITY TAX ABATEMENTS (CONTINUED)

| <u>County</u> | <u>Abated Real Property</u> | <u>Abated Personal Property</u> | <u>Total Abatement</u> |
|---------------|-----------------------------|---------------------------------|------------------------|
| Lapeer | 73,724,201 | 263,301,770 | 337,025,971 |
| Leelanau | 0 | 11,357 | 11,357 |
| Lenawee | 123,207,621 | 547,408,214 | 670,615,835 |
| Livingston | 241,015,409 | 509,425,293 | 750,440,702 |
| Luce | 1,895,000 | 5,325,295 | 7,220,295 |
| Mackinac | 600,000 | 100,000 | 700,000 |
| Macomb | 1,780,277,125 | 5,969,705,775 | 7,749,982,900 |
| Manistee | 8,918,502 | 69,471,533 | 78,390,035 |
| Marquette | 58,930,000 | 257,024,595 | 315,954,595 |
| Mason | 12,730,683 | 29,159,761 | 41,890,444 |
| Mecosta | 59,290,492 | 167,700,347 | 226,990,839 |
| Menominee | 18,517,654 | 45,524,379 | 64,042,033 |
| Midland | 2,124,763,473 | 1,071,954,129 | 3,196,717,602 |
| Missaukee | 875,273 | 17,609,269 | 18,484,542 |
| Monroe | 304,691,765 | 1,167,762,996 | 1,472,454,761 |
| Montcalm | 92,287,686 | 469,571,760 | 561,859,446 |
| Montmorency | 863,000 | 3,811,106 | 4,674,106 |
| Muskegon | 189,278,522 | 628,442,137 | 817,720,659 |
| Newaygo | 5,063,139 | 121,275,707 | 126,338,846 |
| Oakland | 1,143,214,477 | 2,581,540,821 | 3,724,755,298 |
| Oceana | 15,780,266 | 43,011,911 | 58,792,177 |
| Ogemaw | 1,755,000 | 1,165,867 | 2,920,867 |
| Ontonagon | 582,096 | 5,615,351 | 6,197,447 |
| Osceola | 51,596,525 | 85,814,719 | 137,411,244 |
| Oscoda | 3,748,618 | 8,116,199 | 11,864,817 |
| Otsego | 7,245,239 | 29,543,278 | 36,788,517 |
| Ottawa | 1,165,492,791 | 2,242,538,871 | 3,408,031,662 |
| Presque Isle | 725,500 | 1,380,000 | 2,105,500 |
| Roscommon | 1,146,136 | 28,433,454 | 29,579,590 |
| Saginaw | 795,082,318 | 789,576,116 | 1,584,658,434 |
| Saint Clair | 142,665,094 | 644,228,591 | 786,893,685 |
| Saint Joseph | 120,651,125 | 638,972,756 | 759,623,881 |
| Sanilac | 12,510,450 | 72,529,068 | 85,039,518 |
| Schoolcraft | 4,414,702 | 34,943,066 | 39,357,768 |
| Shiawassee | 13,326,716 | 67,273,659 | 80,600,375 |
| Tuscola | 18,358,884 | 55,785,457 | 74,144,341 |
| Van Buren | 220,570,124 | 337,563,824 | 558,133,948 |
| Washtenaw | 640,126,948 | 1,188,683,834 | 1,828,810,782 |
| Wayne | 1,777,602,731 | 14,126,853,059 | 15,904,455,790 |
| Wexford | 25,159,519 | 102,628,265 | 127,787,784 |
| Statewide \$ | 17,549,636,608 | \$ 44,407,319,501 | \$ 61,956,956,109 |

APPENDIX K LOCAL GOVERNMENTS WITH TAX INCREMENT FINANCE (TIF) AUTHORITIES

| <u>County</u> | <u>Local Government</u> | <u>TIF Type</u> |
|-----------------------|--------------------------|-----------------------------|
| Alcona | Alcona County | BRFA |
| Alcona | Lincoln Village | DDA |
| Alger | Alger County | BRFA |
| Alger | Munising City | BRFA, DDA |
| Allegan | Allegan City | 2 BRFA, DDA, TIFA |
| Allegan | Allegan County | BRFA |
| Allegan | Dorr Township | DDA |
| Allegan | Douglas Village | DDA |
| Allegan | Fennville City | BRFA, DDA |
| Allegan | Hopkins Village | DDA |
| Allegan | Ostego City | BRFA, DDA |
| Allegan | Plainwell City | BRFA, DDA, TIFA |
| Allegan | Wayland City | DDA |
| Allegan and Van Buren | South Haven City | 2 BRFA |
| Alpena | Alpena City | 2 BRFA, DDA |
| Alpena | Alpena Township | BRFA |
| Antrim | Antrim County | BRFA |
| Antrim | Central Lake | BRFA |
| Antrim | Elk Rapids Village | 2 DDA |
| Antrim | Helena Township | DDA |
| Antrim | Kearney Township | DDA |
| Antrim | Mancelona Village | DDA |
| Antrim | Bellaire Village | DDA |
| Arenac | Arenac County | BRFA |
| Arenac | Augres City | TIFA |
| Arenac | Standish City | DDA |
| Baraga | Baraga Village | BRFA, DDA |
| Baraga | L'anse Village | BRFA, DDA |
| Barry | Barry County | BRFA |
| Barry | Hastings City | BRFA, DDA, LDFA |
| Barry | Middleville Village | DDA, LDFA |
| Bay | Auburn City | BRFA, DDA, TIFA |
| Bay | Bangor Charter Township | BRFA |
| Bay | Bangor Township | DDA |
| Bay | Bay City | 3 BRFA, 6 DDA, LDFA, 5 TIFA |
| Bay | Essexville City | BRFA |
| Bay | Essexville City | DDA |
| Bay | Hampton Charter Township | BRFA, DDA |
| Bay | Kawkawlin | BRFA |
| Bay | Monitor Township | DDA |
| Bay | Pinconning City | BRFA, DDA |
| Bay | Pinconning Township | BRFA, DDA |
| Bay | Williams Township | DDA |
| Benzie | Benzie County | BRFA |
| Benzie | Beulah Village | DDA |
| Benzie | Elberta Village | 2 BRFA |

APPENDIX K

**LOCAL GOVERNMENTS WITH TAX INCREMENT FINANCE (TIF)
AUTHORITIES (CONTINUED)**

| <u>County</u> | <u>Local Government</u> | <u>TIF Type</u> |
|----------------------|--------------------------------|------------------------|
| Benzie | Frankford City | BRFA |
| Berrien | Berrien County | 2 BRFA |
| Berrien | Baroda Village | DDA |
| Berrien | Benton Charter Township | BRFA, DDA |
| Berrien | Benton Harbor City | BRFA, DDA, TIFA |
| Berrien | Bridgman City | BRFA |
| Berrien | Buchanan City | BRFA, DDA, 2 TIFA |
| Berrien | Coloma City | BRFA, DDA |
| Berrien | Coloma Charter Township | BRFA |
| Berrien | Lake Charter Township | BRFA |
| Berrien | Lincoln Charter Township | BRFA |
| Berrien | Niles City | BRFA, DDA, LDFA |
| Berrien | Saint Joseph City | DDA, TIFA |
| Berrien | Stevensville Village | DDA |
| Berrien | Three Oaks Village | DDA |
| Berrien | Watervliet City | BRFA, DDA |
| Berrien | Watervliet | 2 BRFA |
| Berrien | Hagar Township | DDA |
| Branch | Branch County | BRFA |
| Branch | Bronson City | BRFA |
| Branch | Coldwater City | BRFA, DDA, 2 LDFA |
| Branch | Quincy Village | BRFA, DDA, LDFA |
| Calhoun | Albion City | BRFA, DDA, TIFA |
| Calhoun | Battle Creek City | 2 BRFA, 2 DDA, TIFA |
| Calhoun | Battle Creek City BCU | LDFA |
| Calhoun | Emmet Charter Township | BRFA, LDFA |
| Calhoun | Homer Village | DDA, LDFA |
| Calhoun | Marshall City | BRFA, DDA, LDFA |
| Calhoun | Sheridan | BRFA |
| Calhoun | Springfield City | BRFA, 4 TIFA |
| Calhoun | Tekonsha Village | BRFA |
| Cass | Cass County | BRFA |
| Cass | Cassopolis Village | DDA |
| Cass | Dowagiac City | 2 BRFA, DDA, LDFA |
| Cass | Marcellus Village | DDA |
| Charlevoix | Boyne City | DDA, LDFA |
| Charlevoix | Charlevoix County | BRFA |
| Charlevoix | East Jordan City | BRFA, TIFA |
| Charlevoix | Melrose Township | DDA |
| Charlevoix | Charlevoix City | DDA, TIFA |
| Charlevoix | East Jordan City | DDA |
| Cheboygan | Cheboygan County | BRFA |
| Cheboygan | Cheboygan City | BRFA, DDA |
| Cheboygan | Inverness Township | DDA |
| Cheboygan | Mackinaw City Village | DDA |
| Cheboygan | Tuscarora Township | DDA, TIFA |

APPENDIX K LOCAL GOVERNMENTS WITH TAX INCREMENT FINANCE (TIF) AUTHORITIES (CONTINUED)

| <u>County</u> | <u>Local Government</u> | <u>TIF Type</u> |
|---------------|--------------------------|-------------------------|
| Chippewa | Chippewa County | BRFA |
| Chippewa | Kinross Charter Township | BRFA |
| Chippewa | Sault Ste Marie City | BRFA, 2 DDA, LDFA, TIFA |
| Clare | Clare County | BRFA |
| Clare | Clare City | BRFA, DDA, LDFA |
| Clare | Harrison City | DDA |
| Clare | Surrey Township | LDFA |
| Clare | Farwell Village | LDFA |
| Clinton | Clinton County | BRFA |
| Clinton | Dewitt City | DDA |
| Clinton | Elsie Village | DDA |
| Clinton | Ovid Village | BRFA, DDA |
| Clinton | St. Johns City | BRFA, LDFA |
| Copper | Houghton City | BRFA |
| Crawford | Crawford County | BRFA |
| Crawford | Grayling City | DDA |
| Delta | Delta County | BRFA |
| Delta | Escanaba City | BRFA, DDA |
| Delta | Gladstone City | BRFA |
| Delta | Wells Township | BRFA |
| Delta | Gladstone City | DDA |
| Dickinson | Dickinson County | BRFA |
| Dickinson | Iron Mountain City | BRFA, DDA, TIFA |
| Dickinson | Kingsford City | BRFA |
| Dickinson | Norway City | DDA |
| Eaton | Eaton County | 2 BRFA |
| Eaton | Bellevue Village | DDA |
| Eaton | Charlotte City | BRFA, DDA, LDFA |
| Eaton | Delta Charter Township | BRFA |
| Eaton | Eaton Rapids City | BRFA, DDA, LDFA, TIFA |
| Eaton | Grand Ledge City | BRFA, DDA, LDFA |
| Eaton | Pottersville City | TIFA |
| Emmet | Emmet County | BRFA |
| Emmet | Pellston Village | DDA |
| Emmet | Petoskey City | DDA, TIFA |
| Emmet | Alanson Village | DDA |
| Emmet | Harbor Springs City | DDA |
| Genesee | Genesee County | BRFA |
| Genesee | Burton City | DDA |
| Genesee | Clio City | DDA |
| Genesee | Davison City | DDA |
| Genesee | Fenton City | DDA LDFA |
| Genesee | Flint City | BRFA, 4 DDA, TIFA |
| Genesee | Flint Charter Township | 2 DDA |
| Genesee | Grand Blanc City | DDA |
| Genesee | Grand Blanc Township | LDFA |

APPENDIX K

**LOCAL GOVERNMENTS WITH TAX INCREMENT FINANCE (TIF)
AUTHORITIES (CONTINUED)**

| <u>County</u> | <u>Local Government</u> | <u>TIF Type</u> |
|----------------|---------------------------------|-----------------|
| Genesee | Montrose City | DDA |
| Genesee | Mount Morris City | DDA |
| Genesee | Mundy Charter Township | LDFA |
| Genesee | Swartz Creek City | DDA |
| Genesee | Vienna Charter Township | DDA |
| Genesee | Davison City | LDFA, TIFA |
| Genesee | Otisville Village | DDA |
| Genesee | Davison City | BRFA |
| Genesee | Fenton City | BRFA |
| Genesee | Grand Blanc City | BRFA |
| Gladwin | Beaverton City | DDA |
| Gladwin | Gladwin County | BRFA |
| Gladwin | Gladwin City | DDA |
| Gogebic | Gogebic County | BRFA |
| Gogebic | Bessemer City | BRFA |
| Gogebic | Ironwood City | BRFA, DDA, TIFA |
| Gogebic | Marenisco Township | BRFA |
| Gogebic | Wakefield City | BRFA |
| Gogebic | Bessemer City | DDA |
| Grand Traverse | Grand Traverse County | BRFA |
| Grand Traverse | Fife Lake Village | DDA |
| Grand Traverse | Green Lake Township | DDA |
| Grand Traverse | Traverse City | 2 DDA |
| Grand Traverse | Kingsley Village | DDA |
| Gratiot | Alma City | LDFA |
| Gratiot | Gratiot County | BRFA |
| Gratiot | Ithaca City | DDA |
| Gratiot | Pine River Township | DDA |
| Gratiot | Breckenridge Village | DDA |
| Gratiot | Saint Louis City | DDA |
| Hillsdale | Hillsdale County | BRFA |
| Hillsdale | Hillsdale City | BRFA, LDFA |
| Hillsdale | Jonesville Village | DDA, LDFA |
| Hillsdale | Litchfield City | BRFA, DDA, TIFA |
| Hillsdale | Reading City | TIFA |
| Hillsdale | Camden Village | LDFA |
| Hillsdale | Hillsdale City | TIFA |
| Houghton | Houghton County | BRFA |
| Houghton | Calumet Village | DDA |
| Houghton | Calumet Charter Township | BRFA, DDA |
| Houghton | Franklin Township | 2 BRFA |
| Houghton | Hancock City | DDA, TIFA |
| Houghton | Hancock City (w/ Hancock) MTEC | LDFA |
| Houghton | Houghton City | DDA, TIFA |
| Houghton | Houghton City (w/ Hancock) MTEC | LDFA |
| Houghton | Lake Linden Village | DDA |

APPENDIX K LOCAL GOVERNMENTS WITH TAX INCREMENT FINANCE (TIF) AUTHORITIES (CONTINUED)

| <u>County</u> | <u>Local Government</u> | <u>TIF Type</u> |
|------------------|----------------------------------|-------------------------|
| Houghton | Torch Lake | BRFA |
| Houghton | South Range Village | DDA |
| Huron | Huron County | BRFA |
| Huron | Bad Axe City | DDA |
| Huron | Caseville Village | DDA |
| Huron | Colfax Township | DDA |
| Huron | Elkton Village | DDA |
| Huron | Harbor Beach City | BRFA, DDA, LDFA |
| Huron | Port Hope Village | BRFA |
| Ingham | Ingham County | BRFA |
| Ingham | Dansville Village | DDA |
| Ingham | Delhi Charter Township | BRFA, DDA |
| Ingham | East Lansing City | BRFA, 2 DDA |
| Ingham and Eaton | Lansing City | BRFA, DDA, 3 TIFA |
| Ingham | Lansing City (w/ E Lansing) LRSZ | 2 LDFA |
| Ingham | Lansing Charter Township | BRFA, DDA |
| Ingham | Leslie City | DDA, LDFA |
| Ingham | Mason City | DDA, 2 LDFA |
| Ingham | Meridian Township | DDA |
| Ingham | Stockbridge Village | DDA |
| Ingham | Vevay Township | DDA |
| Ingham | Webberville Village | DDA |
| Ingham | Williamston City | DDA, 2 TIFA |
| Ionia | Ionia County | BRFA |
| Ionia | Belding City | BRFA, DDA, LDFA, 2 TIFA |
| Ionia | Ionia City | DDA, LDFA, TIFA |
| Ionia | Lake Odessa Village | DDA |
| Ionia | Lyons Village | DDA |
| Ionia | Portland City | DDA |
| Iosco | Baldwin Township | DDA |
| Iosco | East Tawas City | BRFA, TIFA |
| Iosco | Oscoda Township | DDA |
| Iosco | Tawas City | BRFA, DDA |
| Iron | Iron County | BRFA |
| Iron | Caspian City | DDA |
| Iron | Crystal Falls City | DDA |
| Iron | Iron River City | BRFA, DDA |
| Isabella | Isabella County | BRFA |
| Isabella | Mount Pleasant City | 4 BRFA, DDA, 3 TIFA |
| Isabella | Mount Pleasant City CMUBC/MMIC | LDFA |
| Isabella | Union Township | 2 DDA |
| Jackson | Jackson County | 2 BRFA |
| Jackson | Blackman Township | DDA, LDFA |
| Jackson | Grass Lake Village | DDA |
| Jackson | Jackson City | 2 BRFA, DDA, LDFA, TIFA |
| Jackson | Jackson City JTP | LDFA |

APPENDIX K

**LOCAL GOVERNMENTS WITH TAX INCREMENT FINANCE (TIF)
AUTHORITIES (CONTINUED)**

| <u>County</u> | <u>Local Government</u> | <u>TIF Type</u> |
|---------------|----------------------------|-------------------------|
| Jackson | Leoni Township | DDA |
| Jackson | Parma Village | DDA, LDFA |
| Jackson | Springport Village | DDA |
| Kalamazoo | Kalamazoo County | BRFA |
| Kalamazoo | Comstock Township | LDFA |
| Kalamazoo | Galesburg City | DDA |
| Kalamazoo | Kalamazoo City | 16 BRFA, DDA, TIFA |
| Kalamazoo | Kalamazoo City SMIC | LDFA |
| Kalamazoo | Kalamazoo Charter Township | BRFA |
| Kalamazoo | Oshtemo Township | DDA |
| Kalamazoo | Parchment City | BRFA, DDA |
| Kalamazoo | Portage City | BRFA, DDA, 2 LDFA, TIFA |
| Kalamazoo | Schoolcraft Village | DDA |
| Kalamazoo | Texas Township | DDA |
| Kalamazoo | Vicksburg Village | BRFA, DDA, LDFA |
| Kalkaska | Kalkaska Village | BRFA, DDA |
| Kent | Ada Township | BRFA |
| Kent | Bowne Township | DDA |
| Kent | Byron Township | CIA, DDA, LDFA |
| Kent | Cascade Township | DDA |
| Kent | Cedar Springs City | BRFA, DDA, LDFA, TIFA |
| Kent | Gaines Township | CIA, LDFA |
| Kent | Grand Rapids City | BRFA, DDA, TIFA |
| Kent | Grand Rapids City WMSTI | LDFA |
| Kent | Grand Rapids Township | CIA |
| Kent | Grandville City | BRFA, DDA |
| Kent | Kent City Village | DDA |
| Kent | Kentwood City | BRFA |
| Kent | Lowell City | DDA |
| Kent | Plainfield Township | CIA, DDA |
| Kent | Rockford City | BRFA |
| Kent | Sparta Village | BRFA, DDA |
| Kent | Walker City | BRFA |
| Kent | Wyoming City | 2 BRFA, DDA, LDFA |
| Kent | Rockford City | DDA |
| Kent | Walker City | DDA |
| Keweenaw | Grant Township | DDA |
| Lake | Lake County | BRFA |
| Lake | Baldwin Village | DDA |
| Lapeer | Columbiaville Village | DDA |
| Lapeer | Dryden Village | DDA |
| Lapeer | Imlay City | BRFA, DDA, LDFA, TIFA |
| Lapeer | Lapeer City | BRFA, DDA, LDFA, 4 TIFA |
| Lapeer | Metamora Village | DDA |
| Lapeer | North Branch Village | DDA |
| Lapeer | Otter Lake Village | DDA |

APPENDIX K LOCAL GOVERNMENTS WITH TAX INCREMENT FINANCE (TIF) AUTHORITIES (CONTINUED)

| <u>County</u> | <u>Local Government</u> | <u>TIF Type</u> |
|---------------|--|------------------|
| Lapeer | Almont Village | DDA |
| Lapeer | Clifford Village | DDA |
| Leelanau | Leelanau County | BRFA |
| Leelanau | Solon Township | DDA |
| Lenawee | Lenawee County | BRFA |
| Lenawee | Adrian City | BRFA, DDA, LDFA |
| Lenawee | Blissfield Village | BRFA, DDA |
| Lenawee | Clinton Village | DDA |
| Lenawee | Hudson City | BRFA, DDA, LDFA |
| Lenawee | Morenci City | BRFA |
| Lenawee | Morenci Village | DDA |
| Lenawee | Onsted Village | DDA |
| Lenawee | Tecumseh City | BRFA, DDA, LDFA |
| Lenawee | Madison Charter Township | DDA |
| Livingston | Brighton City | BRFA, DDA |
| Livingston | Fowlerville Village | BRFA, DDA, LDFA |
| Livingston | Genoa Township | 2 BRFA |
| Livingston | Green Oak Township | BRFA |
| Livingston | Hamburg Township | BRFA |
| Livingston | Howell City | BRFA, LDFA, TIFA |
| Livingston | Oceola Township | DDA |
| Livingston | Pinckney Village | BRFA, DDA |
| Livingston | Brighton City | LDFA |
| Livingston | Fowlerville Village | LDFA |
| Livingston | Howell City | DDA |
| Luce | Luce County | BRFA |
| Mackinac | Mackinac County | BRFA |
| Mackinac | Saint Ignace City | DDA |
| Macomb | Macomb County | BRFA |
| Macomb | Center Line City | BRFA, DDA |
| Macomb | Chesterfield Charter Township | BRFA |
| Macomb | Clinton Charter Township | BRFA, DDA |
| Macomb | Eastpointe City | BRFA DDA |
| Macomb | Fraser City | DDA |
| Macomb | Mount Clemens City | 2 BRFA |
| Macomb | New Baltimore City | DDA, LDFA |
| Macomb | Romeo Village | DDA |
| Macomb | Roseville City | DDA |
| Macomb | St. Clair Shores City | BRFA, TIFA |
| Macomb | Sterling Heights City | BRFA, CIA |
| Macomb | Sterling Heights City Macomb INCubator | LDFA |
| Macomb | Utica City | BRFA |
| Macomb | Warren City | BRFA, TIFA |
| Macomb | Armada Village | DDA |
| Macomb | Mount Clemens City | DDA |
| Macomb | Richmond City | TIFA |

APPENDIX K

**LOCAL GOVERNMENTS WITH TAX INCREMENT FINANCE (TIF)
AUTHORITIES (CONTINUED)**

| <u>County</u> | <u>Local Government</u> | <u>TIF Type</u> |
|-----------------|----------------------------|-----------------------|
| Macomb | Shelby Township | DDA |
| Macomb | Utica City | DDA |
| Macomb | Warren City | DDA |
| Manistee | Manistee County | BRFA |
| Manistee | Filer Township | DDA |
| Manistee | Manistee City | BRFA, DDA, LDFA |
| Marquette | Marquette County | BRFA |
| Marquette | Ishpeming City | BRFA |
| Marquette | Marquette City | BRFA, DDA, LDFA, TIFA |
| Marquette | Marquette Township | DDA |
| Marquette | Negaunee City | DDA |
| Marquette | Negaunee Township | BRFA |
| Marquette | Republic Township | BRFA |
| Marquette | Ishpeming City | DDA |
| Mason | Mason County | BRFA |
| Mason | Amber Township | DDA |
| Mason | Ludington City | DDA |
| Mason | Scottville City | DDA |
| Mescota | Mescota County | BRFA |
| Mecosta | Big Rapids City | LDFA |
| Mecosta | Wheatland Township | DDA |
| Mecosta | Big Rapids City | DDA |
| Menominee | Menominee City | BRFA, DDA, TIFA |
| Midland | Coleman City | DDA |
| Midland and Bay | Midland City | 5 BRFA, DDA |
| Missaukee | McBain City | TIFA |
| Missaukee | Lake City | DDA |
| Missaukee | McBain City | DDA |
| Monroe | Bedford Township | BRFA, DDA |
| Monroe | Dundee Village | BRFA |
| Monroe | Monroe City | BRFA, DDA, LDFA |
| Monroe | Monroe Charter Township | BRFA |
| Monroe | Petersburg City | BRFA |
| Monroe | South Rockwood Village | BRFA |
| Monroe | Dundee Village | DDA, 2 LDFA |
| Montcalm | Montcalm County | BRFA |
| Montcalm | Crystal Township | DDA |
| Montcalm | Stanton City | DDA |
| Montcalm | Edmore Village | DDA |
| Montcalm | Greenville City | DDA, 2 LDFA, TIFA |
| Montcalm | Howard City Village | DDA |
| Montcalm | Lakeview Village | DDA |
| Montmorency | Briley Township | DDA |
| Montmorency | Hillman Village | DDA |
| Muskegon | Dalton Township | BRFA |
| Muskegon | Fruitport Charter Township | BRFA |

APPENDIX K LOCAL GOVERNMENTS WITH TAX INCREMENT FINANCE (TIF) AUTHORITIES (CONTINUED)

| <u>County</u> | <u>Local Government</u> | <u>TIF Type</u> |
|----------------------|--------------------------------|---------------------------|
| Muskegon | Muskegon Charter Township | BRFA |
| Muskegon | Montague City | BRFA, DDA |
| Muskegon | Muskegon City | 3 BRFA, DDA, 2 LDFA, TIFA |
| Muskegon | Muskegon City MAREC | LDFA |
| Muskegon | Muskegon Heights City | DDA, TIFA |
| Muskegon | Norton Shores City | 5 BRFA, TIFA |
| Muskegon | Ravenna City | DDA |
| Muskegon | Roosevelt Park City | BRFA, DDA |
| Muskegon | Whitehall City | 2 BRFA, LDFA, 3 TIFA |
| Muskegon | Whitehall Township | BRFA |
| Newaygo | Fremont City | DDA, LDFA |
| Newaygo | Newaygo City | LDFA, TIFA |
| Newaygo | White Cloud City | DDA, LDFA |
| Oakland | Oakland County | BRFA |
| Oakland | Auburn Hills City | BRFA |
| Oakland | Beverly Hills Village | DDA |
| Oakland | Birmingham City | BRFA |
| Oakland | Clawson City | DDA |
| Oakland | Farmington City | BRFA |
| Oakland | Farmington Hills City | 4 BRFA |
| Oakland | Ferndale City | DDA, BRFA |
| Oakland | Hazel Park City | BRFA, DDA, LDFA |
| Oakland | Highland Charter Township | BRFA |
| Oakland | Holly Village | BRFA, DDA |
| Oakland | Independence Township | CIA |
| Oakland | Lathrup Village City | DDA |
| Oakland | Madison Heights City | BRFA |
| Oakland | Milford Village | BRFA |
| Oakland | Oak Park City | BRFA |
| Oakland | Pontiac City | BRFA, TIFA |
| Oakland | Rochester City | BRFA, DDA |
| Oakland | Rochester Hills City | BRFA, LDFA |
| Oakland | Royal Oak City | BRFA, TIFA |
| Oakland | Royal Oak Charter Township | BRFA |
| Oakland | Southfield City | BRFA, 2 LDFA |
| Ogemaw | Ogemaw County | BRFA |
| Ogemaw | Ogemaw Township | DDA |
| Ogemaw | West Branch City | DDA |
| Ogemaw | West Branch Township | BRFA, DDA |
| Ontonagon | Ontonagon County | BRFA |
| Ontonagon | Carp Lake Township | BRFA |
| Ontonagon | Greenland Township | DDA |
| Ontonagon | Ontonagon Village | BRFA, DDA |
| Osceola | Evart City | DDA, LDFA |
| Osceola | Marion Village | DDA |
| Osceola | Osceola County | BRFA |

APPENDIX K

**LOCAL GOVERNMENTS WITH TAX INCREMENT FINANCE (TIF)
AUTHORITIES (CONTINUED)**

| <u>County</u> | <u>Local Government</u> | <u>TIF Type</u> |
|----------------------|--------------------------------|------------------------------|
| Osceola | Reed City | BRFA, DDA |
| Osceola | Richmond Township | DDA |
| Oscoda | Oscoda County | BRFA |
| Oscoda | Oscoda Charter Township | BRFA |
| Otsego | Bagley Township | DDA |
| Otsego | Gaylord City | BRFA, DDA |
| Ottawa | Ottawa County | BRFA |
| Ottawa | Allendale Township | 2 DDA |
| Ottawa | Coopersville City | DDA |
| Ottawa | Ferrysburg City | BRFA, TIFA |
| Ottawa | Grand Haven City | BRFA, DDA, TIFA |
| Ottawa | Grand Haven Charter Township | BRFA, DDA |
| Ottawa and Allegan | Holland City | BRFA, DDA |
| Ottawa | Holland Charter Township | 2 BRFA |
| Ottawa | Hudsonville City | DDA, LDFA, TIFA |
| Ottawa | Sheldon Township | BRFA |
| Ottawa | Spring Lake Village | BRFA, DDA |
| Ottawa | Zeeland City | BRFA, DDA, LDFA |
| Ottawa | Zeeland Charter Township | BRFA |
| Presque Isle | Rogers City | BRFA, DDA |
| Roscommon | Higgins Township | DDA |
| Roscommon | Roscommon Village | DDA, TIFA |
| Saginaw | Saginaw County | BRFA |
| Saginaw | Birch Run Village | DDA |
| Saginaw | Birch Run Township | DDA |
| Saginaw | Bridgeport Charter Township | BRFA, DDA, TIFA |
| Saginaw | Buena Vista Charter Township | BRFA, DDA |
| Saginaw | Chesaning Village | DDA |
| Saginaw | Frankenmuth City | DDA |
| Saginaw | Kochville Township | DDA |
| Saginaw | Saginaw City | BRFA, 2 DDA, 10 LDFA, 2 TIFA |
| Saginaw | Saginaw Charter Township | BRFA |
| Saginaw | Saint Charles Village | DDA, LDFA |
| Saginaw | Tittabawassee Township | DDA |
| Saginaw | Zilwaukee City | TIFA |
| Saint Clair | St. Clair County | BRFA |
| Saint Clair | Algonac City | DDA |
| Saint Clair | Capac Village | DDA |
| Saint Clair | Clay Township | DDA |
| Saint Clair | East China Charter Township | BRFA |
| Saint Clair | Marine City | DDA, LDFA, 3 TIFA |
| Saint Clair | Marysville City | LDFA, TIFA |
| Saint Clair | Port Huron City | BRFA, 6 DDA, 2 LDFA, 4 TIFA |
| Saint Clair | Port Huron Township | BRFA, DDA |
| Saint Clair | Saint Clair City | DDA, LDFA |
| Saint Clair | Yale City | DDA, LDFA |

APPENDIX K LOCAL GOVERNMENTS WITH TAX INCREMENT FINANCE (TIF) AUTHORITIES (CONTINUED)

| <u>County</u> | <u>Local Government</u> | <u>TIF Type</u> |
|---------------|-------------------------|-------------------|
| Saint Joseph | St. Joseph County | BRFA |
| Saint Joseph | Burr Oak Village | DDA |
| Saint Joseph | Centreville Village | DDA |
| Saint Joseph | Constantine Village | DDA |
| Saint Joseph | Mendon Village | DDA |
| Saint Joseph | Sturgis City | BRFA, DDA |
| Saint Joseph | St. Joseph City | BRFA |
| Saint Joseph | Three Rivers City | BRFA, DDA, LDFA |
| Sanilac | Sanilac County | 2 BRFA |
| Sanilac | Brown City | DDA |
| Sanilac | Croswell City | DDA, TIFA |
| Sanilac | Lexington Village | DDA |
| Sanilac | Marlette City | DDA |
| Sanilac | Minden City Village | DDA |
| Sanilac | Peck Village | DDA |
| Sanilac | Port Sanilac Village | DDA |
| Sanilac | Sandusky City | 2 BRFA, LDFA |
| Schoolcraft | Schoolcraft County | BRFA |
| Schoolcraft | Manistique City | BRFA, DDA |
| Shiawassee | Shiawassee County | BRFA |
| Shiawassee | Corunna City | 2 DDA, TIFA |
| Shiawassee | Durand City | DDA |
| Shiawassee | Laingsburg City | DDA |
| Shiawassee | Morrice Village | DDA |
| Shiawassee | New Lothrop Village | DDA |
| Shiawassee | Owosso City | BRFA, DDA, 2 LDFA |
| Shiawassee | Owosso Township | BRFA |
| Shiawassee | Perry Township | DDA |
| Tuscola | Tuscola County | BRFA |
| Tuscola | Caro Village | BRFA, DDA |
| Tuscola | Cass City Village | DDA |
| Tuscola | Kingston Village | DDA |
| Tuscola | Mayville Village | DDA |
| Tuscola | Millington Village | DDA, LDFA |
| Tuscola | Reese Village | BRFA |
| Tuscola | Tuscola Township | BRFA |
| Tuscola | Vassar City | DDA, TIFA |
| Tuscola | Vassar Township | BRFA |
| Van Buren | Van Buren County | BRFA |
| Van Buren | Bangor City | 2 BRFA, DDA |
| Van Buren | Decatur Village | DDA, LDFA |
| Van Buren | Lawrence Village | DDA, LDFA |
| Van Buren | Lawton Village | DDA |
| Van Buren | Mattawan Village | DDA, LDFA, TIFA |
| Van Buren | Paw Paw Village | DDA |
| Van Buren | South Haven City | 2 DDA, 3 LDFA |

APPENDIX K

LOCAL GOVERNMENTS WITH TAX INCREMENT FINANCE (TIF) AUTHORITIES (CONTINUED)

| <u>County</u> | <u>Local Government</u> | <u>TIF Type</u> |
|----------------------|-------------------------------------|---------------------------|
| Van Buren | South Haven Charter Township | BRFA |
| Washtenaw | Washtenaw County | BRFA |
| Washtenaw | Ann Arbor City | DDA |
| Washtenaw | Ann Arbor City (w/ Ypsilanti) Spark | LDFA |
| Washtenaw | Augusta Township | LDFA |
| Washtenaw | Chelsea Village | DDA |
| Washtenaw | Dexter City | DDA LDFA |
| Washtenaw | Manchester Village | DDA |
| Washtenaw and Monroe | Milan City | BRFA, DDA, TIFA |
| Washtenaw | Northfield Township | DDA |
| Washtenaw | Saline City | 2 LDFA, TIFA |
| Washtenaw | Scio Township | DDA |
| Washtenaw | Ypsilanti City | BRFA, 3 DDA, TIFA |
| Washtenaw | Ypsilanti City (w/ Ann Arbor) Spark | LDFA |
| Washtenaw | Ypsilanti Charter Township | BRFA, LDFA |
| Wayne | Wayne County | BRFA |
| Wayne | Allen Park City | 2 BRFA, DDA |
| Wayne | Belleville City | DDA |
| Wayne | Brownstown Charter Township | BRFA, DDA |
| Wayne | Canton Charter Township | BRFA, DDA |
| Wayne | Dearborn City | BRFA, 2 DDA |
| Wayne | Dearborn Heights City | BRFA, TIFA |
| Wayne | Detroit City | BRFA, 2 DDA, LDFA, 2 TIFA |
| Wayne | Detroit City Techtown | LDFA |
| Wayne | Ecorse City | 2 BRFA, DDA |
| Wayne | Flat Rock City | DDA, TIFA |
| Wayne | Garden City | DDA, LDFA |
| Wayne | Gibraltar City | DDA |
| Wayne | Grosse Ile Township | BRFA, DDA |
| Wayne | Grosse Pointe Park City | DDA, TIFA |
| Wayne | Hamtramck City | DDA, 2 TIFA |
| Wayne | Harper Woods City | BRFA |
| Wayne | Highland Park City | TIFA |
| Wayne | Huron Charter Township | LDFA |
| Wayne | Huron Township (w/ Romulus) | |
| | Pinnacle Aerotropolis | LDFA |
| Wayne | Inkster City | BRFA, DDA, TIFA |
| Wayne | Lincoln Park City | BRFA, DDA |
| Wayne | Livonia City | BRFA, DDA |
| Wayne | Melvindale City | BRFA, DDA |
| Wayne | Northville City | DDA |
| Wayne | Northville Charter Township | BRFA |
| Wayne | Plymouth City | BRFA, DDA |
| Wayne | Plymouth Charter Township | BRFA, DDA |
| Wayne | Redford Charter Township | 2 BRFA, DDA |
| Wayne | River Rouge City | BRFA, DDA |

APPENDIX K LOCAL GOVERNMENTS WITH TAX INCREMENT FINANCE (TIF) AUTHORITIES (CONTINUED)

| <u>County</u> | <u>Local Government</u> | <u>TIF Type</u> |
|----------------------|----------------------------------|-------------------------|
| Wayne | Rockwood City | TIFA |
| Wayne | Romulus City | BRFA, DDA, 3 TIFA |
| Wayne | Romulus City (w/ Huron Township) | |
| | Pinnacle Aerotropolis | LDFA |
| Wayne | Southgate City | BRFA, DDA, TIFA |
| Wayne | Taylor City | BRFA, DDA, LDFA, 6 TIFA |
| Wayne | Trenton City | 7 BRFA, DDA |
| Wayne | Van Buren Township | DDA, LDFA |
| Wayne | Wayne City | DDA |
| Wayne | Westland City | BRFA, DDA, LDFA, 2 TIFA |
| Wayne | Woodhaven City | DDA |
| Wayne | Wyandotte City | BRFA, DDA, TIFA |
| Wexford | Cadillac City | BRFA, DDA, LDFA |
| Wexford | Clam Lake Township | DDA |
| Wexford | Haring Township | DDA |

BRFA = Brownfield Redevelopment Finance Authority

CIA = Corridor Improvement Authority

DDA = Downtown Development Authority

LDFA = Local Development Finance Authority

TIFA = Tax Increment Finance Authority