



Manistee County Courthouse  
415 Third Street · Manistee, Michigan 49660

**CLERK**

Lindsey Marquardt  
(231) 723-3331

**CONTROLLER/ADMINISTRATOR**

Lisa Sagala  
(231) 398-3504

**Board of Commissioners**

**CHAIRPERSON**  
Jeffrey Dontz

**VICE-CHAIRPERSON**  
Karen Goodman

Margaret Batzer  
Eric Gustad  
Nikki Koons  
Janice McCraner  
Richard Schmidt

**POLICY COMMITTEE**

Friday, August 25, 2023  
2:30 p.m.

Manistee County Planning Department  
Conference Room

**MINUTES**

- Members Present: Nikki Koons and Karen Goodman, Chairperson
- Members Absent: Margaret Batzer
- Others Present: Mike Szokola, County Planning Director; Loren VanAlstine, Chief Deputy Register of Deeds (Zoom); Corbin Nickelson, Deputy/Description Analyst (Zoom); Julie Griffis, HR Generalist; Lisa Sagala, Controller/Administrator; Lindsey Marquardt, County Clerk

The meeting was called to Order at 2:30 p.m.

**NOTE – Items requiring Board Action are indicated in BOLD**

**PUBLIC COMMENT**

None.

**NEW BUSINESS**

**AMENDED AND RESTATED GUIDELINES FOR BROWNFIELD PLAN PROPOSALS**

Mike Szokola presented the Amended and Restated Guidelines for Brownfield Plan Proposals. (Appendix A) Mike indicated that they aren't Amended and Restated and that should be removed from the document. The guidelines have been approved by the Planning Commission and Brownfield Boards. They also have been reviewed by their attorney. Discussion followed.

**Moved by Goodman, seconded by Koons to recommend approval of the Manistee County Brownfield Redevelopment Authority Guidelines for Brownfield Plan Proposals as presented. Ayes: All. Motion Carried.**

**BROWNFIELD REVOLVING FUND GUIDELINES**

Mike Szokola presented the Brownfield Revolving Fund Guidelines. (Appendix B) The guidelines have been approved by the Planning Commission and Brownfield Boards. They also have been reviewed by their attorney. Discussion followed.

**Moved by Goodman, seconded by Koons to recommend approval of the Manistee County Brownfield Redevelopment Authority Brownfield Revolving Fund Guidelines.**

**Ayes: All. Motion Carried.**

**OLD BUSINESS**

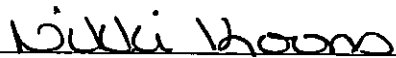
**PERFORMANCE MERIT PROGRAM GUIDELINE POLICY**

Julie and Lisa continue to work on the policy.

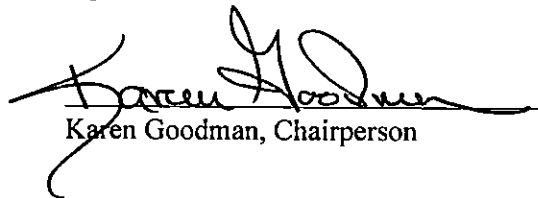
**OTHER ITEMS FROM COMMITTEE MEMBERS**

None.

The meeting was adjourned at the Call of the Chair at 3:04 p.m.



Nikki Koons



Karen Goodman, Chairperson

ABSENT

Margaret Batzer

# MANISTEE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

## Amended and Restated Guidelines for Brownfield Plan Proposals Effective MM DD, 2023

### Introduction

The Manistee County Brownfield Redevelopment Authority ("MCBRA") will consider each Brownfield Plan or Combined Brownfield Plan (generally referred to as the "Plan" or collectively, the "Plans") that are submitted to it on a case-by-case basis, pursuant to Michigan Public Act 381 of 1996, as amended ("Act 381"), based upon the merits of the Plan(s). To provide general guidance for the preparation of Plans, the MCBRA has developed the following generic guidelines relating to certain aspects of Plans and Reimbursement Agreements entered into by the MCBRA to authorize the capture and use of tax increment revenues (TIF) (the "Brownfield Guidelines").

Each Plan and Reimbursement Agreement shall be subject to these guidelines; however, the MCBRA reserves the right to depart from these guidelines if the MCBRA determines that such departure would further the purposes for which the MCBRA was established. Factors the MCBRA may consider in its decision to depart from these guidelines may include, but are not limited to: (a) the scope of investment proposed, (b) the potential additional investment generated by the project, (c) whether the project would otherwise occur without the financial incentive available from the MCBRA, (d) the remediation of contaminated property and other environmental benefits, (e) the demolition or renovation of blighted or obsolete facilities, (f) job creation or retention; (g) tax base protection, (h) improvement and diversification, (i) and neighborhood/community improvement.

### Guidelines

#### 1. Project Evaluation

- a. To initially evaluate support for a Plan, the following lists the steps that shall occur prior to submittal of a Plan to the MCBRA Board of Directors:
  - i. Preliminary meeting with MCBRA staff and the developer. The following documents are required for a formal application:
    - a) Brownfield Plan details including project specifics such as type of development, number of units, square footage, total investment, and cost of eligible activities.
    - b) Project pro forma, cash flow analysis, sources and uses and internal rate of return (IRR) calculation.
  - ii. Initial Brownfield Plan Review Team Meeting.

- iii. Developer to provide, any additional information requested after the Initial Brownfield Plan Review Team Meeting.
  - iv. Three (3) weeks prior to the brownfield plan being placed on the MCBRA Board agenda, developer must submit the Brownfield Plan in final form -- including all attachments and approvals.
  - v. Final Brownfield Plan Review Team meeting, if necessary, scheduled immediately following receipt of the final Brownfield Plan to determine if the Brownfield Plan will be supported.
- b. Reimbursement of Eligible Costs shall be made pursuant to an approved Brownfield Plan, Reimbursement Agreement and a Michigan Strategic Fund ("MSF") and/or Michigan Department of Environment, Great Lakes, and Energy ("EGLE") work plan. In order to qualify for TIF, applicants must demonstrate that the project will not have sufficient funds to be completed without TIF reimbursement as this incentive is not intended to unduly enrich a developer or business, or to create an unfair advantage.
  - c. The MCBRA shall not use TIF capture to reimburse a Developer for eligible activity costs that were funded through a grant.
  - d. If additional incentives are requested after approval of a Plan, the Developer shall recalculate the IRR factoring the additional incentives and provide the MCBRA a copy of the updated proforma. If the revised projected IRR exceeds twenty-percent (20%), the MCBRA has the right to reduce the amount of Eligible Cost reimbursement to where the IRR does not exceed twenty-percent (20%).

## **2. Pre-Brownfield Plan Expenditures**

- a. Unless agreed to by the MCBRA in writing, Pre-Plan eligible activity costs incurred more than 240 days prior to Plan approval by MCBRA will not be eligible for reimbursement. If a developer desires to incur eligible activity costs prior to approval of a Plan, the developer must inform the MCBRA of these activities and their timing in writing.

- b. Reimbursement of Pre-Plan expenditures is subject to completion of the eligible activities pursuant to the approved Plan. Pre-Plan expenditures that are eligible for reimbursement may include: reasonable costs of developing and preparing brownfield plans and work plans; baseline environmental assessment activities; preparation of a due care plan; and non-environmental activities, per Act 381.
- c. Any eligible activity cost incurred prior to approval of the Plan shall be incurred at the risk of the developer.
- d. Reasonable costs of developing and preparing the Plan and any necessary work plans for MSF or EGLE approval are eligible for reimbursement; however, such costs shall not exceed \$30,000.00.
- e. The owner of a property for which a Plan is adopted that includes reimbursement of past expenditures shall be required to indemnify, defend and hold harmless the MCBRA for the recapture of any reimbursement payments made to, or on behalf of, the developer in excess of the amount of tax increment revenues the MCBRA is permitted by law to use for such reimbursement as determined by the State, any agency thereof or by a court of relevant jurisdiction.

### **3. Brownfield Plan Expenditures**

If a proposed use of tax increment revenues attributable to K-12 and State levies ("School Taxes") is not permitted by law or are denied by EGLE or MSF, the use of tax increment revenues attributable to all other levies ("Local Taxes") may be approved, as included in the Plan, subject to the following:

- a. The chart attached hereto as Attachment A provides a general outline of eligible activities, the funding sources, and the approvals required for the same.
- b. The total amount of tax increment revenues attributable to Local Taxes that is used for the costs of all eligible activities for an eligible property for which School Taxes are not permitted by law or are denied by EGLE or MSF, shall not be greater than that amount of tax increment revenues attributable to Local Taxes for such eligible activities that would be used if School Taxes were permitted or approved. Any exceptions are subject to MCBRA Board approval.

#### **4. Interest on Brownfield Plan Payments**

- a. If the MCBRA determines that subject to 1(b) and 3(b) above, the Plan qualifies for reimbursement of interest for expenditures on eligible activities, interest shall be calculated on the principal balance, applying simple interest, at a rate to be determined and not to exceed 10%. Interest shall accrue annually from the date when costs for eligible activities are certified by the MCBRA and shall not exceed the term stated in the Brownfield Plan. In no event shall the MCBRA reimburse for interest accrued as a result of non-payment of taxes. Notwithstanding the above, a) reimbursement for interest will occur after the costs of eligible activities are reimbursed in full and b) reimbursement of interest with only be permitted by the MSF or EGLE is not eligible for repayment locally.
- b. If the Plan qualifies for reimbursement of interest for expenditures on eligible activities (as described in 4(a) above) AND the project will also be receiving a tax abatement, then interest shall not accrue during the abatement period.
- c. After five (5) years of tax increment financing (TIF) capture, the MCBRA shall have the right to have the IRR projection recalculated. To the extent that such recalculations exceed an IRR of twenty percent (20%), then the MCBRA may eliminate or reduce the interest rate to a rate where the IRR does not exceed twenty percent (20%).

#### **5. Brownfield Plan Bonding**

Unless otherwise agreed upon by the MCBRA and other applicable parties, the MCBRA shall not incur nor issue any note or bonded indebtedness to finance the purposes of the Plan.

#### **6. Displacement/Relocation of Individuals on Eligible Property**

If there are persons or businesses residing on the eligible property within six (6) months of the Developer's initial contact with MCBRA staff to discuss a Brownfield Plan, the Developer shall comply with any and all applicable requirements of the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, Public Law 91-646 (the "URA"). Furthermore, the Developer must provide a relocation plan to the MCBRA stating how the requirements of the URA will be met. Finally, upon completion of the eligible activities and prior to any TIF reimbursement, the developer must provide evidence that the requirement of the URA have been met.

## **7. Brownfield Plan Duration**

- a. Unless otherwise agreed to in writing by the MCBRA, all eligible activities shall be completed within three (3) years after approval of the MSF or EGLE work plan, if applicable, or three (3) years after execution of the Reimbursement Agreement.
- b. Subject to Section 13(2)(f) of Act 381, the beginning date and duration of capture of tax increment revenues for each eligible property shall occur in accordance with the TIF table attached to an approved Plan. In no event, however, shall a Plan extend beyond the maximum term allowed by Section 13b(16) of Act 381.
- c. The MCBRA may abolish a Plan (or any subsequent amendment thereto) when it finds that the purposes for which the Plan was established have been accomplished.
- d. The MCBRA may terminate a Plan (or any subsequent amendment thereto) if the project for which eligible activities were identified in the Plan (or any subsequent amendment thereto) fails to occur with respect to the eligible property for at least five (5) years following the date of the governing body resolution approving the Plan (or any subsequent amendment thereto) or any such date as allowed in Act 381.
- e. In no event, however, shall the Plan be extended beyond the maximum term allowed by Section 13b(16) of Act 381.

## **8. Environmental Condition Disclosure and Acknowledgement**

- a. An ASTM Standard 1527-05 Phase I Environmental Site Assessment ("ESA") is required to be submitted to the Manistee County Planning Department (MCPD) with all Plans, for all parcels included in the Plan.
- b. Based on the results of the Phase I ESA, a Phase II ESA may be required to determine the degree and impact of possible environmental contamination on the eligible property. Developer will provide a Response Activity Plan or due care, if applicable, to the MCBRA demonstrating how the eligible property will be remediated.
- c. At the time of submission of request for TIF reimbursement, the Developer will provide verification by qualified environmental professional, to the MCBRA that the remediation activities identified in the Response Activity Plan or Due Care Plan, if applicable, have been completed.

## **9. Brownfield Plan Notice**

- a. MCBRA will send public hearing notices to any Community Development Organizations who have requested notices be sent and/or as identified by the County of Manistee Planning Commission staff.

## **10. Annual Reporting**

The Developer shall provide an annual report to the MCBRA due on May 31 of each year subsequent to Plan approval. The report shall be submitted with an affidavit executed by the Developer substantiating the facts in the annual report and shall include progress updates on state and local mandated items and other such information that the MCBRA may request in writing. (See attachment C).

- a. Failure to submit an annual report may result in the withholding of TIF reimbursement until the report or proper waiver is submitted.

## **11. Local Brownfield Revolving Fund**

All Plans will provide for the maximum capture authorized by law for the Local Brownfield Revolving Fund.

## **12. Administrative Expenses**

- a. All Plans shall authorize the use of tax increment revenues for administrative and operating expenses to the maximum extent permitted by law unless otherwise agreed to in writing pursuant to a Reimbursement Agreement.
- b. An annual amount of up to 15% shall be retained from annual tax increment revenues for use for administrative and operating expenses of the MCBRA, not to exceed the maximum allowed under Act 381, (hereinafter referred to as, the "MCBRA Administrative Fee") and such percentage may be adjusted upward or downward by the MCBRA based upon the Plan's proportionate share of all tax increment revenues available.
- c. In the event that the actual amount of tax increment revenues captured annually for a Plan is not sufficient to allow MCBRA to collect the entire MCBRA Administrative Fee, then an amount equal to not more than ten percent (10%) of the outstanding MCBRA Administrative Fee shall be deferred and accrue until eligible tax increment revenues are sufficient to pay the accrued and deferred MCBRA Administrative Fee as well as the current MCBRA Administrative Fee. Notwithstanding anything to the contrary in Section 13, in no instance shall



MCBRA receive less than 5% of the MCBRA Administrative Fee annually and, to the extent, that the actual amount of tax increment revenues captured annually for a Plan is not sufficient to allow MCBRA to collect at least 5% of the MCBRA Administrative Fee, then the Developer shall be required to pay up to 5% of the MCBRA Administrative Fee directly to MCBRA (the "Direct Payment"). Any "Direct Payment" shall be eligible for reimbursement to the developer to the extent there is sufficient TIF to pay. Failure by the Developer to make this Direct Payment within thirty (30) days of when requested by MCBRA in writing shall constitute a default under the Réimbursement Agreement.

### **13. Fees**

A request for approval of a Plan must be accompanied by the following fees, per the attached schedules, (attached hereto as Attachment D):

- a. A nonrefundable initial application fee upon submission of the proposed Plan or Amended Plan to the MCBRA.
- b. Upon approval of the proposed Plan or Amended Plan by the MCBRA, a processing fee equal to a certain percent of the amount of payments authorized under the Plan or Amended Plan, not to exceed a certain amount, as indicated in Attachment D. In the event that the local municipality or County Board does not subsequently approve the Plan or Amended Plan, the processing fee may be refunded to the Developer.

### **14. Determination of Taxable Value and Beginning Date of Tax Capture**

For Plans in which tax increment revenues will be captured, the Developer shall identify the following in each Plan:

- a. The base year as shown either by the most recent assessment roll for which the equalization has been completed at the time the resolution approving the Plan is adopted or by the next assessment roll for which the equalization will be completed following the date of the resolution adopting the Plan.
- b. The beginning date of tax capture which shall not be later than 5 years following the date of the resolution adopting the Plan.

### **15. Manistee County Brownfield Redevelopment Plan Approval Process**

- a. The list below describes the steps typically followed for approval of a Plan:

- i. Application and fee submitted to Manistee County Planning Department Staff.
- ii. Staff reviews for complete application.
  - a) If not complete or additional information required, the application will be returned to the applicant until the application is deemed complete by Planning Department Staff.
- iii. MCBRA Board of Directors resolves to send and applicant presents the Plan to the County Board of Directors and local municipality.
- iv. Local municipality reviews application and schedules a public hearing to approve or deny the plan.
- v. The County Board of Commissioners reviews application and schedules a public hearing to approve or deny the plan.
- vi. Public hearing at the local municipalities board room or council chambers.
- vii. Local municipalities plan approval.
- viii. Public hearing at the County Board of Commissioner's Chambers.
- ix. County Board Plan approval.
- x. MSF work plan approval for school TIF capture on non-environmental eligible activities.
- xi. EGLE work plan approval for school TIF capture on environmental eligible activities.

## **Attachments**

Attachment A – Approval Required for Selected Reimbursable Eligible Activities Chart

Attachment B – Acknowledgement of Submitted Environmental Documents

Attachment C – MCBRA Plan Information Form (Annual Report Due in November)

Attachment D – MCBRA Fee Schedule

Attachment E– Documents Required for TIF Reimbursement

Approval Required For Selected Reimbursable Eligible Activities (By Tax) Attachment A

Eligible Activities	Local (Non-School Taxes)		School Taxes	
	Local	State	Local	State
1. Baseline environmental assessment activities				
a. Site investigation activities associated with BEA and evaluation of due care obligations	No prior EGLE or MSF work plan approval necessary if costs are included in Plan (even if incurred before Plan approval)	No prior EGLE or MSF work plan approval necessary, however activity must take place after Plan approval	No prior EGLE or MSF work plan approval necessary, however activity must take place after Plan approval	No prior EGLE or MSF work plan approval necessary, however activity must take place after Plan approval
b. Completion of baseline environmental assessment report	No prior EGLE or MSF work plan approval necessary if costs are included in Plan (even if incurred before Plan approval)	No prior EGLE or MSF work plan approval necessary, however activity must take place after Plan approval	No prior EGLE or MSF work plan approval necessary, however activity must take place after Plan approval	No prior EGLE or MSF work plan approval necessary, however activity must take place after Plan approval
2. Due care activities	No prior EGLE or MSF work plan approval necessary if costs are included in Plan (even if incurred before Plan approval)	EGLE work plan approval	EGLE work plan approval	EGLE work plan approval
3. Preparation of a due care plan	No prior EGLE or MSF work plan approval necessary if costs are included in Plan (even if incurred before Plan approval)	No prior EGLE or MSF work plan approval necessary, however activity must take place after Plan approval	No prior EGLE or MSF work plan approval necessary, however activity must take place after Plan approval	No prior EGLE or MSF work plan approval necessary, however activity must take place after Plan approval
4. Additional response activities (please specify)	No prior EGLE or MSF work plan approval necessary if costs are included in Plan	EGLE work plan approval	EGLE work plan approval	EGLE work plan approval
5. Infrastructure improvements that directly benefit the eligible property		MSF work plan approval	MSF work plan approval	MSF work plan approval
6. Demolition of structures that is not a response activity under 20101 of NREPA		MSF work plan approval	MSF work plan approval	MSF work plan approval
7. Lead or Asbestos Abatement		MSF work plan approval	MSF work plan approval	MSF work plan approval
8. Site preparation that is not a response activity under 20101 NREPA		MSF work plan approval	MSF work plan approval	MSF work plan approval
9. Assistance to a land bank fast track authority in cleaning or quieting title to or selling its property		MSF work plan approval	MSF work plan approval	MSF work plan approval

10. Relocation of public buildings or operations for economic development purposes		MSF work plan approval	MSF work plan approval
11. Reasonable costs of developing and preparing brownfield plans and work plans	No prior EGLE or MSF work plan approval necessary if costs are included in Plan	No EGLE or MSF work plan approval necessary if costs are included in Plan	No EGLE or MSF work plan approval necessary if costs are included in Plan
12. Acquisition of property by land bank fast track authority if acquisition of the property is for economic development purposes		MSF work plan approval	MSF work plan approval
13. Reasonable costs of environmental insurance		EGLE work plan approval	EGLE work plan approval
14. Interest costs associated with the financing of eligible activities		MSF approval is required for all activities approved in a work plan by the MSF. EGLE approval is not required for activities approved in a work plan by the EGLE.	MSF approval is required for all activities approved in a work plan by the MSF. EGLE approval is not required for activities approved in a work plan by the EGLE.
<small>           * MSF is the Michigan Strategic Fund            ** EGLE is Michigan Department of Environment, Great Lakes, and Energy            *** NREPA is the Natural Resources and Environmental Protection Act         </small>			

Attachment B

TO: MANISTEE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

FROM: MANISTEE COUNTY PLANNING DEPARTMENT

PROJECT:

DATE:

\_\_\_\_\_ Phase I Environmental Site Assessment, pursuant to USEP All Appropriate Inquiry using American Society of Testing Materials (ASTM) Standard 1527-05.

\_\_\_\_\_ Phase II Environmental Site Assessment, pursuant to ASTM Standard 1903 (if appropriate).

\_\_\_\_\_ Baseline Environmental Assessment, pursuant to Part 201, Environmental Remediation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. (If appropriate).

\_\_\_\_\_ Based upon the results of the Phase II Environmental Site Assessment, we recommend the submittal of a Baseline Environmental Assessment, a Response Activity Plan (RAP) or Due Care Plan (DCP).

Based upon its review of the above environmental documents and the representations of the developer, the County of Manistee Planning Department has determined that the documents received for this project satisfy the "Environmental Disclosure and Acknowledgement" section of the MCBRA Guidelines.

**ATTACHMENT C**

**MANISTEE COUNTY BROWNFIELD REDEVELOPMENT  
AUTHORITY  
ANNUAL ACTIVE PROJECT REPORT**

DATE	
PROJECT NAME	
STATUS OF PROJECT	
TOTAL CAPITAL INVESTMENT	
SQUARE FEET OF REHABILITATED RESIDENTIAL	
NUMBER OF RESIDENTIAL UNITS	
SQUARE FEET OF RETAIL	
SQUARE FEET OF COMMERCIAL	
SQUARE FEET OF INDUSTRIAL	
*LINEAR FEET OF PUBLIC INFRASTRUCTURE INSTALLED (ex. sewer, water, curb, etc.)	
* SQUARE FEET OF PUBLIC INFRASTRUCTURE INSTALLED (ex. sidewalk, road, alley, etc.)	
NUMBER OF CONSTRUCTION JOBS CREATED	
NUMBER OF CONSTRUCTION JOBS WITH DETROIT RESIDENTS	
NUMBER OF PERMANENT JOBS CREATED	
NUMBER OF PERMANENT JOBS CREATED WITH DETROIT RESIDENTS	
NUMBER OF JOBS RETAINED	
*only if costs are part of tax increment financing reimbursement request	

**MANISTEE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY**

<b>Brownfield Plan Fee Schedule</b>	
Application Fee*	\$1,000
Processing Fee**	1% of projected TIF reimbursement to the developer.
Minimum Payment of Processing Fees	\$1,000
Maximum Payment of Processing Fees	\$20,000
*Application Fee payable to MCBRA prior to submission of Brownfield Plan to MCBRA Board	
** Processing Fee payable to MCBRA prior to submission of Brownfield Plan to Manistee County Board of Commissioners or local Municipality.	
*** For Brownfield Plans that include a series of developments as defined in Michigan Public Act 381 of 1996, Section 13C.(1)	

## Attachment E

### Documents required to certify TIF eligible activity costs:

1. Certificate of Completion, attached hereto as Exhibit A.
2. Certificate for Reimbursement, attached hereto as Exhibit B.
3. If the Plan included remediation activities, verification from a qualified environmental consultant stating that the remediation activities identified in the Plan have been completed.
4. Project completion information such as total investment, number of units and/or jobs created, and number of square footage developed by use.
5. Invoices for eligible activity costs that can be tied directly to the project.
6. Proof of payment for those invoices (such as copies of checks or waivers).
7. Please note that if the Developer did not make the payments directly, then verification is required of the relationship that the Developer has with the entities that made the payment. This will be used to tie the costs to the Developer.
8. A table outlining the approved eligible activities and the costs for those activities that are included in the reimbursement request.

Please note that the MCBRA reserves the right to require additional items not described on this checklist, in its sole and absolute discretion, and this checklist may be amended by the MCBRA or its legal counsel during the course of the transaction.



# Manistee County Brownfield Redevelopment Authority Local Brownfield Revolving Fund Guidelines

Approved MM DD, 2023

## Introduction

The Manistee County Brownfield Redevelopment Authority (the "MCBRA") established a Local Brownfield Revolving Fund ("LBRF"), pursuant to Act 381, Public Acts of Michigan, 1996, as amended ("Act 381"). The LBRF is funded through tax capture on eligible property (as defined by Act 381) where an approved brownfield plan has been implemented.

In accordance with Act 381, the LBRF may be used only to fund "eligible activities" on "eligible property" as these terms are defined in Act 381.

MCBRA may utilize the LBRF to provide loans and/or grants to eligible applicants to assist with the costs associated with the completion of eligible activities in connection with brownfield plans approved by the MCBRA and the local Municipality.

With respect to LBRF loans, as these loans are repaid, the repayment amounts are "revolved" back into the LBRF and these funds become available to fund new loans to other eligible borrowers, thus providing an on-going source of capital to other eligible brownfield projects within the County of Manistee. This source of gap financing can assist with the redevelopment of brownfield sites by providing developers/property owners with an alternate method of financing, which may provide more flexible and favorable borrowing and repayment terms than conventional financing.

This document (the "LBRF Guidelines") is intended to provide interested parties with a general overview of the objectives of the LBRF, LBRF loan and grant eligibility requirements, LBRF application process and associated costs, etc. (the "LBRF Program"). Interested parties are strongly encouraged to review the LBRF Guidelines in detail and contact MCBRA staff if they have any additional questions. The MCBRA reserves the right to depart from these guidelines as it deems necessary in order to further the purposes for which the MCBRA was established. At the time of the establishment of the current LBRF Guidelines, the MCBRA was not interested in offering grant opportunities.

*The LBRF Guidelines may be amended or modified, from time to time, by the MCBRA Board of Directors, in its sole discretion. As such, please check the MCBRA website or contact MCBRA staff to ensure you have the most recent version of the LBRF Guidelines, applications, and/or forms.*

## **Objectives**

The LBRF Program is intended to meet the following objectives:

1. Assist in the revitalization of eligible property, as defined in Act 381, in the County of Manistee.
2. Provide a funding source that encourages the leveraging of additional private investment into the community.
3. Prioritizing non-profits and need based organizations.

## **LBRF Revolving Loan Fund**

The LBRF is primarily funded through tax capture from eligible property as part of an approved Brownfield Redevelopment Plan and, if school capture is to be applied to the project, a state approved work plan. In connection with the LBRF, MCBRA offers a revolving loan fund for eligible Brownfield projects. This incentive will only be approved by MCBRA as part of an approved development project, and not solely for clean-up activities.

LBRF funds may be used to provide revolving loans to eligible entities (ex. non-profit organizations, state sanctioned economic development organizations, private developers, etc.) to support redevelopment of brownfields in the County of Manistee. LBRF loans are intended to support development projects that are demonstrated to be economically viable to the satisfaction of MCBRA.

This source of gap financing can assist property owners and/or developers by providing financing for a portion of the project with flexible and favorable borrowing terms. It provides the Brownfield project developer and/or owner the opportunity to monetize (in whole or in part) the MCBRA's tax increment financing ("TIF") commitment to a project. LBRF loans will only be provided to applicants who are unable to monetize the MCBRA's TIF commitment with traditional conventional private financing as evidenced by documentation.

The minimum amount the MCBRA will consider for a loan shall be \$10,000.00. Only one loan may be given to each project. The loan amount allocated for any single project shall not exceed fifty percent (50%) of the MCBRA's TIF commitment for the Brownfield Plan or sixty-thousand and 00/100 dollars (\$60,000), whichever is less; however, notwithstanding anything to the contrary in these LBRF Guidelines, the MCBRA shall not be obligated to provide any funds in excess of what is available in the LBRF.

As security for the repayment of any LBRF Loan, the TIF capture from the project shall be pledged to MCBRA for loan repayment. Additional security may also be required by the MCBRA (ex. mortgage lien on eligible property, personal guaranty, etc.). Unless otherwise agreed to by the MCBRA in writing, TIF proceeds will first be for repayment of any outstanding MCBRA loan and then to developer or any outstanding eligible duties.

The principal loan portion of the repayments will be deposited into the LBRF, providing a sustainable source of capital within the community. Payments of interest received by MCBRA in connection with LBRF loans shall be used by MCBRA to fund LBRF operating costs. Interest rates and repayment terms on LBRF loans will be based off current market conditions and subject to MCBRA loan underwriting and project needs.

### **Application & Review**

To apply for a LBRF loan, developers of eligible projects shall submit the following documents to the MCBRA staff:

1. A completed and executed LBRF Program Application.
2. A non-refundable LBRF loan application fee in an amount equal to 10% of the requested loan amount.
3. Evidence, satisfactory to MCBRA, of the Developer/Owner's inability to monetize the MCBRA TIF commitment at reasonable terms from other financial institutions.
4. Disclosure of existing project financing and proof of commitments.
5. Proforma developed by the Developer.
6. Such other documentation requested by MCBRA staff.

Upon receipt of an LBRF Program Application, MCBRA staff will review the loan application, along with any applicable supporting documentation, and make a recommendation to the MCBRA Board of Directors regarding approval or rejection of the application.

Any loan approval is contingent upon the approval of the MCBRA Board of Directors and, in the case of a loan award, the execution of a Loan Agreement, between the applicant and the MCBRA, and such other documents that may be executed in conjunction therewith.

**Borrower Minimum Criteria:**

Eligible Applicants wishing to use LBRF funding shall meet the following criteria:

1. Must be a financially sound corporation or sole proprietor, as determined by the MCBRA in its sole discretion, wishing to redevelop a Brownfield site which would result in an increase in taxable value.
2. Must have a redevelopment plan consistent with local zoning.
3. Must have control over the property (either ownership or purchase option), and if not owned must have a signed access agreement that permits the activities contemplated for funding with LBRF funds.
4. Must not be the party responsible for the contamination, if any, on the eligible property.
5. Must not be delinquent in taxes, fee assessments, loan payments, or other indebtedness to the County of Manistee, the State of Michigan, or any political subdivision.
6. Must have an approved Brownfield Plan for local-only portion of TIF activities. \*
7. Must have an approved Work Plan for school portion of TIF capture. \*
8. Must have an approved Reimbursement Agreement. \*

\*If seeking approval of Brownfield TIF & LBRF funding concurrently, the LBRF application may be approved contingent upon the successful approval of these items.

**Loan Terms & Conditions:**

1. The amount of the loan and repayment period will be determined on a case-by-case basis. Consideration will be given to the requested funding, the amount of the investment and the anticipated tax capture.
2. The MCBRA reserves the right to set flexible terms on a case-by-case basis, including, but not limited to: balloon payments, deferred or forgivable loans, and interest-only payments; however, interest-only repayment will be for a maximum period of 24 months.
3. The MCBRA's obligation to provide the LBRF funding pursuant to the executed LBRF loan documents shall be contingent upon the Developer/Owner providing MCBRA with evidence, satisfactory to the MCBRA, that the financing for the project has been committed and secured.
4. Loan proceeds for each LBRF loan will be disbursed in accordance with the LBRF loan documents. Disbursement shall be made upon completion of the project.
5. Loan repayment will have priority on the full amount of TIF capture prior to any reimbursement to the developer or other entities holding a financial interest.
6. Any sale of the eligible property requires payment of the outstanding loan balance including any accrued interest.
7. Projects requesting any funding from the LBRF are subject to the MCBRA Guidelines. A copy of the MCBRA Guidelines shall be provided upon request.
8. To remain eligible for the approved loan, unless otherwise agreed to in writing by the MCBRA, development must start within fourteen (14) months from the date of approval and the project must be completed within three (3) years of the executed Reimbursement Agreement. Failure to meet these deadlines shall be a default under the LBRF loan documents.

**LBRF Process:**

1. Submit to MCBRA a completed and executed MCBRA Local Brownfield Redevelopment Fund Application Form (copy attached) and, if seeking a loan, a non-refundable application fee equal to 10% of the requested loan amount to the MCBRA.
  - a. The following information/documentation must be attached to the

application form, to the extent available:

- i. Project description including sources and uses of funds, business financial information for the development company, brief history of the company, including a description of similar projects completed with references and contact information, resumes of owners and/or key management, schedule for redevelopment, site plan, legal description and associated maps of the project property, cost estimates, project budget, equity and loan information, proof of ownership/control of the eligible property (i.e. deed, purchase agreement or option to purchase), a property appraisal, a statement describing how the loan funding is critical to the project and is consistent with MCBRA policies and procedures, and such other documents as may be requested by the MCBRA.
- ii. Any and all documentation necessary to evidence satisfaction of the aforementioned "Borrower Minimum Criteria."

b. PLEASE NOTE: Incomplete applications will be returned to the applicant.

2. Schedule an initial project meeting with MCBRA staff.
3. The LBRF Committee will review application and supporting documentation and, if applicable (i.e., no further documentation is required by applicant), prepare a recommendation for approval or denial to the MCBRA Board of Directors. Please note: Regardless of the LBRF Committee recommendation, the MCBRA Board of Directors will be the entity to approve or deny loan applications.
4. MCBRA Board of Directors shall review and either approve or deny the application. In connection with a LBRF loan applications, upon MCBRA Board approval of the application, a loan agreement, and such other documentation that may be executed in conjunction therewith, shall be prepared by MCBRA legal counsel. Upon execution of the loan agreement and such other documents that may be executed in conjunction therewith, funds will be disbursed on a reimbursement basis (unless otherwise agreed to by the MCBRA board) to pay for eligible costs pursuant to the loan agreement.
5. Subject to any waiver of this time limitation by the MCBRA Board of Directors, denied applicants may re-apply for reconsideration after 45 days from the date their application was denied by the MCBRA Board of Directors. Written reasoning from the MCBRA Board of Directors shall be given and recorded with the minutes from the meeting.

6. In connection with approved and consummated LBRF loans, the MCBRA staff shall periodically review all financial statements and loan amortization schedules of LBRF loan recipients, review and approve documentation of business expenditures financed with LBRF proceeds, record LBRF security instruments, maintain the LBRF accounting records and report annually to the MCBRA Board of Directors regarding the use of the LBRF funds.

**Amendments:**

These guidelines may be altered, amended or repealed by the affirmative vote of a majority of the Board in office at any regular or special meeting called for that purpose.

**LBRF Contact & Administration:**

Mr. Michael Szokola, Planning Director – Manistee County Brownfield  
Redevelopment Authority, (231) 723-6041 or [planning@manisteecountymi.gov](mailto:planning@manisteecountymi.gov)