

# **SCHOOLCRAFT COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY**

## **DEVELOPER GUIDANCE**

**Approved by SCBRA July 2<sup>nd</sup>, 2025**

This document is intended to guide developers who wish to request approval of Tax Increment Financing (TIF) from the Schoolcraft County Brownfield Redevelopment Authority (SCBRA).

### **SCBRA Mission Statement**

The SCBRA will provide resources and expertise to improve quality of life for the county, its communities, and its citizens by stimulating economic growth, creating new jobs, cleaning up contamination, providing affordable housing, increasing property values, and supporting community pride. The SCBRA will work closely with local governments to identify community supported and driven redevelopment projects.

### **Definitions and Acronyms**

All terms and acronyms used in this guidance document are consistent with definitions found in the Brownfield Redevelopment Financing Act, 1996 PA 381, as amended. Please see Appendix 2 for a list of frequently used definitions and acronyms.

### **Requesting TIF**

Please refer to the Brownfield Plan / Amendment Process Summary (Appendix 1) for each specific step and associated timing.

Developers seeking assistance from the SCBRA should first contact its director, who will determine whether the project meets the SCBRA's and statutory requirements for SCBRA approval. The SCBRA Director may request written information and/or a meeting with the development team before authorizing submission of a Brownfield Plan or Amendment.

**SCBRA Director: Victoria George, [vgeorge@stc906.com](mailto:vgeorge@stc906.com), 906-341-5010**

Fees: An application fee of \$1,000 and a draft Brownfield Plan or Combined Plan must be submitted to the SCBRA at least ten business days prior to its regular meeting for review and inclusion in the SCBRA packet.

Brownfield Plan and Act 381 Work Plan or Combined Plan: If the SCBRA agrees to consider TIF for the project, the developer or their consultant must prepare a Brownfield Plan or combined Brownfield Plan / Act 381 Work Plan according to the State of Michigan's template and guidance. If the developer intends to request approval by the State of Michigan for state TIF, they must provide an Act 381 Work Plan after SCBRA, local government, and county commission approval of the Brownfield Plan, or submit a Combined Plan in lieu of a separate Brownfield Plan and Work Plan.

Draft Brownfield Plans will be reviewed by the SCBRA Director and its consultant for consistency with Act 381 and other applicable statutes, State of Michigan formats, SCBRA and community priorities, and local plans, zoning, and ordinances. The SCBRA Director and its consultant will consider how the project meets its requirements and local priorities and benefits the county and community where the project is located. These could include:

#### **1. Project requirements**

- The property owner will not be relieved of responsibility for environmental contamination or blight
- The applicant must own or have a binding purchase agreement for the property
- The applicant may not have outstanding real or personal property taxes
- The applicant's developments in Schoolcraft County must comply with zoning and other local requirements
- The project must be consistent with existing zoning, or the developer can provide verification from the local Planning/zoning body of Planning/zoning approval for the project
- Homes constructed for sale using housing TIF must be the occupant's primary residence. Short term rentals will usually not qualify for housing TIF.

## 2. Project priorities

- Job creation / retention, especially year-round employment
- Environmental protection or enhancements that exceed measures required by law, such as rain gardens, pervious pavement, etc.
- Workforce housing, especially housing for sale or rent to residents earning less than 120% of Schoolcraft County's AMI
- Blight elimination
- Project financial need
- The project includes amenities such as electric vehicle charging stations, connection to or expansion of existing trails, access to greenspace, walkability to local businesses, and other enhancements
- The project reuses an existing, underutilized development site rather than an undeveloped greenspace or environmentally sensitive property

Please be advised that Plans for workforce housing projects must also comply with the following.

- Incentives may be prorated to the percentage of units that are income limited. For example, if 50% of a project's units will be income limited, the SCBRA will consider 50% of infrastructure, site preparation, demolition, building rehabilitation, and other quantifiable eligible costs. Proration may be waived or adjusted based on an individual project's merit
- Potential rent loss and potential development loss calculations should be based on formulas provided by MSHDA (including local-only Plans)
- A proforma must be included in the draft Brownfield Plan. The developer may use the Michigan Economic Development Corporation's Workbook or another proforma. The proforma must show:
  - Acquisition, construction, interest, and operating costs

- Rent/sale revenues
- The number of residential units and non-residential units, square footage, and anticipated rent or sale cost and revenue per unit
- The developer's debt service coverage ratio
- Internal rate of return for the project
- Leases and/or deeds on income restricted units must include a provision that residences may not be used for short term rentals for the duration of the TIF reimbursement

Brownfield Plans should include:

- Up to \$50,000 for SCBRA Brownfield Plan implementation prorated over the life of the Plan, using both local and state tax increment revenues, unless otherwise negotiated with the SCBRA
- SCBRA administrative fees up to 5% of local tax increment revenues per year
- A draft resolution of support for the project for local government approval (the SCBRA will provide a template resolution on request)
- A draft resolution for Schoolcraft County Commission approval of the Plan (the SCBRA will provide a template resolution on request)
- Draft notices of the public hearing and notices to taxing jurisdictions of the proposed Brownfield Plan (the SCBRA will provide a template resolution on request)
- Five years of tax capture for Schoolcraft County's Local Brownfield Revolving Fund (LBRF). The SCBRA may allocate a portion of the annual local tax capture to the LBRF for no more than five years. This capture is in addition to administrative and operating costs and eligible activity reimbursement. The SCBRA may require the LBRF contribution concurrent with eligible activity reimbursement, or for five years after the developer is fully reimbursed.

The SCBRA Director and its consultant will provide a recommendation to the SCBRA. The SCBRA may either approve, deny, or request modifications for subsequent consideration.

The developer or their representative is required to attend the SCBRA meeting to describe the project and respond to questions from SCBRA members and staff.

Local Government Concurrence: The local governmental unit governing body must concur with the Brownfield Plan. Developers should be working with the local governmental unit to secure its support for the Brownfield Plan before, or concurrent with, submitting a Plan to the SCBRA. The SCBRA will approve the Plan before the Plan is submitted to the local government for a resolution of support. Once the local government resolution of support is approved, the developer or their consultant should submit a copy of the final Plan with the resolution signed by the local clerk for Count Board of Commissioners approval.

Brownfield Plan Notice for Public Hearing and to Taxing Jurisdictions: After the SCBRA and the local unit of government have approved the project, the SCBRA will request a public hearing from the Schoolcraft County Board of Commissioners.

The developer may provide a public hearing notice and a notice to taxing jurisdictions for use by the SCBRA or the SCBRA can provide a template. SCBRA staff will coordinate with the developer and the Schoolcraft County Commission to set a public hearing date and issue the notice of public hearing at which the Schoolcraft County Commission will hear the public's comments on the Brownfield Plan. Notice of the public hearing is also sent by SCBRA staff to local taxing jurisdictions affected by the Brownfield Plan, including state agencies if the Plan includes state tax increment revenues (TIR).

Public Hearing: The County Commission will hold a public hearing on the proposed Brownfield Plan and may approve or deny the Brownfield Plan or request modifications for subsequent consideration.

Act 381 Work Plan: After Brownfield Plan approval, if the developer wishes to capture state taxes, they must submit a Work Plan consistent with Act 381 and state guidelines to the SCBRA for approval. (If a Combined Plan format is used, a separate Act 381 Work Plan is not required.) The SCBRA will submit the Work Plan or Combined Plan to the appropriate state agency or agencies (EGLE, MSHDA, and / or MEDC/MSF) for their approval. Act 381 Work Plans do not require a public hearing or local government or Schoolcraft County Commission approval.

Reimbursement of Eligible Activities Completed Prior to Brownfield Plan Approval: Act 381 includes some preapproved eligible activities. Costs can be incurred prior to Brownfield Plan approval at the developer's risk. In limited instances, the SCBRA and state agencies may agree to reimburse the developer for eligible activities that are not preapproved but that were completed prior to Brownfield Plan approval.

## **Project Implementation**

Development and Reimbursement Agreement: A development and reimbursement agreement must be executed between the developer and the SCBRA which outlines the responsibilities of each party, the terms and conditions under which the project is developed, and reimbursement for eligible activities. If the developer is requesting reimbursement from state taxes for eligible activities, the developer and SCBRA must execute the development and reimbursement agreement and attach it to the Act 381 Work Plan.

Invoice Approval: Once the developer conducts the project's eligible activities, the developer must submit invoices and full waivers of lien or other verification of payment from all contractors to document eligible activity expenses. The SCBRA or Director must approve expenditures. The development and reimbursement agreement describes timing and details for invoice approval. If housing gap financing is an approved eligible activity, income verification requirements will be described in the development and reimbursement agreement.

Procedures for Tax Capture and Reimbursement: Once the SCBRA approves the Brownfield Plan, the SCBRA will notify the local government treasurer responsible for tax collection. Notification will include the date of approval for the Brownfield Plan, the initial taxable value and year, and the total approved obligation.

Disbursement: As tax increment revenues are captured, the county treasurer or finance director will make disbursements following the development and reimbursement agreement. The allocation for administrative and plan implementation costs is paid first, then balance of tax increment revenues is paid to the developer. If a local unit of government, Schoolcraft County, or SCBRA issues a bond or accepts a loan for eligible activities related to the project, debt payment is the highest priority of all obligations.

**Appendix 1**

**Brownfield Plan / Amendment Process Summary**

Project name:

How is the property eligible?

- Contaminated
- Blighted / Functionally obsolete
- Housing
- Other

Mark which source of tax revenues will be used for each eligible activity

Eligible Activity	Local	EGLE*	MEDC*	MSHDA*
Environmental due diligence – preapproved. If MSHDA approval is requested, a current Phase I is required				
Environmental due care / cleanup (not preapproved)				
Lead, asbestos, mold abatement – preapproved up to \$250,000				
Demolition – preapproved up to \$250k in combination with abatement				
Infrastructure				
Site preparation				
Financing gap for development of housing for households at 120% AMI or below				
Renovation of an existing building for housing				
Brownfield Plans, Work Plans (up to \$30,000)				
Admin (local only), Plan implementation up to \$50,000 (local plus state)	x			
*If EGLE, MEDC (MSF), or MSHDA tax revenues will be captured, an Act 381 Work Plan must be submitted after the Brownfield Plan is approved.				

What	When
Developer contacts the SCBRA Director and the local unit of government (city, township, village) where the project is located to discuss the project before completing a Plan or Amendment.	
If DDA is already collecting TIF, do an interlocal agreement under which they may give up their TIF	
Developer submits a Plan / Amendment to the BRA.	At least two weeks prior to SCBRA meeting
SCBRA reviews and votes on the proposed Plan or Amendment. Approval may include conditions.	SCBRA meeting
City/village/township Board must pass a resolution in support of the Plan after SCBRA approval	Following SCBRA approval
SCBRA requests a public hearing be scheduled for the proposed Plan Amendment at the next feasible city council or county commission regular meeting	At least 10 days in advance of public hearing date
SCBRA notifies local taxing jurisdictions and the public of the proposed Plan Amendment and public hearing date. If state school TIF will be used for the project, the SCBRA notifies EGLE, MSF/MEDC, and/or MSHDA of the public hearing.	At least 10 days in advance of public hearing date
Public hearing. The developer or their representative must attend the hearing.	City council or county commission meeting or special meeting
City council or county commission approves or rejects the Plan / Amendment	Following the public hearing
BRA and developer enter into a Development / Reimbursement Agreement	After adoption of the Plan or Amendment
For projects with state school tax capture, developer drafts a Work Plan pursuant to Act 381 for BRA review and approval OR developer begins work on eligible activities.	After Development / Reimbursement Agreement
If applicable, SCBRA reviews the Work Plan. If state school taxes will be captured, SCBRA will forward the Work Plan to EGLE, MSHDA, and/or MEDC for approval.	Before developer can begin work on eligible activities. State has 60 days to approve, deny, or request changes to the Plan.
After the development agreement is signed and, if applicable, the Work Plan is approved, the developer can begin work.	After approvals received from BRA and, if applicable, EGLE, MSHDA and/or MEDC

## Appendix 2

### Definitions and Acronyms

AMI: Area Median Income

DDA: Downtown Development Authority

EGL: Michigan Department of Environment, Great Lakes, and Energy

LBRF: Local Brownfield Revolving Fund

MSHDA: Michigan State Housing Development Authority

MEDC: Michigan Economic Development Corporation

MSF: Michigan Strategic Fund

SCBRA: Schoolcraft County Brownfield Redevelopment Authority

TIF: Tax Increment Financing

TIR: Tax Increment Revenues

Definitions and terms used in this document are consistent with those found in [1996 PA 381, as amended](#). For convenience, some definitions are included here.

- Area Median Income (AMI): AMI is the benchmark for many housing incentives, including tax increment financing (TIF) for housing development. A brownfield plan that includes housing development eligible activities must include at least one unit of housing for a household earning up to 120% of Schoolcraft County's AMI. The Michigan State Housing Development Authority (MSHDA) updates its AMI tables annually on or around April 1.
- Board and Board Members: The SCBRA Board of Directors and its appointed members (the "Board" or individually, "Board Members").
- Brownfield Plan: The brownfield plan is the tool used by anyone who wants to secure brownfield TIF (defined below) to pay for eligible activities. The city, township, or village where the project is located, the SCBRA, and the Schoolcraft County Commission must all approve the brownfield plan. The State of Michigan provides a brownfield plan template that includes all the information needed for plan approval. A brownfield plan may include both state and local tax increment revenues (TIR, defined below with TIF), but if the developer wants to collect the state TIR, they must also create an Act 381 Work Plan (defined below under Work Plan).
- Eligible Activities: Act 381 specifies that TIF may be used only for eligible activities defined by the Act. These include:
  - Department specific activities. This is fully defined in Act 381. "Department" in the Act refers to the Michigan Department of Environment, Great Lakes, and

- Energy (EGLE), so department specific activities are environmental due diligence or cleanup related.
  - Relocation of public buildings or operations for economic development purposes
  - Demolition, including trash removal
  - Lead, asbestos, and mold abatement
  - Infrastructure and site preparation
    - For housing development projects anywhere in the county
    - For any type of development in the City of Manistique (because it is a “Qualified Local Unit of Government,” the only one in Schoolcraft County)
  - Housing development financing gap, which may include any cost associated with developing housing for a household that earns up to 120% of the county’s AMI, including property acquisition, construction or renovation, and a rent subsidy or offset in cost for a for-sale home.
  - Clearing or quieting title to, selling or otherwise conveying, property owned by a local unit of government or land bank authority
  - Interest on money borrowed by the developer for eligible activities and bonds issued by the local government or BRA, except on trash removal
  - Environmental insurance
  - Costs to prepare brownfield plans and work plans, including legal and consulting fees, up to \$30,000
  - Costs to implement brownfield plans, limited to \$50,000
- Eligible Property: Act 381 defines the conditions that make a property eligible for brownfield TIF. The property must meet at least one of these conditions:
  - Contaminated according to the Natural Resources and Environmental Protection Act, 1995 PA 451, as amended, Part 201 or Part 213
  - Blighted (defined in Act 381 as property that is a public or attractive nuisance, has disconnected utilities, is a fire hazard, is previously developed or tax reverted property owned by a municipality, the state, or a land bank, or has substantial buried demolition debris). The governing body must declare the property as blighted.
  - Functionally obsolete (defined in Act 381 as unable to be used to adequately perform the property’s intended purpose because of overcapacity, technology changes, design deficiencies, or other similar factors)
  - Historic
  - Property adjacent or contiguous to any of the above
  - Owned by a land bank authority
  - Part of a transit-oriented development or transit-oriented property
  - Located in the City of Manistique in a targeted redevelopment area
  - Property that will be developed with housing

- **Qualified Local Unit of Government:** The City of Manistique is the county's only Qualified Local Governmental Unit (QLGU). Another term for QLGUs is [Core Community](#). The linked page provides more information about qualifications.
- **Tax Increment Financing and Tax Increment Revenues:** Tax increment financing (TIF) is a plan or financing mechanism that uses tax increment revenues (TIR) to pay for eligible activities.

TIR is the difference between a baseline property tax amount and a future (usually post-development) property tax amount. For example, a vacant property's current property taxes are \$5,000. After the property is developed with a new business, the property taxes increase to \$50,000 a year. The difference of \$45,000 is the TIR. If the business owner has an approved brownfield plan and work plan, they can be reimbursed for their eligible activities using the \$45,000 of TIR until they are fully reimbursed for the eligible activities for up to 30 years. TIF is used by brownfield authorities and by other public development authorities such as downtown development authorities to pay for activities that help meet their mission.

If the property has an initial taxable value of \$0 (for example, if it is owned by a local government), all taxes paid after development are TIR.

Both state and local property taxes can be used toward eligible activities under a brownfield plan. (A plan must include local taxes; the state will not approve a plan that only includes state taxes.) Local taxes vary according to locally approved millage rates. The state's share of property taxes is always either six mills for homestead-exempt property, or 24 mills for non-homestead exempt property (businesses, rented housing including short term rentals, second homes). In a brownfield plan, three mills of state taxes must be returned to the state as a fee, so the net TIR in a plan that uses state taxes will be either three mills (homestead-exempt) or 21 mills (non-homestead exempt).

TIR can be collected (or captured) under a brownfield plan for a maximum of 30 years.

- **Work Plan or Act 381 Work Plan:** A work plan is a second plan that follows a brownfield plan. The developer completes a work plan only if they are requesting reimbursement for eligible activities from both local and state TIR. A work plan is not necessary for reimbursement of eligible activities using only local taxes.