

Allegan County Brownfield Redevelopment Authority



Allegan County Brownfield Redevelopment Authority

3283 122nd Ave
Allegan, MI 49010
269-668-5235

dwedge@allegancounty.org
<http://www.allegancounty.org>

Aaron Mitchell
269-694-6146
Chair
Otsego

ALLEGAN COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
May 13, 2025, 6:00pm

**Mike
Vandenberg**
269-685-9471
Vice Chair
Plainwell

Location: Allegan County Human Services Building (Zimmerman Room)
3255 122nd Avenue, Allegan Michigan, 49010
ACBRA member will need to attend in person for a quorum
Zoom available for non-board members and the public

Nick Breedveld
269-377-8075
**Secretary/
Treasurer**
Otsego

<https://us02web.zoom.us/j/83109097254?pwd=GBW4Vcn8aQRGjhh4EaNeIgm13S3J1a.1>
Meeting ID: 831 0909 7254
Passcode: 572025

Suzanne Dixon
773-405-1598
Douglas

CALL TO ORDER:
ROLL CALL:
COMMUNICATIONS: None
APPROVAL OF MINUTES: August 13, 2024
PUBLIC PARTICIPATION:

Gale Dugan
269-694-5276
Otsego

ADDITIONAL AGENDA ITEMS:
APPROVAL OF AGENDA:
PRESENTATIONS: None
ADMINISTRATIVE REPORTS: Brownfield 101, Housing Summit (See attachment)

**Alexandra
Gonzales**
303-991-7315
Holland

ACTION ITEMS:

1. Election of Officers 2024
 - a. Chairperson
 - b. Vice Chairperson
 - c. Secretary/Treasurer

Jaelyn Hulst
616-834-2436
Zeeland

Chris Kleinjans
269-673-8344
Allegan

DISCUSSION ITEMS:

1. HoM Flatts at River Street
 - a. Development Update
 - b. Ongoing environmental review
 - c. Revised Brownfield Plan
2. Land Bank Update
3. Brownfield Redevelopment Authority Structure
4. Round Table

FUTURE AGENDA ITEMS:

1. None

ADJOURNMENT:

Next Meeting: August 12, 2024

Brownfield Redevelopment 101



Samantha Mariuz
Economic Development
Manager



Jared Lutz
Project Manager

Roadmap



- Introduction
- Tax Increment Financing (TIF)
- Eligibility
- Housing TIF
- Community Asset and Value
- Brownfield Approval Process
- Establishing a Brownfield Redevelopment Authority

Introductions

Education:

Oakland University, 2013 - Bachelor of Arts
Political Science

Wayne State University, 2015 Master of Public
Administration

Current Communities Served:

City of Northville, Northville Township, City of
Zeeland, Shiawassee County BRA, Shiawassee
County LBA, City of Allegan, Keego Harbor, Village
of Peck, Sanilac County, Osceola County LBA

Active Private Development Clients:

Kalamazoo Affordable Housing Project, Marquette
Township Affordable Housing Project, Park
Township Affordable Housing Redevelopment



Samantha Mariuz

Education:

Miami University - Bachelor of Science

Volunteer Service:

Vice Chair, Kalamazoo County Brownfield
Redevelopment Authority

Developer Clients:

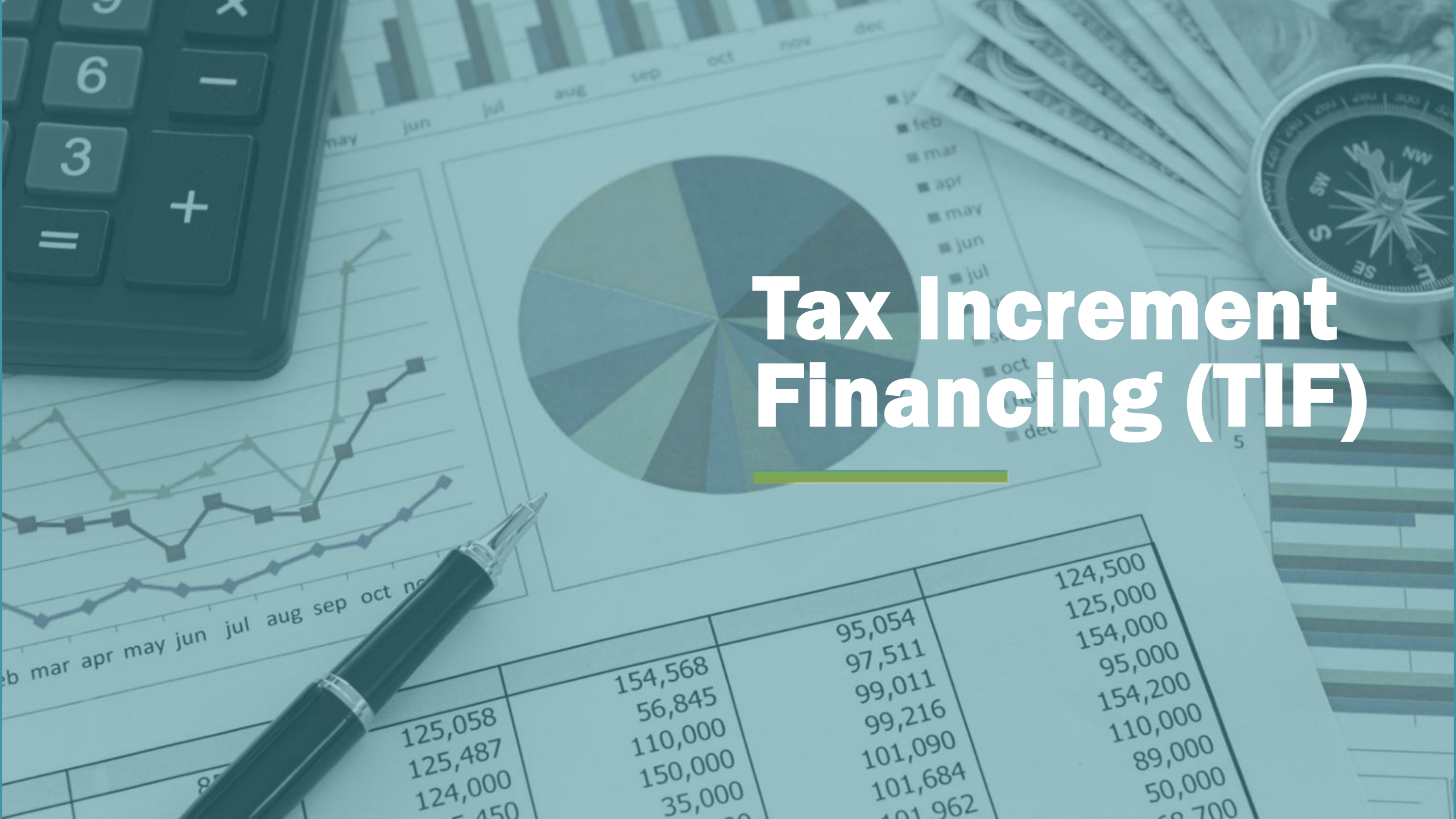
Allen Edwin Homes, Great Lakes Capital,
PlazaCorp, AVB, Talbot Development, Treystar,
Clark Logic, Redstone Homes, Moyle Construction

Michigan Growth Advisors:

Michigan Growth Advisors is a wholly-owned subsidiary of Michigan-based law firm Miller Johnson that helps clients identify, quantify, and secure public sector incentives available for development projects and helps clients evaluate site selection options for expansion opportunities.



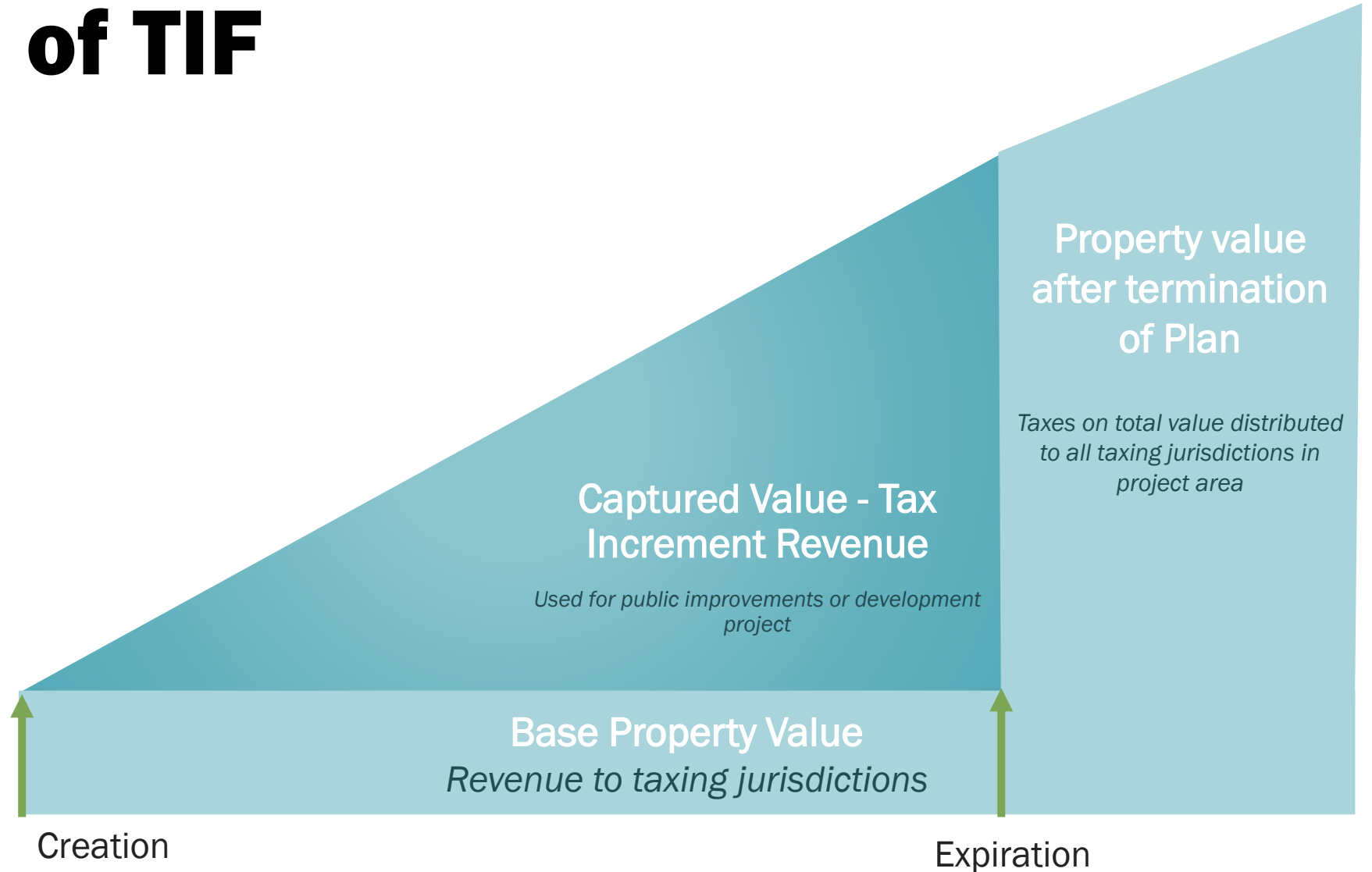
Jared Lutz



Tax Incremental Financing (TIF)

125,058	154,568	95,054	124,500
125,487	56,845	97,511	125,000
124,000	110,000	99,011	154,000
5,450	150,000	99,216	95,000
	35,000	101,090	154,200
		101,684	110,000
		101,962	89,000
			50,000
			68,700

The Value of TIF



Tax Increment Financing Capture Estimates

- Base Taxable Value is set the year the Plan is adopted
- Project is assessed as normal, which sets the “Future Taxable Value” following project completion
- Developer pays property taxes as normal
- The difference between Base Taxable Value and Future Taxable Value is captured by the Brownfield Redevelopment Authority
- Brownfield Redevelopment Authority reviews eligible costs incurred by the Developer, and reimburses eligible costs through TIF
- Statutory maximum of 30 years of Capture
- Brownfield Plans cannot capture special assessments or debt millages



Eligibility

Contaminated*

Functionally Obsolete*

Blighted*

Historic Resource*

Tax Reverted/Land Bank Owned*

Transit Oriented

Housing Property

**Adjacent and contiguous property of these properties are also eligible.*



Eligible Properties

Environmental

Department Specific Activities

- Site Assessments (Phase I ESA, BEA, etc.)
- Due Care Activities
- Response Activities

EGLE

Non-Environmental

- Demolition
- Abatement (lead, asbestos, mold)
- Site Preparation*
- Public and (some limited private) Infrastructure*
- Plan Preparation and Implementation
- Interest on unreimbursed eligible activities

MEDC

Housing

- Infrastructure
- Site Preparation
- Demolition and renovation of existing buildings
- Temporary relocation costs
- Acquisition costs
- Gap Financing

MSHDA

**Only available in Core Communities (such as City of Allegan in Allegan County)*

Eligible Activities

A photograph of a row of modern, multi-story brick townhomes. The buildings feature light-colored brickwork, dark window frames, and balconies with black metal railings. A concrete sidewalk runs along the front of the townhomes, bordered by a black metal fence and young trees. The sky is clear and blue.

Housing TIF

Housing Property Definition

- “**Housing Property**” includes “a property on which 1 or more units of residential housing are proposed to be constructed, rehabilitated, or otherwise designated to be used as a dwelling.”
- Market Rate and Affordable housing projects are eligible, with different reimbursement eligibility for each.

Eligible Activities – Housing Property

Activity	Example
Site Preparation	Land Balancing, Grading Clearing and Grubbing Cut and Fill Geotechnical Engineering Temporary Construction Activities (temporary facilities, traffic control, erosion control, access, staking, etc.)
Infrastructure market <i>Infrastructure can be reimbursed on market-rate only projects. Projects need an affordable component to be eligible for site preparation reimbursement and gap subsidy reimbursement.</i>	Roads and curbs/gutters Pipework (sewer and water mains and home connections) Parking Structures, Driveways Sidewalks, Landscaping, Streetlighting Utility Connections Green Building Features (EV Charging, Solar Panels)
Demolition	Site Demolition Building Demolition
Preparation and Implementation	Costs related to the preparation and implementation of a Brownfield Plan and Act 381 Work Plan
Housing Affordable Subsidy	Examples on Next Slide

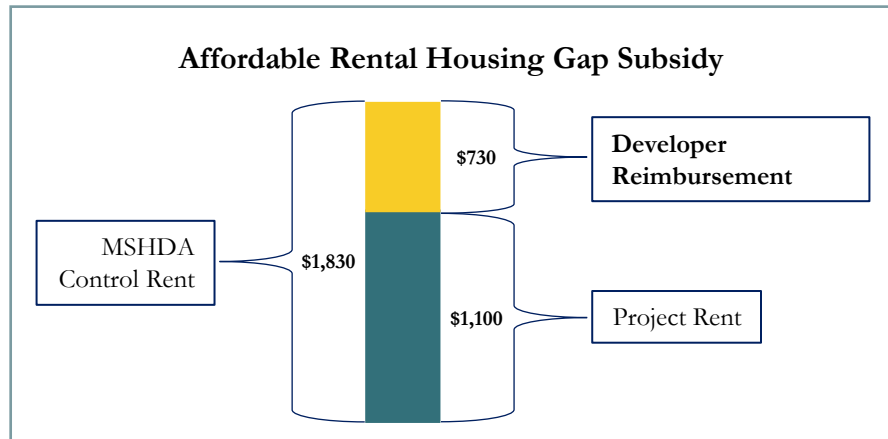
2025 AMI Limits – Allegan County

- Target demographic for this program is “Missing Middle” or “Workforce Housing” between 60-120% of Area Median Income

Income	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person
20%	14,100	16,120	18,120	20,140	21,740	23,360	24,980
25%	17,625	20,150	22,650	25,175	27,175	29,200	31,225
30%	21,150	24,180	27,180	30,210	32,610	35,040	37,470
35%	24,675	28,210	31,710	35,245	38,045	40,880	43,715
40%	28,200	32,240	36,240	40,280	43,480	46,720	49,960
45%	31,725	36,270	40,770	45,315	48,915	52,560	56,205
50%	35,250	40,300	45,300	50,350	54,350	58,400	62,450
55%	38,775	44,330	49,830	55,385	59,785	64,240	68,695
60%	42,300	48,360	54,360	60,420	65,220	70,080	74,940
70%	49,350	56,420	63,420	70,490	76,090	81,760	87,430
80%	56,400	64,480	72,480	80,560	86,960	93,440	99,920
100%	70,500	80,600	90,600	100,700	108,700	116,800	124,900
120%	84,600	96,720	108,720	120,840	130,440	140,160	149,880
125%	88,125	100,750	113,250	125,875	135,875	146,000	156,125
140%	98,700	112,840	126,840	140,980	152,180	163,520	174,860
150%	105,750	120,900	135,900	151,050	163,050	175,200	187,350

Rent By Bedroom	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
20%	352	377	453	523	584	644
25%	440	472	566	654	730	805
30%	528	566	679	785	876	967
35%	616	661	792	916	1,022	1,128
40%	705	755	906	1,047	1,168	1,289
45%	793	849	1,019	1,177	1,314	1,450
50%	881	944	1,132	1,308	1,460	1,611
55%	969	1,038	1,245	1,439	1,606	1,773
60%	1,057	1,133	1,359	1,570	1,752	1,934
70%	1,233	1,322	1,585	1,832	2,044	2,256
80%	1,410	1,511	1,812	2,094	2,336	2,579
100%	1,762	1,888	2,265	2,617	2,920	3,223
120%	2,115	2,266	2,718	3,141	3,504	3,868
125%	2,203	2,360	2,831	3,271	3,650	4,029
140%	2,467	2,644	3,171	3,664	4,088	4,513
150%	2,643	2,833	3,397	3,926	4,380	4,835

Affordable Housing Gap Subsidy – Rental



- Gap is the difference between:
 - **Project Rent** (rent charged to income qualified tenant) and
 - **MSHDA Control Rent** (Based on 40th Percentile Fair Market Housing Rents from the Department of Housing and Urban Development)
- Gap is only available to units rented to households income restricted to at or below 120% of Area Median Income
- Duration of income restriction varies by project (typically see 10 to 20 years of income restriction).

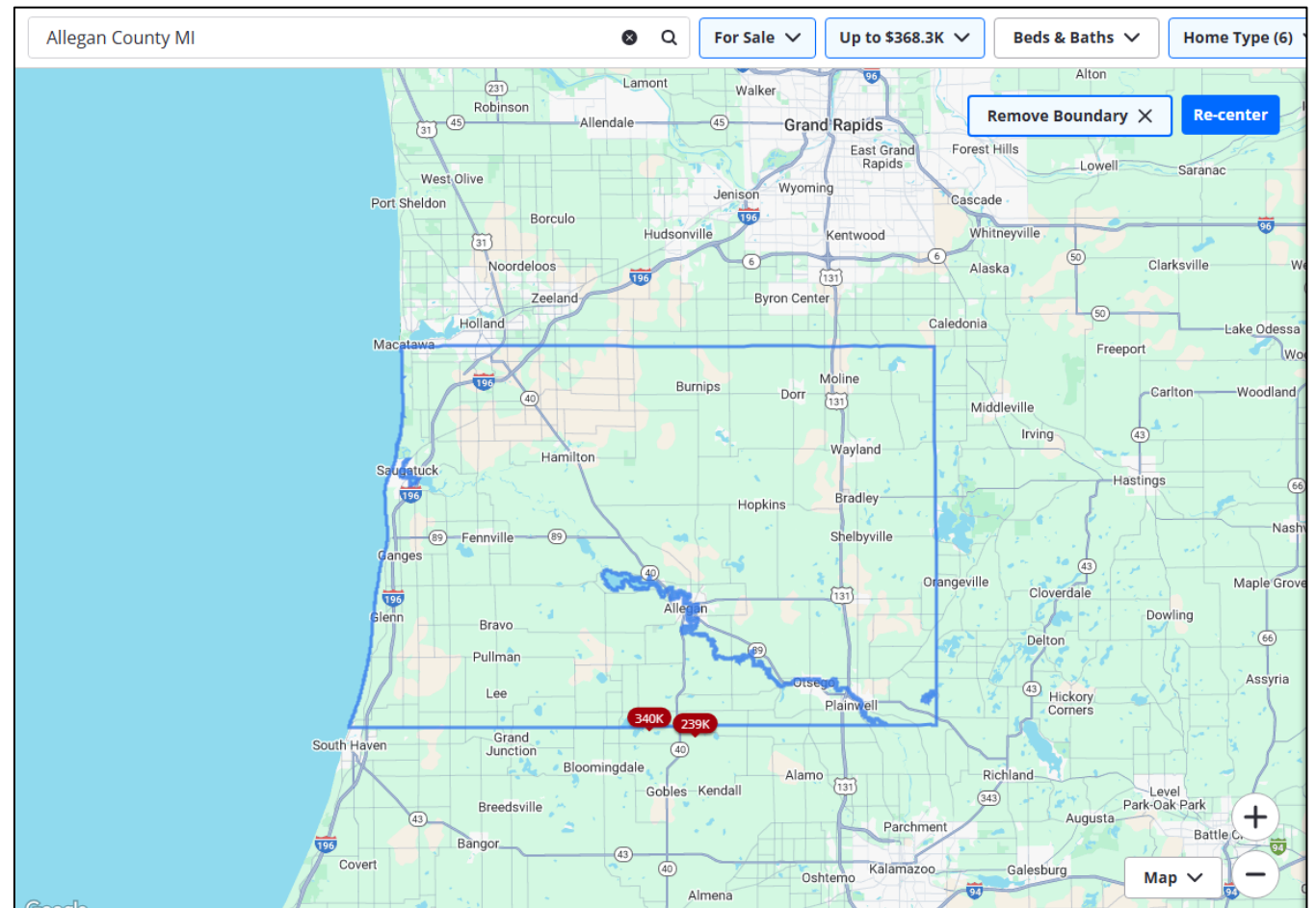
Housing Affordable – Owner Calculation

100% AMI Affordable Home Calculation		
	2-Person Household	3-Person Household
100% AMI	\$80,600	\$90,600
Affordable Monthly Payment*	\$1,781	\$2,031
Affordable Mortgage	\$274,523	\$313,068
Affordable Home Price	\$322,969	\$368,315

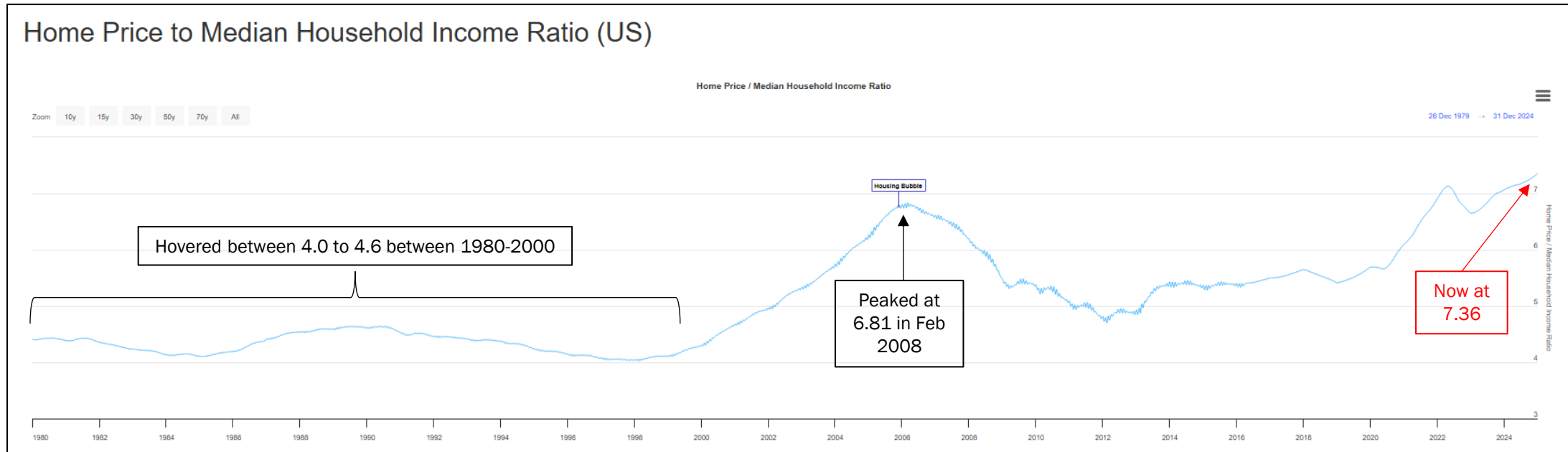
*After insurance, taxes, PMI, based on 30% Mortgage to Income ratio, 15% Down, and a 30-year fixed mortgage at 6.75%.

Affordable Housing Availability

Currently only two homes in Allegan County listed on Zillow under \$368,315 (the affordable home price to a 3-person household at 100% AMI Income)



Affordable Housing Availability



Housing Affordable Gap Subsidy – Owner

100% AMI Affordable Home Calculation

	Affordable Home Price	Cost to Build Home	Available Developer Gap Subsidy*
2-Person 100% AMI	\$322,969	\$400,000	\$77,031
3-Person 100% AMI	\$368,315	\$400,000	\$31,685

**While the cost associated with building the home is incurred when the year is built, the Developer only gets reimbursed over time, creating a Time Value of Money problem*



Community Asset & Value

Community Asset



**Revitalize and
redevelop eligible
properties to
create economic
opportunities**

- A Brownfield Redevelopment Authority (BRA) is created and appointed by a county, city, village or township
- Prepare a property for redevelopment by conducting an environmental assessment or initiating other response activities.
- Administrative and LBRF Capture
- Make and enter contracts related to the Authority's powers
- Own, mortgage, convey, lease land and property
- Accept grants and donations
- Invest money and borrow money, issue bonds
- Study, develop and prepare reports

Local Impact

Support

Support
community
goals and
programs

Enhance

Enhance
economic
vitality

Capture

Capture
external
taxes for
public
purposes

Attract

Attract new
projects

Grow

Grow and
diversify
the tax
base

Value of a Brownfield Redevelopment Authority

Administrative Capture

- Capture during the duration of a Brownfield Plan for Administration of BRA

Local Brownfield Revolving Fund (LBRF)

- Site Assessment
- Grants
- Loans
- *Capture to LBRF typically happens during the last 5 years of Plan Capture, following Developer reimbursement*

Brownfield Reimbursement

- Brownfield Plan – maximum amount
- Act 381 Work Plan – State and school taxes
- Reimbursement based on actual cost of eligible activity and availability of TIF
- Incentive for the developer to complete the project
- Very limited risk to the community



Brownfield Approval Process

Local Approval Process

Municipal BRA

- Developer Engages with BRA, proposes project, and drafts Brownfield Plan
- BRA Recommends approval of Brownfield Plan
- City Commission/Township Board sets a public hearing (10 days) and votes on approval

County BRA

- Developer Engages with BRA, proposes project, and drafts Brownfield Plan
- BRA Recommends approval of Brownfield Plan to County Commission
- Local Municipality votes on a concurring resolution to support the Plan
- County Commission sets a public hearing (10 days) and votes on approval

Local Approval Authorizes the Capture of Local Millages, excluding debt and special assessments

State Approval Process

MSHDA Approval

- Following Brownfield Plan Approval, an Act 381 Work Plan is drafted and sent to MSHDA
- MSHDA reviews Plan compliance with Public Act 381
- MSHDA Approval is required on all projects contemplating Housing Eligible Activities and School Tax Capture

EGLE Approval

- For projects with environmental remediation of contaminated sites, EGLE approval is likely also required along with MSHDA Approval

State Approval Authorizes the Capture of State Millages, including School Operating Tax and 6 mill State Education Tax

An aerial photograph of a demolition site. A large, multi-story building with blue corrugated metal siding is being dismantled. Several yellow excavators are visible, some positioned around the building and others on the ground. Debris, including wooden planks, metal sheets, and other construction materials, is scattered across the dark ground. The overall scene is one of active industrial demolition.

Establishing a Brownfield Redevelopment Authority

- 
1. • Informational Meeting
 2. • Resolution of Intent to Establish a BRA
 3. • Public Hearing Notice
 4. • Public Hearing
 5. • Resolution Establishing a BRA
 6. • Establishing a BRA Board
 7. • Filing Resolution Establishing the BRA with the State
 8. • Organizational Meeting

Statutory Process

BRA Examples in Allegan County

- Allegan County Brownfield Redevelopment Authority
- City of Allegan Brownfield Redevelopment Authority
- City of Douglas Brownfield Redevelopment Authority

Thank you

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