

BROWNFIELD REDEVELOPMENT AUTHORITY

Under the Brownfield Redevelopment Act PA 381 of 1996, as amended, a municipality may create a Brownfield Redevelopment Authority to develop and implement brownfield projects. The Brownfield Redevelopment Authority is a resource that may use Tax Increment Financing (TIF) and allow developers to apply for Michigan Business Tax (MBT) credit incentives.

WHO IS ELIGIBLE TO HAVE AN AUTHORITY?

Any city, village, township or county may create a Brownfield Redevelopment Authority. A county Brownfield Redevelopment Authority may be involved with eligible property throughout the county, but may not include a project in their brownfield plan unless the affected municipality concurs that the site in their community may be included in the county's plan.

HOW DOES IT WORK?

Once created, a Brownfield Redevelopment Authority reviews proposals for the redevelopment of eligible property and determines what financial incentives are necessary to assist the redevelopment. The Authority prepares a plan that identifies the brownfield projects. Each project section of the plan includes the description of the eligible property, the eligible activities, the TIF and MBT approaches to be taken and other issues related to the subject parcels. The Authority then recommends to the governing body of the municipality (city or village council, township board or county commission) that the decision-making body hold a public hearing regarding the plan and subsequently act to approve with modifications or deny the plan. The Authority would recommend revisions to the plan as new projects are submitted or revisions are requested on existing plan projects.

WHAT IS THE PROCESS?

The municipality may hold informational meetings to explain the purpose, powers and benefits of a Brownfield Redevelopment Authority. In order to create an Authority, the municipality must do the following:

1. The governing body of the municipality must adopt a Resolution of Intent to create an Authority and set a date for a public hearing on the Resolution creating an Authority.

2. Two public notices regarding the public hearing must be published no more than 40 days nor less than 20 days from the date of the hearing.
3. The governing body holds a public hearing.
4. Not more than 30 days after the hearing the governing body adopts a resolution creating the Brownfield Redevelopment Authority. A copy of the resolution must be filed with the Michigan Secretary of State promptly after its adoption.
5. The governing body designates the members of the Authority. The Authority members may be chosen from an existing Downtown Development Authority (DDA), Local Development Financing Authority (LDFA), Tax Increment Financing Authority (TIFA), Economic Development Corporation (EDC) or appointed at-large by the chief executive officer of the municipality.

Following the creation of the Brownfield Redevelopment Authority, the Authority can hold meetings in order to elect officers of the board, adopt by-laws of the Authority and adopt governing rules.

WHY WOULD A COMMUNITY WANT TO CREATE THIS AUTHORITY?

The creation of a Brownfield Redevelopment Authority allows local decision-making in the various aspects of brownfield redevelopment. Through redevelopment a municipality can:

- Focus development in existing service areas.
- Enhance tax base through private development.
- Receive multiple taxing jurisdiction participation in redevelopment financing.
- Provide reimbursement for eligible brownfield activities.

A Brownfield Redevelopment Authority provides a municipality with the opportunity to create a local brownfield financing resource, enhance local economic development capacities and market difficult sites based on the private investment incentives.

SUPPORTING STATUTE

Public Act 381 of 1996