

WYANDOTTE BROWNFIELD REDEVELOPMENT AUTHORITY

DEVELOPER REIMBURSEMENT POLICY FOR BROWNFIELD REDEVELOPMENT PLANS



**CITY OF WYANDOTTE, MICHIGAN
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Adopted by the Brownfield Redevelopment Authority on November 15, 2005

Prepared by the Community Development Department

WYANDOTTE BROWNFIELD REDEVELOPMENT AUTHORITY
DEVELOPER REIMBURSEMENT POLICY

The purpose of this policy is to outline the eligible activities, as defined in the Brownfield Redevelopment Financing Act, Act 381 of 1996, as amended, and the conditions under which the Wyandotte Brownfield Redevelopment Authority (WBRA) and City Council will consider brownfield tax-capture to reimburse an Applicant/Developer.

1. Within the existing Consolidated Tax Increment Financing Authority (TIFA) District or the Downtown Development Authority (DDA) District, a maximum of 80% of brownfield tax-increment revenue may be captured under a Brownfield Redevelopment Plan. Any such capture is subject to further approval by the TIFA or DDA, respectively, in accordance with the terms of an Interlocal Agreement approved by each respective Authority. The uncaptured percentage shall be captured by either the TIFA or DDA to further development of their respective Development Plans. The TIFA approved an Interlocal Agreement with the WBRA on August 17, 2004; the DDA has not yet approved an Interlocal Agreement with the WBRA.
2. Outside of the TIFA or DDA Districts, up to 100% of brownfield tax-increment revenue may be captured under a Brownfield Redevelopment Plan.
3. The Applicant is responsible for demonstrating to the WBRA that the costs are reasonable and necessary in order for reimbursement to be authorized. With all expenses, the WBRA reserves the right to limit the funding approved for any specific activity or expense on a per-project or per fiscal year basis.
4. The cost of Eligible Activities completed prior to the approval of a Brownfield Redevelopment Plan generally will not be reimbursed. To determine if a site is an Eligible Property, i.e., either a "Facility," "Functionally Obsolete, or "Blighted," an Applicant is encouraged to utilize any existing environmental information available or to perform the minimum amount of investigation necessary to qualify the site prior to the approval of a Brownfield Redevelopment Plan.
5. The cost of Eligible Activities proposed for completion after approval of a Brownfield Redevelopment Plan will be reviewed on a project-by-project basis for a reimbursement determination. The following principles shall guide determinations by the WBRA:
 - a. Environmental Activities.
 1. Baseline Environmental Assessment Activities. Said costs shall generally be an allowed expense.
 2. Due Care Activities. The cost of Due Care Activities shall generally be an allowed expense with the limitation that only the additional or incremental costs necessary to satisfy Due Care requirements shall be eligible, not the full cost of any specific improvements. The Applicant is responsible for satisfactorily demonstrating to the WBRA that the work proposed and incremental costs are necessary and reasonable.

EXAMPLE: If an exterior direct contact barrier is required to separate a new development from contaminated soil to be left in place, such as an asphalt or concrete

parking surface, the full cost of the parking lot surface and construction is not a reimbursable expense. Only the additional costs required to satisfy Due Care requirement are eligible, i.e., two (2) additional inches of asphalt or concrete to construct a six (6) inch surface when a four (4) inch surface would have otherwise been acceptable.

3. Additional Response Activities. Said costs will be reviewed on a project-by-project basis for reimbursement with the Applicant responsible for demonstrating to the WBRA that the work proposed is extra-ordinary but necessary to redevelop the property and the cost is reasonable. A demonstration acceptable to the WBRA will generally warrant reimbursement of the expense.

b. Non-Environmental Activity.

1. Demolition. The removal costs of existing above and below grade structures shall generally be a reimbursable expense.
 2. Asbestos or Lead Abatement. Abatement and removal costs shall generally be a reimbursable expense.
 3. Site Preparation. Generally, only incremental costs satisfactorily demonstrated by the Applicant to satisfy extra-ordinary costs necessary and reasonable to facilitate construction of a project on an eligible property shall be reimbursed.
 4. Infrastructure. Generally, said costs shall not be a reimbursable expense with the exception that the WBRA may determine that the additional or incremental costs necessary to construct or reconstruct public improvements or infrastructure on or adjacent to a project site are in the City's best interest and shall be reimbursable.
6. The WBRA shall reimburse a private-sector developer for the costs of the approved eligible activities plus interest at a rate to be determined by the Authority. Generally, the rate shall be the Prime Rate minus three (3) percentage points, or four (4.0%) percent, whichever is less, as stated in the Wall Street Journal on the first day of the month prior to commencement of reimbursement by the Authority. Generally, payments shall be made once per year, on or about May 1, or as soon thereafter as is practicable.
7. The WBRA may make an exception to any of the above guidelines upon adoption of a resolution stating the specific reasons for said exception and subject to obtaining the approval of the Mayor and Council, if required.
8. This policy is intended to supplement, and where in conflict, supersede the Authority's existing Brownfield Plan Submittal Procedures, adopted on December 12, 1997.
9. All Brownfield Redevelopment Plans are subject to final approval by the Wyandotte City Council. The City Council may approve, approve with modifications, or deny any Plan. Prior to the City Council scheduling a public hearing on any Plan, the Preliminary Site Plan and Preliminary Landscaping Plan for the project must be submitted to both the WBRA and Council for review and comment. The Preliminary Site Plan shall include building elevations detailing proposed exterior construction materials. Brownfield redevelopment projects shall be encouraged to use only high quality construction materials for building and site improvements.

