



Newaygo County

County-Wide

Brownfield Redevelopment Plan

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**Approved by the Newaygo County
Brownfield Redevelopment Authority: October 17, 2008**

**Approved by the Newaygo County
Board of Commissioners: _____**

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LEGAL DESCRIPTION

PROPERTY LOCATION MAP AND ELIGIBLE PROPERTY MAP

TAX INCREMENT FINANCING TABLE

PROJECT SUMMARY

Project Name:	County-Wide Brownfield Plan
Project Developer:	To be determined through plan amendments.
Project Location:	This is a county-wide plan which will set policies and procedures for future plan amendments to address specific projects.
Type of Eligible Property:	Facility. Functionally Obsolete or Blighted properties for Demolition and Lead and Asbestos Abatement
Eligible Activities:	Baseline Environmental Assessment Activities including Phase I & II Environmental Site Assessments, and Baseline Environmental Site Assessments. Due care (cleanup) activities including due care plans, due care investigations, and activities necessary to meet due care requirements. Additional Response Activities, Demolition, Lead and Asbestos Abatement, Brownfield Plans, and Act 381 Work Plans.
Reimbursable Costs:	To be determined in project specific amendments
Years to Complete Payback:	To be determined in project specific amendments
Estimated Eligible Investment:	To be determined in project specific amendments
Annual Tax Revenue Before Project:	To be determined in project specific amendments
Annual Tax Revenue After Project:	To be determined in project specific amendments
Project Overview:	This brownfield plan covers the corporate limits of Newaygo County and sets county-wide policies and procedures for the inclusion of properties and projects in the plan through project-specific plan amendments. Each amendment to the plan will be for the purpose of facilitating the cleanup and redevelopment of Property through the utilization of Tax Increment Financing to repay eligible activities and make the developer eligible to apply for a Brownfield Redevelopment Michigan Business Tax Credit. No plan is fully adopted until the Brownfield Redevelopment Authority approves the plan, the local unit of government in which the eligible property is located concurs with the plan by resolution, and the County Board of Commissioners holds a public hearing and approves the plan by resolution.

**NEWAYGO COUNTY
COUNTY-WIDE
BROWNFIELD PLAN**

**NEWAYGO COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY**

1.0 INTRODUCTION

The Newaygo County Board of Commissioners established the Newaygo County Brownfield Redevelopment Authority (the Authority) by adoption of a resolution pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996, as amended (Act 381). The Michigan Department of State, Office of the Great Seal, acknowledged receipt and filing of the resolution. The County Commission established the Authority Board and appointed its members. Act 381 authorizes the Authority to undertake all activities allowed by law. The primary purpose of Act 381 is to encourage the redevelopment of contaminated, functionally obsolete, or blighted property by providing economic incentives through tax increment financing for certain eligible activities and Brownfield Redevelopment Michigan Business Tax Credits.

This Brownfield Plan (Plan) is viewed as an economic and community development tool and sets the policies and procedures for selecting the types of projects to receive brownfield incentives and identifies the level of incentives available for each project. Criteria that may be considered may include:

- The creation of additional tax base and taxable value.
- Location within preferred development areas or corridors such as downtowns, existing commercial and industrial areas, and areas of existing infrastructure.
- The level of capital investment.
- The number of jobs created.
- The degree to which environmental contamination and health hazards are addressed.
- The degree to which smart growth principles are incorporated into the project. Smart Growth principles include:
 - Create a range of housing opportunities and choices.
 - Create walkable neighborhoods
 - Encourage community and stakeholder collaboration.
 - Foster distinctive, attractive communities with a strong sense of place.

- Mix land uses.
- Preserve open space , farmland, natural beauty, and critical environmental areas.
- Strengthen and direct development towards existing communities
- Take advantage of compact building design.
- The extent to which the project represents sustainable development by being environmentally friendly, using “green” building techniques, and meeting Leadership in Energy and Environmental Design (LEED) criteria.
- The level of compliance with community development plans and codes.
- The cost of the brownfield incentives versus the value of the development.

The Brownfield Plan (Plan) and its amendments describe qualifying factors that determine “eligible property” status, such as the conditions that qualify a property as a “facility”, “functionally obsolete,” or “blighted” that make a property a brownfield site. Plan amendments also describe the new project or development that will occur. Finally, Plan amendments describe the method or methods used to revitalize a site, including environmental studies and cleanup, demolition, and lead and asbestos abatement. If a property is owned or under the control of a Land Bank Fast Track Authority, the Plan amendment will also describe the site preparation and infrastructure improvements necessary to complete a project. Finally, a Plan amendment will estimate the amount of tax dollars generated by the new development, if any, that will be used to pay for the revitalization. The Plan, or amendment, once approved by the Authority, the local unit of government, and the County Board of Commissioners, after a public hearing, acts as a guide for implementation of the project.

BROWNFIELD PLAN APPLICATION PROCEDURES

Prior to considering a Brownfield Plan, a developer or other entity will present a completed brownfield application, a brownfield redevelopment plan, plus an application fee to Newaygo County a minimum of two week prior to the next meeting of the Newaygo County Brownfield Redevelopment Authority (BRA). The tax increment proposed for capture will generally be considered to reimburse some or all eligible activities. In general, the tax increment revenue captured under each plan amendment should include an administrative fee of \$1,000 per year plus 5 years of tax capture after the reimbursement of the costs of eligible activities for the Local Site Remediation Revolving Fund. For each year of tax capture, the administrative fee is to be deducted before the amount available for reimbursement of the costs for other eligible activities is calculated. The total amount of capture for both the administrative fee and the Local Site Remediation Revolving Fund will be determined on a case by case basis based on the criteria discussed in the Introduction above. All fees will be based on a Fee Schedule adopted from time

to time by the BRA. In cases where the BRA approves the capture of school taxes to reimburse eligible activities under a brownfield plan amendment, the BRA will submit an Act 381 Work Plan that is provided by and in behalf of the Developer for review and approval to the Department of Environmental Quality and/or the Michigan Economic Development Corporation, as appropriate. As with the Brownfield Plan Amendment, any fees for the review of the Act 381 Work Plan will be based on the Fee Schedule adopted by the BRA

A Reimbursement Agreement will be negotiated and signed by the Newaygo County Brownfield Redevelopment Authority and the Developer or other eligible entity describing the amounts and terms of reimbursement of eligible costs for eligible activities from tax increment revenues under the Brownfield Redevelopment Plan.

2.0 DEFINITIONS AS USED IN THIS PLAN

All terms used in this Brownfield Plan are defined as provided in the following statutes, as appropriate:

The Brownfield Redevelopment Financing Act, 1996 Mich. Pub. Acts 381, M.C.L. § 125.2651 et seq., as amended.

Part 201 of the Natural Resources and Environmental Protection Act, 1994 Mich. Pub. Acts 451, M.C.L. § 324.20101 et seq., as amended.

Section 437 of the Michigan Business Tax Act, 2007 Mich. Pub. Acts 36, M.C.L. § 208.1437, as amended.

3.0 BROWNFIELD PROJECT – COUNTY-WIDE PLAN, NEWAYGO COUNTY

3.1 DESCRIPTION OF THE PROJECT AND COSTS TO BE PAID THROUGH THE BROWNFIELD PLAN (MCL 125.2663(1)(A) AND (B))

A. Project Description

Public Act 381 of 1996, as amended, defines “Eligible Property” as “property for which eligible activities are defined under a brownfield plan that was used or is currently used for commercial, industrial or residential purposes that is either in a qualified local unit of government and is a facility, functionally obsolete, or blighted, or is not in a qualified local unit of government and is a facility, or is blighted or functionally obsolete for purposes of demolition or lead and asbestos abatement, and includes parcels that are adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that property. Eligible property includes, to the extent included in the brownfield plan, personal property located on the property. Eligible property does not include qualified agricultural property exempt under Section 7ee of the general property tax act, 1983 PA 206, MCL 211.7ee, from the tax levied by a local school district for school operating purposes to the extent provided under Section 1211 of the revised school code, 1976 PA 451, MCL 324.20101.”

This Plan covers the entire corporate limits of Newaygo County (See Attachments). Newaygo County is a rural county located in the West Central portion of Michigan’s Lower Peninsula, comprised of 4 cities, 1 village, and 24 townships. The estimated 2006 population was 49,480 and substantial growth is expected for future years. Newaygo County encompasses an area of approximately 842 square miles and contains 234 natural lakes and ponds, 356 miles of rivers and streams, and 349,132 acres of forest land. The protection of green space is vital to protecting key industries such as agriculture and tourism and promoting sustainable economic development. This plan will meet a key goal of the BRA by helping to provide the necessary resources to promote the redevelopment of existing industrial and commercial areas where infrastructure already exists, thereby protecting critical natural resources.

The driving factor for this Plan is an urgent need to redevelop, reuse, or expand idle properties in Newaygo County. This plan will help encourage safe reuse of these properties and provide the necessary resources to keep them competitive for redevelopment. Providing attractive properties for the location of new businesses or for development of new recreation facilities is a top priority for Newaygo County as it struggles to maintain a positive quality of life and create economic opportunities for its residents.

PROJECT AND SITE SPECIFIC DESCRIPTION

As this Plan is amended for specific projects, a description of the project and the cost of the development will be entered here.

B. Basis of Eligibility (Sec. 13(1)(h) and Sec. 2(n))

For each property added to the plan through amendment, a description of its eligibility based on the criteria below will be discussed her.

The Property is an "eligible property" as defined by Act 381 because it was or is currently used for commercial, industrial, or residential purposes and meets the definition of a "facility," "blighted" or "functionally obsolete." Eligible property is defined as follows:

1. Under Part 201, Environmental Remediation, of the Natural Resources and Environmental Protection Act, a "facility" is defined as "any area, place, or property where a hazardous substance in excess of the concentrations which satisfy the requirements of Section 20120a(1)(a) has been released, deposited, disposed of, or otherwise comes to be located," {M.C.L. § 324.20101(1)(o)}. A "release" is defined to include "spilling" or "leaking" of a hazardous substance into the environment. In addition, a "release" includes the abandonment of containers or other closed receptacles containing hazardous substances, {M.C.L. § 324.20101(1)(bb)}.
2. Pursuant to the Michigan Brownfield Redevelopment Financing Act (Act 381), "Blighted" means property that meets any of the following criteria as determined by the governing body {MCL 125.2652 (2)(e)}:

- (i) Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.
- (ii) Is an attractive nuisance to children because of physical condition, use, or occupancy.
- (iii) Is a fire hazard or is otherwise dangerous to the safety of persons or property.
- (iv) 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.
- (v) 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.
- (vi) 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 purposes of this act.
- (vii) Has substantial subsurface demolition debris buried on site so that the property is unfit for its intended use.

3. Pursuant to Act 381 "Functionally obsolete" means that the property 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. {MCL 125.2652(2)(r)}

C. Description of Costs to be Paid for With Tax Increment Revenues and Summary of Eligible Activities

The eligible costs of eligible activities which may be included in the plan include:

- Baseline Environmental Assessment Activities including Phase I Environmental Site Assessments, Phase II Environmental Site Assessments, and Baseline Environmental Assessments.
- Due Care (cleanup) Activities including due care plans, due care investigations, and due care actions.
- Additional Response Activities. Cleanup activities that are in addition to those required by MCL 324.20107a . These activities can be included at the discretion of the Brownfield Redevelopment Authority.
- Demolition.
- Lead and asbestos abatement.
- Site preparation and infrastructure if the property is owned or under the control of a Land Bank Fast Track Authority or is located in a qualified local unit of government.
- Interest: To the extent deemed reasonable by the Newaygo County BRA, the interest costs for funds borrowed by the developer for eligible activities or the interest and principle costs and other costs related to a bond issue to support eligible costs by Newaygo County or other municipality will be reimbursable under a brownfield plan amendment.
- Administrative Costs of the BRA. The Newaygo County BRA can capture administrative costs on the following, not to exceed, schedule {see MCL 125.6623(19)}:
 - Up to 5 active plans—\$100,000/year
 - 6 to 10 active plans—\$125,000/year
 - 11 to 16 active plans —\$150,000/year, etc.
- Contributions to the Local Site Remediation Revolving Fund. Local tax increment revenues may be captured for up to 5 years after the completion of the brownfield plan and deposited in a local site remediation revolving fund in order

to finance eligible activities on other brownfield properties at the discretion of the BRA. School tax revenues may also be captured in an amount equal to school tax revenue used for the eligible activities under the brownfield plan or five years whichever comes first.

These costs can be incurred by the developer or by the BRA or the unit of government where the project is located in behalf of the development. A table format similar to the one below can be used to illustrate these costs.

TABLE 1
ESTIMATED COST OF ELIGIBLE ACTIVITIES

ELIGIBLE ACTIVITY	ELIGIBLE COST
BRA Administration	
<u>BEA COSTS</u>	
Phase I ESA	
Phase II ESA	
Baseline Environmental Assessment	
<u>DUE CARE COSTS</u>	
Due care investigation	
Due care activities, e.g., soil excavation and disposal, vapor barriers, capping, etc.	
<u>ADDITIONAL RESPONSE ACTIVITIES</u>	
<u>DEMOLITION</u>	
<u>LEAD AND ASBETOS ABATEMENT</u>	
<u>CONTINGENCY</u> (Up to 15% of costs)	
<u>INTEREST</u>	
<u>BROWNFIELD PLAN</u>	
<u>ACT 381 WORK PLAN</u>	

ELIGIBLE ACTIVITY	ELIGIBLE COST
<u>LOCAL SITE REMEDIATION REVOLVING FUND</u>	
TOTAL REIMBURSABLE COSTS	

The costs listed in the table above are estimated costs and may increase or decrease depending on the nature and extent of conditions encountered on the Property. If necessary, the Plan may be amended to add or delete eligible activities and the estimated cost of each.

3.2 ESTIMATE OF CAPTURED TAXABLE VALUE AND TAX INCREMENT REVENUES {MCL 125.2663(1)(C)}

A description of the total taxes to be captured and the tax increment revenues that will be generated over the life of the plan are to be entered here.

The total estimated tax increment revenue captured by Authority can be summarized in table format as presented in detail in a Tax Increment Financing Table attached pursuant to a Plan amendment.

TABLE 2

ESTIMATED TAX INCREMENT REVENUE CAPTURED BY THE AUTHORITY

Year	Incremental Taxable Value	Tax Increment Revenue
Year 1		
Year 2		
Year 3		
TOTAL		

The captured incremental taxable value and associated tax increment revenue will be based on the actual increased taxable value from all taxable improvements on the Property and the actual millage rates levied by the various taxing jurisdictions during each year of the plan.

3.3 METHOD OF FINANCING AND DESCRIPTION OF ADVANCES BY THE MUNICIPLAITY {MCL 125.2663(1)(D)}

If the county, a city, village, township or municipal authority were to advance funds for eligible activities to the project, it would be described here. This includes funds from grants, loans, the local site remediation revolving fund, etc.

3.4 MAXIMUM AMOUNT OF NOTE OR BONDED INDEBTEDNESS {MCL 125.2663(1)(E)}

If the BRA or another governmental entity, e.g., another tax increment financing authority, were to incur debt for eligible activities, it will be described here. This includes issuing bonds in behalf of the project and using tax increment revenues under the plan to pay-off the bonds.

3.5 DURATION OF BROWNFIELD PLAN {MCL 125.2663(1)(F)}

A plan may not provide for more than 30 years of tax increment financing. However, implementation of tax increment financing may be delayed for up to 5 years allowing a plan to be up to 35 years in total length depending on the base year selected for the start of tax increment financing. The base year for estimating tax increment revenues is set in the year that a plan is adopted unless a different base year is provided for in this section of the plan. The base year for tax increment financing, the total length of tax increment financing and the total length of the plan should be described here.

3.6 ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON REVENUES OF TAXING JURISDICTIONS {MCL 125.2663(1)(G)}

The amount of tax increment revenues provided by each jurisdiction to repay eligible expenses under a Plan amendment is discussed here. These revenues can include school taxes with the approval of an Act 381 Work Plan by the Michigan Department of Environmental Quality (MDEQ) for environmental activities and/or the Michigan Economic Growth Authority (MEGA) for non-environmental activities, as appropriate. Prior approval by the MDEQ for capture of school taxes is not necessary for Baseline Environmental Assessment Activities, due care investigations, due care plans, or work plans. Debt millages are not eligible for capture under a Plan. A table format can be used as illustrated below.

**TABLE 3
TAXES CAPTURED BY TAXING JURISDICTION**

Taxing Jurisdiction	Total
Newaygo County	
City, Village or Township	
Intermediate School District	
Community College	
State Education Tax	
School Operating	
TOTAL	

Additional information related to the impact of tax increment financing on the various taxing jurisdictions is presented in the tax increment financing table found in the attachments to a Plan amendment.

3.7 LEGAL DESCRIPTION, PROPERTY MAP AND PERSONAL PROPERTY {MCL 125.2663(1)(H)}

A legal description of the Property, a Location Map, and a map showing property boundaries are provided as attachments. Personal Property is included as part of the Eligible Property, and the value of the Personal Property is considered an eligible investment for the purpose of calculating tax increment financing and the amount of the Brownfield Redevelopment Michigan Business Tax Credit.

3.8 ESTIMATES OF RESIDENTS AND DISPLACEMENT OF FAMILIES {MCL 125.2663(1)(I)}

In general, responses to these sections should be made as indicated below in a Plan amendment. Substantial issues must be addressed, depending on the circumstances under which families are displaced.

No persons or families will be displaced.

3.9 PLAN FOR RELOCATION OF DISPLACED PERSONS {MCL 125.2663(1)(J)}

No persons reside or families will be displaced.

3.10 PROVISIONS FOR RELOCATION COSTS {MCL 125.2663(1)(K)}

No persons or families will be displaced.

3.11 STRATEGY FOR COMPLIANCE WITH MICHIGANS RELOCATION ASSISTANCE LAW {MCL 125.2663(1) (L)}

No persons will be relocated from the property to which this Plan applies, and, therefore, compliance with Act No. 227 of the Public Acts of 1972, being Sections 213.321 to 213.332 of the Michigan Compiled Laws is not necessary.

3.12 DESCRIPTION OF PROPOSED USE OF LOCAL SITE REMEDIATION REVOLVING FUND {MCL 125.2663(1)(M)}

At the discretion of the BRA, local taxes can be captured for up to 5 years after the reimbursement of eligible expenses is completed. School taxes can be captured in the amount authorized by the MDEQ and/or MEGA, but not exceeding 5 years of capture. This section describes the number of years of capture and the total amount of capture for the Local Site Remediation Revolving Fund. The funds deposited in the Local Site Remediation Revolving Fund will be used for eligible activities on eligible properties. School taxes in the Local Site Remediation Revolving Fund may not be used on a project without approval of an Act 381 Work Plan by the MDEQ and/or the MEGA, as appropriate. Tax Increment Financing Tables included in Plan amendments will describe in detail any tax capture for the revolving fund.

3.13 OTHER MATERIAL THAT THE AUTHORITY OR GOVERNING BODY CONSIDERS PERTINENT

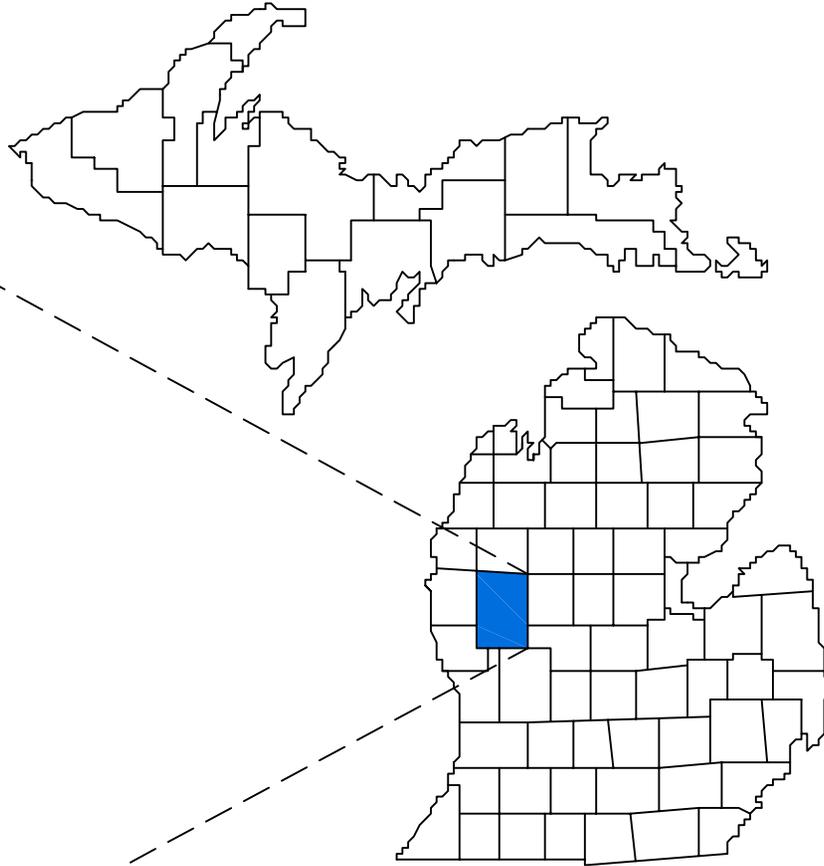
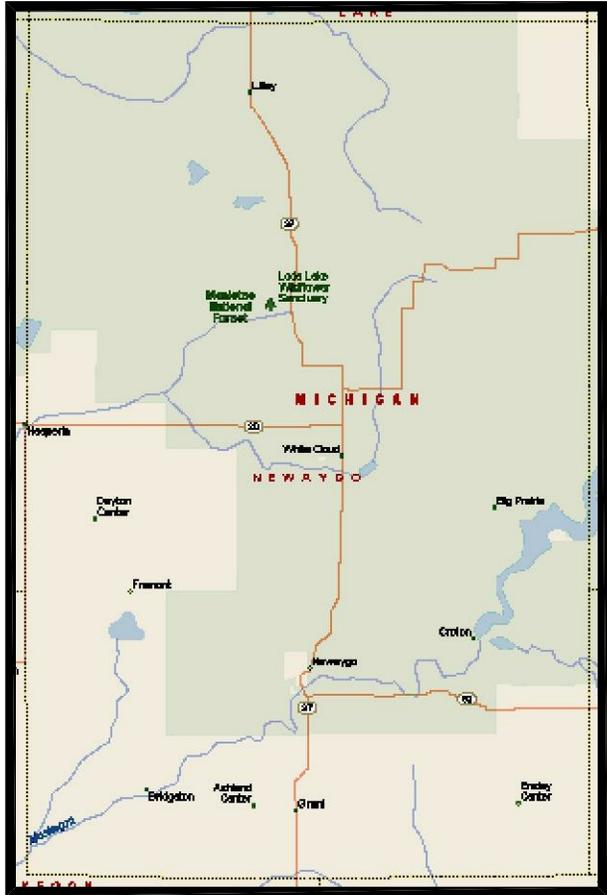
Answer as needed and appropriate.

LEGAL DESCRIPTION

Legal Description:

This plan covers all property located within the corporate limits of Newaygo County.

PROJECT LOCATION AND PROPERTY BOUNDARY MAPS



AKTPEERLESS
 environmental services
 FARMINGTON DETROIT SAGINAW LANSING
 WWW.AKTPEERLESS.COM

COUNTY LOCATION MAP

*NEWAYGO COUNTY
 WHITE CLOUD, MICHIGAN
 PROJECT NUMBER : 5854L*

LEGEND



DRAWN BY: K Edmond
 DATE: 8-11-08

FIGURE 1

TAX INCREMENT FINANCING TABLE