

“Brownfields, Land Banks, & TIF: What Do They Do, and Why Should I Care?”

Trudy J. Galla, AICP

Planning Director &

Director of the

Leelanau County Brownfield Redevelopment Authority
(LCBRA)



Brownfields (sites)

- Can be located anywhere
- Not always 'obvious'
- Small or Large Properties
- History may include several different operations at site
- Known or suspected by local citizens to be contaminated

Potential Brownfield Sites:

- Properties used for illegal drug production operations (meth labs, methfields)
- Gas Stations / Auto Repair shops
- Industrial Properties
- Dry Cleaners
- Obsolete and Blighted Properties
- Properties where chemicals have been stored/leaked
- Sites of LUST – Leaking Underground Storage Tank Sites (regulated under Part 213 of the Natural Resources & Environmental Protection Act)

Brownfields, Land Banks, and TIF

Tools which can assist in the identification and removal of obstacles that are preventing or hindering redevelopment.



\$\$\$

Establishing A Brownfield Authority

- Public Act 381 of 1996, as amended – Michigan Brownfield Redevelopment Financing Act
- Membership – Not less than 5 nor more than 9 members
- Established by the Governing body after a public hearing and resolution approved to create the Authority.
- **Duties** of the Authority
- **Powers** of the Authority

DUTIES

- Members serve without compensation (Reasonable and actual expenses can be reimbursed i.e. travel).
- Chair and Vice-Chair are elected positions.
- Members take oath of office provided in the State Constitution. (Leelanau County-must also sign a 'conflict of interest' form)
- Adopt rules for its procedures, subject to approval by the Governing body.
- Public Body: Subject to Freedom of Information Act and Open Meetings Act.

POWERS

- Own, mortgage, convey, lease, or dispose of land and other property.
- Acquire easements and options to property.
- Accept donations of property, donations of labor, accept grants.
- Expend funds from the local site remediation revolving fund (LSRRF)
- Enter into contracts. (Leelanau Co: land contract, grant agreements, loan agreements).
- Incur costs for administrative expenses, legal, accounting, etc.
- Make loans
- Buy/sell loans and mortgages at public or private sale.
- Foreclose on a mortgage
- Purchase property at a foreclosure or other sale.
- Approve Brownfield Plans

Brownfield Redevelopment Authority – Established in 2007

Membership:

7 members - Appointed by County Board

1 County Commissioner

County Administrator

5 Citizens

1 Director-appointed by LCBRA

Note: 3 of the 7 members also serve on the Land Bank Authority

MISSION: The LCBRA will provide resources and expertise to help investigate, clean up, and return properties to productive use for the benefit of the county, its communities, and its citizens.

Leelanau County:

Advantages:

- ☐ Recipient of Grants/Loans:
- ☐ EPA \$200,000 Petroleum Site Assessment Grant
- ☐ EPA \$200,000 Hazardous Substances Site Assessment Grant
- ☐ TAB Assistance
- ☐ 128(a) Funds from MDEQ
- ☐ DEQ Loan/Grant funds for Brownfield Projects
- ☐ EPA \$1,000,000 Revolving Loan Fund (RLF) grant
- ☐ Capture TIF, accept grants & donations, own, mortgage, convey or dispose of land & other property.
- ☐ Enter into contracts.
- ☐ Promoted Development

Disadvantages:

- ☐ Establishment & membership is set by Governing Body – they control membership and can terminate the Authority.
- ☐ Perception that we are taking land that public should get through tax foreclosure or tax sales.
- ☐ Taking property off the tax rolls (even if for short period of time).
- ☐ 'County' is getting TIF-not local municipality.

Establishing A Land Bank Authority

- Public Act 258 of 2003 – Land Bank Fast Track Act.
- Governing body approves Intergovernmental Agreement with the state, to establish the Authority.
- **Duties** of the Authority
- **Powers** of the Authority
- Odd number of members, County Treasurer is a member of a County Land Bank

DUTIES

- ▶ Authority is established through an Agreement with the state (approved by the Governing body)
- ▶ Membership is set forth in the Agreement.
- ▶ Leelanau County (must sign a 'conflict of interest' form)
- ▶ Adopt Rules for its procedures
- ▶ Public Body: Subject to Freedom of Information Act and Open Meetings Act.

POWERS

- ▶ Help assemble and clear title to property
- ▶ Facilitate use/development of property
- ▶ Borrow money, issue bonds, solicit grants.
- ▶ Authorize enforcement of tax liens and clearing title or quieting of title
- ▶ Be flexible in the disposition of property (real estate listing, auction, adjacent lot disposal program, etc.)
- ▶ Provide funding opportunities to acquire, manage, clear, demolish, rehab and develop tax foreclosed properties.
- ▶ Land Bank owned properties are eligible for ALL incentives under the brownfield redevelopment programs.
- ▶ **DOES NOT HAVE THE POWER OF EMINENT DOMAIN!**

Land Bank Authority – Established in 2008

Membership:

County Treasurer
County Administrator
County Commissioner
Planning Director
3 Citizens

Acquired 11 pieces of property in last few years from Tax Foreclosure (5 properties sold so far)

The mission of the Leelanau County Land Bank Authority is to enhance tax base by returning tax reverted properties to the tax rolls and to partner with community stakeholders to acquire and redevelop undervalued properties to support workforce housing and economic development.

*although not in the Land Bank – the Superfund site also tax foreclosed and is county owned.

Practical Steps for Administration

- ▶ **Establish** & Adopt Policies & Procedures, Application, Fees, and **Rules** (Ex. Who talks to the media? Who calls the attorney? Can a developer request we hold a special meeting for their project? If so, who bears the cost?)
- ▶ **Develop** (and use!) your own documents such as Reimbursement Agreements, Acknowledgement Forms, Applications, etc. Use samples from other communities but **CREATE** your own documents.
- ▶ **Good documents & applications** are key to a professional and well-respected program.
- ▶ **3 P's:** Keep Local Units of Government & Community informed of Projects, Process, and Progress
- ▶ **Employ or Involve** citizens who are Creative, Think outside the box, Love new challenges, are Optimistic & Go-getters. Good leadership will give you the best opportunity for Good Projects.

Practical Steps for Administration

–continued–

- ▶ **Adopt a numbering/filing system for projects.** (B2010-03.04) Require consultants & developers to use the numbering/filing system. (Ex. Invoices, Memos, Work Plans, etc.)
B2010-03.04 Elmwood Twn. (Jones site), Approval 8/1/2010, P/HM, *Consultant: Smith Testing*
- ▶ **Be specific** in your Request for Proposals & Qualifications (RFPQ). What do you want from a consultant? Who will be your main contact with the firm? How often will you see them/talk to them?
- ▶ **Your consultant is working FOR YOU!** Push them to get projects going in your community.
 - Meet with community leaders
 - Develop Inventory List
 - Ask for In-kind Services they can provide (and then ASK them to do these!)
- ▶ **Give Consultants Specifics:** “You need to give us a proposal on this project by (date), and we need a formal presentation at our next meeting.”
- ▶ **Do YOUR part** – read the documents your consultant sends you – ask questions, correct errors, clarify mis-understandings. This is a 2-way street.

-continued-

- **Make your money work for you** – grants and loans should be put into projects quickly. Collect TIF to pay off loans, put into a revolving fund, use for future projects.
- **Establish a Policy** for TIF “Collection” and “Disbursal”.
- **Use Legal Counsel.** It is ALWAYS more expensive to get the attorney involved AFTER you have a problem.
- **Get to know your EPA officials, DEQ officials.** Call them with questions, concerns, etc. NOT just when you need money.
- **Follow** what other Authorities are doing and get to know their members.
- **Follow your Rules!** You will hear good arguments on why you should bend your rules: from a developer, developer’s consultant, contractors, etc. Once you start bending, you will be asked again and again to bend your rules.
- An Emergency on the Developer’s part, does not make an Emergency for **you**.
- **Learn** from your mistakes, and take **corrective** actions.
- Select consultants you are **comfortable** with, and comfortable with their level of expertise and experience.
- **Support your Staff! Support your Decisions!**

ENVIROLOGIC TECHNOLOGIES, INC.
TABLE OF ENVIRONMENTAL AND BROWNFIELD ACRONYMS

<u>Acronym</u>	<u>Full Name</u>
Act 381	Brownfield Redevelopment Financing Act
AQD	Air Quality Division - MDEQ
AST	Aboveground Storage Tank
ASTM	American Society for Testing and Materials
AAI	All Appropriate Inquiry
BEA	Baseline Environmental Assessment
BRA	Brownfield Redevelopment Authority
CAA	Clean Air Act
CDBG	Community Development Block Grant
CERCLA	Comprehensive Environmental Response Compensation & Liability Act
CNTS	Covenant Not to Sue
DDA	Downtown Development Authorities
DEQ	Department of Environmental Quality
DNR	Department of Natural Resources
ESA	Environmental Site Assessment
EPA	Environmental Protection Agency
EZ/EC	Empowerment Zones/Enterprise Communities
GWCAC	Groundwater Conservation Advisory Council
HASP	Health and Safety Plan
HUD	Department of Housing and Urban Development

Financial Incentives:

Review ALL possible Incentives for a project.

What is the best package for this project?

-
- a. Assessment & Cleanup Dollars
 - b. BEDI – Brownfield Economic Development Initiative
 - c. Community Development Block Grant (CDBG)
 - d. Commercial Rehabilitation Act
 - e. Cost-share from developer
 - f. Film Industry Credits
 - g. Historic Credits
 - h. Local/Private funds
 - i. Local Site Remediation Fund

- j. MDNRE Grants/Loans
- k. MDNRE Revitalization Revolving Loan Fund
- l. MDNRE Trust Fund Program
- m. MDOT Transportation Enhancement Program
- n. MEGA Standard and Rural Job Creation Tax Credits
- o. New Market Tax Credits
- p. Revolving Loan Fund
- q. Swap Property – a local community or owner may be willing to trade a piece of unused (clean) property in exchange for cleanup of a contaminated site.

Tax Increment Financing (TIF)

(Tax Increment Revenue)

Eligible Agencies:

- ▶ Downtown Development Authorities (DDA) – Leelanau County has no official DDAs at this time.
- ▶ Tax Increment Financing Authorities,
- ▶ Brownfield Redevelopment Authorities, and
- ▶ Local Development Financing Authorities

A Brownfield Authority can:

Capture new property tax value (TIF) from the redeveloped eligible property;

Use TIF to reimburse those who incurred eligible expenses on the property (must be ELIGIBLE Expenses);

Set up a Local Site Remediation Revolving Fund (LSRRF) to cover expenses on other properties. (Other properties can be outside the jurisdiction of where the TIF was captured, if this is a 'County' Brownfield Authority. Ex: Collect on Project A in Township A, place funds in LSRRF, use funds on Project B in Township B.

Capture for up to five (5) additional years after costs are covered. (Put into your LSRRF)

Land Bank can capture 5/50 (50% of TIF for 5 years after property goes back on tax roll.)

What do you capture?

Revenue (TIF/TIR) that may be captured is the 'change' in value on real and personal property on a site X the total millage of eligible and available taxing jurisdictions.

New value may be captured 'after' the date of the governmental approval of a Brownfield Plan for the property.

Captured value is the amount in 1 year that the current taxable value of an eligible property exceeds the initial taxable value of the property.

Ex.} Initial taxable value = \$25,000
 New taxable value = \$45,000
 Amount exceeded (and captured) = \$20,000

A Brownfield Authority may capture up to \$100,000 per year in local taxes for reasonable and actual administrative and operating expenses of the authority (for 5 or fewer active projects. Up to \$300,000/year depending on number of active projects).

School taxes may NOT be used for response activities for a liable party.

A Land Bank Authority utilizes the 5/50 rule – once a property owned by the Land Bank is sold and goes back on the tax roll, the Land Bank captures 50% of the taxes for 5 years.

Brownfield Sites: Bringing in \$\$

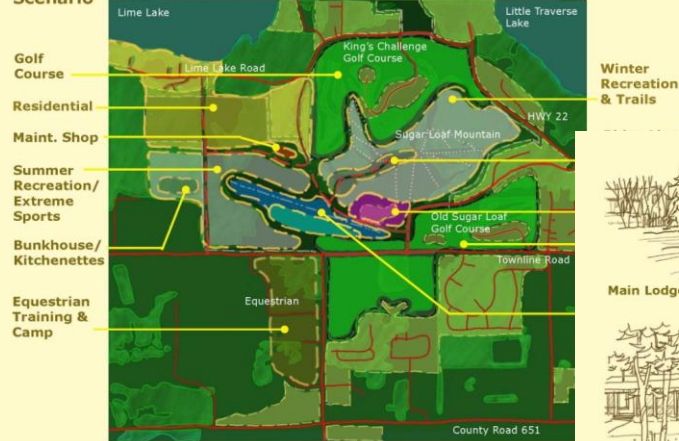
- **Unincorporated Village of Cedar** – \$50,000 in 128(a) funds used together with our EPA Site Assessment Dollars. Tested Drinking Water Wells in Cedar to assess contamination issues.
Note: [MDNRE conducts Site Specific Assessments (SSAs) at brownfield properties at no cost to communities through a grant from the U.S. EPA. SSAs are available through a task in the MDEQ's 128(a) Brownfield grant made possible by the federal Small Business Liability Relief and Brownfields Revitalization Act amendments to the Comprehensive Environmental Response Compensation and Liabilities Act (CERCLA)]
- **Northport project** – Redevelopment of a former hospital into a \$10 million private investment for independent living : villas, & apartments. Site assessment dollars used; potential request to MEGA.
- **Redevelopment of former Zephyr Oil property** - \$589,375 in MDNRE grant and \$589,375 in MDNRE loan for remediation of Site. \$450,000 Michigan Business Tax Credit. **MDNRE** approval for use of school dollars.
- **TAB (Technical Assistance to Brownfields)** Kansas State University – Community Visioning Sessions on Sugar Loaf Resort area, & Analysis of Results

TAB – Technical Assistance to Brownfields

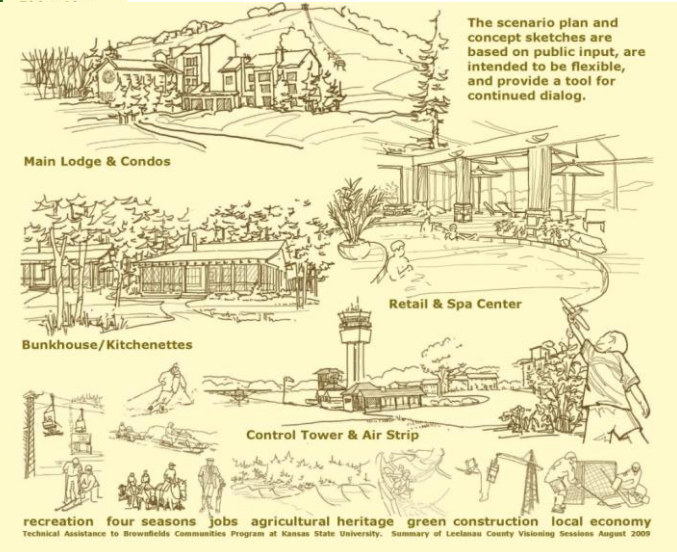
(Sabine Martin,
Kansas State University)
(Assessment & PCA
Report – AKT
Peerless)

Potential Redevelopment Scenario #1: Leelanau County Resort Center

County-wide focused redevelopment.

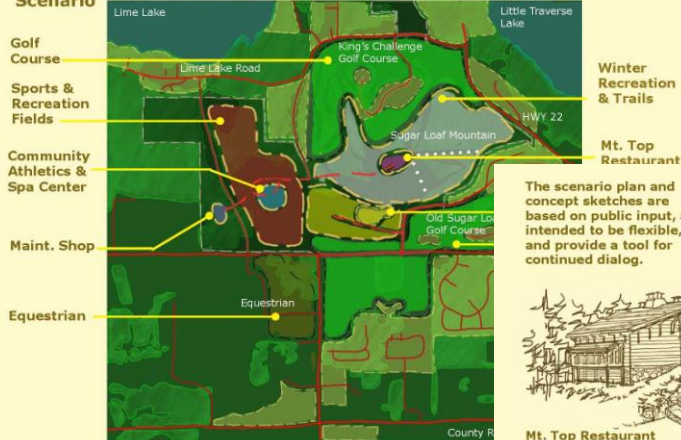


Scenario #1 – Resort Center

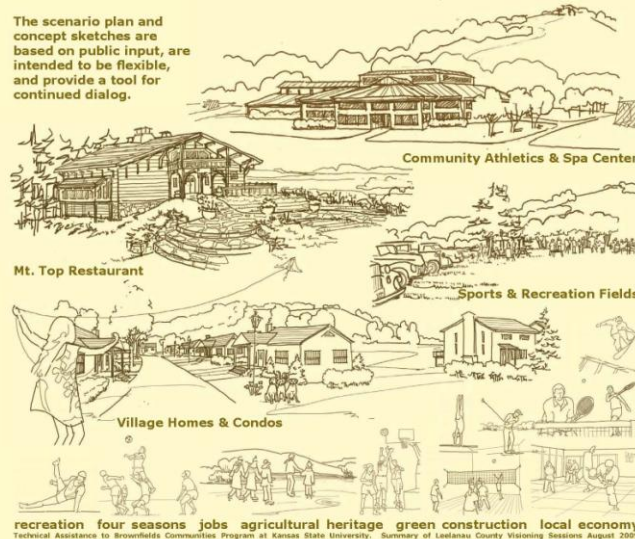


Potential Redevelopment Scenario #2: Sugar Loaf Area Community Center

Locally focused recreation redevelopment.



The scenario plan and concept sketches are based on public input, are intended to be flexible, and provide a tool for continued dialog.



Scenario #2 – Community Center

Brownfield Sites: Bringing in \$\$

Herman Community Park – Village of Suttons Bay.

- Site Assessment dollars (\$40,000) to meet requirements of the Michigan Natural Resources Trust Fund for purchase of the property.
- \$245,000 Trust Fund grant toward \$550,000 purchase price.
- \$75K from Rotary Charities
- \$10,000 from Oleson Foundation
- \$25,000 from Leelanau Conservancy
- \$10,000 from Schmuckal family.
- Township provided \$50,000 in 2009 and \$50,000 in 2010-for engineering design and construction start up.
- Fundraising –nearly ½ of the \$500,000 goal has been reached.
November 2010 Millage failed, trying a November 2011 Millage.

Redevelopment of Former Government Complex - \$1.193 Million
from MDNRE loans for remediation of Site.



(Assessment – Envirollogic Technologies, Inc.)



FORMER GOVERNMENT COMPLEX

Annex building –
Planning/Equalization



BEFORE

Sheriff Dept. & Jail



Historic Jail



Courthouse



AFTER



Redevelopment of former Government Complex in Leland

Tips on What to Do

- ▶ **DO** understand that as a Brownfield or Land Bank Authority member your job is to look out for the best interests of your community.
- ▶ **DO** go slow and be thorough, especially if you are new. Make sure everyone is on board and up to speed. It is better to be right and slow in getting there, than too quick and pay a larger price later.
- ▶ **DO** qualify, qualify, qualify, anyone and/or any company who will be doing any project or a portion of a project on behalf of your Brownfield or Land Bank Authority.
- ▶ **DO** get help when needed. Never be afraid to use your resources until you are comfortable as an Authority member. And then always have those resources available as new challenges present themselves. Each project is different.
- ▶ **DO** communicate with and keep County and municipalities up to date.
- ▶ **DO** use your staff and resources as both communicators and as a link to other resources. Use your building/code office and local assessors on difficult projects.
- ▶ **DO** keep tabs on your potential TIF cash flows. This may be the most economic consideration to eventually become economically self sufficient.

SUBMIT ALL REPORTS & FINANCIAL DOCUMENTS ON TIME!

**Leelanau County Brownfields Revolving Loan (RLF) Fund
Cooperative Agreement No. BF-00E00388-0**

Prepared for:
Leelanau County
Leelanau County Brownfield Redevelopment
Authority (LCBRA)
8527 E. Government Center Dr. Suite 108
Suttons Bay MI 49682

Prepared by:
Trudy J. Gallia, Planning Director &
Director of the LCBRA
231-256-9812

Grant Period: 9/1/2010 – 8/31/2015
Reporting Period: 4/1/2011 – 6/30/2011
Date Submitted: 4/28/2011
Quarterly Report # Four (4)

Submitted to:
Mr. Alan Baumann, Region 5
U.S. EPA
Brownfields Project Manager and Project Officer
77 W. Jackson Blvd. (SM-5J)
Chicago IL 60604-3507

Project Narrative:
The Leelanau County Brownfield Redevelopment Authority (LCBRA) for the County of Leelanau is administering a Brownfields Cleanup Revolving Loan Fund (RLF). A Cooperative Agreement was signed by EPA on 9/29/2010, which provides \$1,000,000 in federal assistance over a five-year period (this equates to a \$1,000,000 award plus a 20% or \$200,000 match for a total of \$1,200,000). The tasks involved include Outreach & Marketing, RLF operation, making loan disbursements, and providing oversight and grant reporting.

Performance Objectives:

- Contribute to the redevelopment of contaminated sites and support businesses in Leelanau County which will add job opportunities and planned redevelopment which will create or retain jobs.
- Provide qualified applicants with the necessary capital to conduct planned redevelopment which will create or retain jobs.
- Create and maintain a self-sustaining RLF Fund.

BUDGET RECAP SUMMARY – Hazardous Substances

Current approved budget: \$899,000	Costs incurred to date: \$2,328.49
Costs incurred to date: \$2,328.49	Total remaining funds on June 30, 2011: \$896,671.51

BUDGET RECAP SUMMARY – Petroleum

Current approved budget: \$301,000	Costs incurred to date: \$2,328.80
Costs incurred to date: \$2,328.80	Total remaining funds on June 30, 2011: \$896,671.20

Cooperative Agreement Number: BF00E00388-0
Leelanau County, Michigan

Emailed July 28, 2011

U.S. ENVIRONMENTAL PROTECTION AGENCY MBE/WBE UTILIZATION UNDER FEDERAL GRANTS AND COOPERATIVE AGREEMENTS

PART I. (Reports are required even if no procurements are made during the reporting period.)

1A. FEDERAL FISCAL YEAR (Oct. 1-Sep. 30)
2011

1B. REPORTING PERIOD (Check ALL appropriate boxes)
☐ 1st (Oct-Dec) ☐ 2nd (Jan-Mar) ☐ 3rd (Apr-Jun) ☐ 4th (Jul-Sep)
☐ Semi-Annual (Oct-Mar) ☐ Semi-Annual (Apr-Sep)
☐ Annual
☐ Check if this is the last report for the project (Project completed).

1C. REVISION OF A PRIOR REPORT? Yes ☐ No ☒
Year: _____ Quarter: _____

BRIEFLY DESCRIBE THE REVISIONS YOU ARE MAKING:

2A. EPA FINANCIAL ASSISTANCE OFFICE ADDRESS (ATTN: DBE Coordinator)
77 West Jackson boulevard (MC-103)
Chicago, IL 60604

3A. RECIPIENT NAME AND ADDRESS
Leelanau County
8527 E. Government Center Drive
Suttons Bay, MI 49682

2B. EPA DBE COORDINATOR
Name: Adrienne H. Callahan
E-mail: Callahan.adrienne@epa.gov

2C. PHONE
(312) 353-5336
Fax: (312) 353-9086

3B. RECIPIENT REPORTING CONTACT:
Name: Trudy Callia
E-mail: tga11a@co.leelanau.mi.us

3C. PHONE
(231) 256-9812
Fax:

4A. FINANCIAL ASSISTANCE AGREEMENT ID NUMBER
(SRF State Recipients, refer to Instructions for Completion of blocks 4A, 5A and 5C.)
BF-0044101-0

4B. FEDERAL FINANCIAL ASSISTANCE PROGRAM TITLE or CFDA NUMBER:
Brownfields Assessment and Cleanup

5A. TOTAL ASSISTANCE AGREEMENT AMOUNT
(SRF State Recipients, refer to Instructions for Completion of blocks 4A, 5A and 5C.)
EPA Share: \$200,000
Recipient Share: \$

5B. IF NO procurement and NO accomplishments were made this reporting period (by the recipients, sub-recipients, loan recipients, and prime contractors), CHECK and SKP to Block No. 7. (Procurements are all expenditures through contract, order, purchase, lease or barter of supplies, equipment, construction, or services needed to complete Federal assistance programs. Accomplishments, in this context, are procurements made with MBEs and/or WBEs.)

5C. Total Procurements This Reporting Period
(Only include amount not reported in any prior reporting period)
Total Procurement Amount \$187.10 (Include total dollar values awarded by recipient, sub-recipients and SRF loan recipients, including MBE/WBE expenditures.)

5D. Were sub-awards issued under this assistance agreement? Yes ☐ No ☒ Were contracts issued under this assistance agreement? Yes ☐ No ☒

5E. MBE/WBE Accomplishments This Reporting Period
Actual MBE/WBE Procurement Accomplished:
(Include total dollar values awarded by recipient, sub-recipients, SRF loan recipients and Prime Contractors.)

Construction	Equipment	Services	Supplies	Total
MBE: _____	_____	_____	_____	_____
WBE: _____	_____	_____	_____	_____

6. COMMENTS: (If no MBE/WBE procurements were accomplished during the reporting period, please explain what steps you are taking to achieve the MBE/WBE Program requirements specified in the terms and conditions of the Assistance Agreement.) An RFP was issued for the [contractual] work required under the Grant. No MBE/WBE responded to the RFP. Every effort will be made to comply with MBE/WBE outreach in the future.

7. NAME OF RECIPIENT'S AUTHORIZED REPRESENTATIVE: Trudy J. Gallia
TITLE: Planning Director & Director of the Leelanau County Brownfield Redevelopment Authority (LCBRA)

8. SIGNATURE OF RECIPIENT'S AUTHORIZED REPRESENTATIVE: _____
DATE: July 28, 2011

EPA FORM 5700-52A available electronically at http://www.epa.gov/osbp/cdfrs/700_52a.pdf

FY10 Quarterly Progress Report

Name of Project: West Shore Crossings
Grant Recipient: Leelanau County

Reporting Time Period: (Circle one)
Qtr 1 (Oct-Dec 2009)
Qtr 3 (Apr-Jun 2010)
Qtr 2 (Jan-Mar 2010)
Qtr 4 (Jul-Sep 2010)

Tracking code: 2008-1082
Project #: 431833

A. PROJECT BUDGET
Amount of funds used this quarter:
Grant Funds Administrative Expenses (Envirollogic)
February Inv. #28009 \$715.00
Grant Funds (Oswell Mawby)
Loan Funds
Total Grant funds used: \$ 0
Total Loan funds used: \$ 0
Total: \$ 715.00

B. PROJECT ACTIVITIES: Design field work or meetings: \$ 0
Implementation: \$ 0
Total: \$ 715.00

completed during the quarter by task item. Include dates of activities and topic; work plan approval dates etc.

activities
development occurred on this project
of FY 2010. The developer is
to secure financing for the project.
ic did assist the Leelanau County
ment Authority (LCBRA) Director
ing grant totals on the quarterly
tance with other reporting.

% complete
70%

fr. Ron Waters, developer for the West
the board. They have preliminary site
request to MDNRE outlining future Work
int. The intent is to conduct subsurface
ertain contaminated areas during the

ck of bank financing. By allowing the
continue implementation of the
till negotiating with new investors
near future.

....and NOT do!

- ▶ **DO NOT** approve payments unless you have all documentation, lien waivers, and signatures.
- ▶ **DO NOT** put signed documents in a file and forget about them. These are your rules – go to them every time you have an issue.
- ▶ **DO NOT** step outside the re-imbursement guidelines and pay contractors directly like we did!
- ▶ **DO NOT** consider all projects as identical – they are not. Each is unique and has a different set of problems/opportunities. Treat them separately.
- ▶ **DO NOT** accept someone's word or a poorly written document as an official agreement. Remember, use YOUR documents.
- ▶ **DO NOT** think you have finally figured it all out and you are done learning. You are Not!

*** EVERY PROBLEM IS AN OPPORTUNITY!**

Leelanau County
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Suite 108
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866-256-9711 X812
Fax 231-256-0174

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