

**Advancing Linkages Between Brownfields  
Redevelopment and Greenfields Protection in  
Michigan:  
A Policy Roundtable**

**Kellogg Center  
Michigan State University  
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**Proceedings**

Prepared by:

Victoria Pebbles and Laura Kaminski  
Great Lakes Commission

Dean Solomon  
Michigan State University Extension

Lisa Szymecko  
Victor Institute for Responsible Land Development and Use  
Michigan State University Extension

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## Executive Summary

On January 23, 2003, nearly 50 senior state agency officials, state and federal legislative aides, and representatives of key associations and organizations in Michigan participated in a day-long policy roundtable to link brownfields redevelopment with greenfields protection. The event illustrated Michigan's leadership in addressing a pressing environmental and socioeconomic problem facing most Great Lakes communities and the nation at large – how to focus more money and energy on redeveloping our older urban areas while protecting outlying agricultural and open space areas.

The day's events began with a welcome by Lansing Mayor David C. Hollister, who was recently appointed to lead a new state agency addressing labor, economic growth and urban development. A panel of experts discussed Michigan's progress to date in the area of brownfields redevelopment and greenfields protection. Building on these discussions, the bulk of the day involved a series of interactive exercises where participants were able to prioritize and evaluate a series of tools and strategies for advancing brownfields redevelopment, greenfields protection and linkages between the two. Option Finder,<sup>®</sup> an electronic voting system, was used to help participants prioritize 16 strategic actions, rank them in terms of importance and achievability, and choose four for breakout group discussion. The process engaged all participants in the prioritizing process, provided immediate feedback, and allowed participants to assess the strategic actions and view their responses in unique ways. The strategies focused on those that could be developed and implemented at the state level and included such approaches as linking brownfields funding with planning, authority for transfer of development rights, and incentives for higher level cleanup. The strategies that were determined to be most desirable and feasible in Michigan were:

- building abandonment reform
- development of local comprehensive plans
- state planning goals
- interagency coordination of state-funded projects
- comprehensive farmland protection.

Participants determined that the most promising characteristics of these strategies were that there are existing models in other states or relevant institutions already in place within Michigan, the strategies contribute to economic viability, they have public and/or political support, they respect existing authorities, and they can be undertaken with little or no financial burden.

Breakout sessions were held where participants determined a variety of steps for implementing these strategies, including financial incentives, executive orders and new laws coupled with consequences for noncompliance. Most approaches involved some sort of financial benefit or disadvantage. One step would be to require state agencies to coordinate on these matters as a condition for funding. The same approach was offered for the development of local comprehensive plans. Changing how and when taxes are levied was regarded as important for both land protection and redevelopment of abandoned buildings. Many of the steps outlined could be accomplished within existing institutional frameworks, but would require re-evaluating and modifying internal policies. There was general consensus that state-level leadership is imperative and recognition that Gov. Jennifer Granholm's new bipartisan Land Use Leadership Council would play a key role.

The roundtable was an enormous success, as indicated by the number, quality, and active participation from the attendees. Three-fourths of the participants said they learned more about the issues at the roundtable and thought that other states or groups would benefit from additional roundtables like it. Ninety-five percent thought the software program was useful for prioritizing strategies.

Follow-up work on these strategies in Michigan will be accomplished in part through the ongoing education and outreach activities of the Victor Institute for Responsible Land Development and Use at Michigan State University Extension (Victor Institute). At the Great Lakes regional level, the Great Lakes Commission is committed to developing partnerships and conducting additional policy roundtables in other Great Lakes jurisdictions.

The Michigan Brownfields-Greenfields Policy Roundtable was organized and conducted by the Great Lakes Commission, in partnership with the Victor Institute and with support from the U.S. Environmental Protection Agency.

## Introduction

On January 23, 2003, the Great Lakes Commission, in cooperation with the Victor Institute for Responsible Land Development and Use at Michigan State University Extension (Victor Institute), hosted a brownfields-greenfields linkages policy roundtable in Lansing, Michigan. The goal of the event was to inform and educate state officials, legislators and other key opinion leaders about policy options for advancing brownfields redevelopment, greenfields protection, and linkages between the two, as well as to explore particular steps that could be taken within Michigan. The agenda for the full-day program is included in Appendix A.

Option Finder,<sup>®</sup> an electronic voting system, was used to help participants prioritize 16 strategic actions and choose four of those strategies for breakout group discussion. This system engaged all participants in the prioritizing process, provided immediate feedback and allowed participants to assess the strategic actions and view their responses in unique ways.

## Priority Strategic Actions for Brownfields Redevelopment and Greenfields Protection: Process and Results

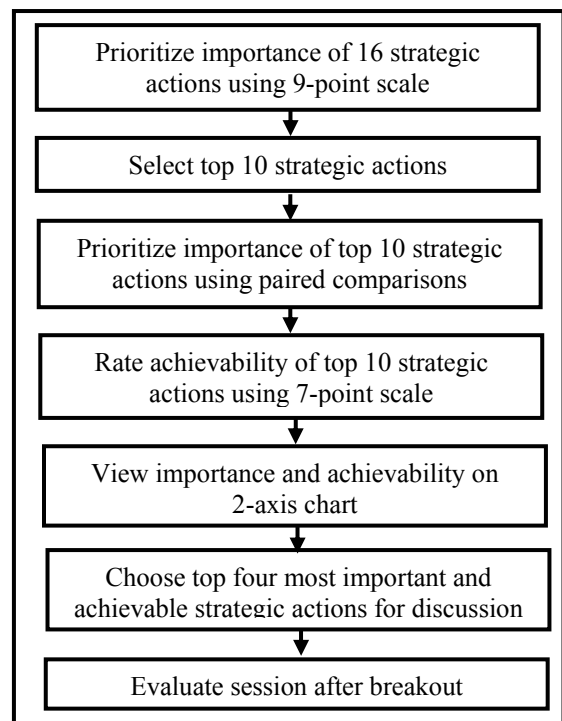
### Process

Attendees participated in a series of exercises (Figure 1) designed to rate the relative importance of the 16 strategic actions introduced during the plenary session. Detailed descriptions of the 16 strategic actions are included in Appendix B. The first exercise involved ranking the 16 strategic actions in terms of priority. The results of the ranking exercise are presented in Figure 2.

The top 10 actions were re-examined using paired comparisons, where each action is rated against every other. This method forces participants to make choices between items in a more effective way than ranking them on a scale. The results of the paired comparison are presented in Figure 3. Participants then rated the achievability of the same top ten responses. The results are presented in Figure 4.

Using Option Finder,<sup>®</sup> importance and achievability were displayed on a two-axis chart, allowing participants to visually assess both criteria and choose actions for further discussion that were both important and achievable (Figure 5).

*Figure 1: Option Finder<sup>®</sup> process*



## Results

### Question 1: How important is this strategic action?

Participants were advised that the “normal” scale is 1-5 and to reserve 6-9 for those strategic actions that are absolutely critical and for which they have a special passion.

Figure 2: Priority Ranking of Sixteen Strategic Actions

34 responses			Scale: 1=Not important right now 2=... 3=Important 4=... 5=Very important 6=... 7=... 8=... 9=Absolutely critical/must implement
Strategic Action	Average Score	Diversity*	
Funding for Brownfields Programs	6.6	27	
Building Abandonment Reform	5.8	32	
Comprehensive Farmland Protection	5.5	26	
State Planning Goals	5.3	35	
Development of Local Comprehensive Plans	5.2	35	
Greenfields Impact Assessments and Fees	5.0	36	
Private Sector Financing Pool for Brownfields Redevelopment	4.8	32	
Interagency Coordination for State Funded Projects	4.4	25	
Farmland and Open Space Mitigation	4.4	16	
Small-Scale Infill Development	4.3	29	
Expanding Eligibility for Brownfields Grant and Loan Programs	4.0	36	
Incentives for Higher-Level Brownfields Cleanup	4.0	35	
Transfer of Development Rights	4.0	34	
Link Brownfields Funding With Planning	3.8	23	
Tax Increment Financing for Greenfields	3.6	31	
Inventory Wildlife Habitat, Cultural/Historic Resources	3.5	39	

\* Diversity measures polarization of responses. A diversity score of zero means all participants responded exactly the same way. A score of 100 indicates that exactly half the audience responded as high as they could and half as low as they could. High diversity scores indicate polarization of the group.

Comparing the average score against the diversity of that score gives a sense of which average scores were based on similar rankings. For example, the results show that funding for brownfields programs ranked highest at an average score of 6.6 and the diversity or sense of consensus around this score was 27 – relatively high for the group. This means that the issue was important for most of the participants – not just because some voted it very high. Conversely, a higher average score with relatively high diversity means that fewer people agreed on the importance of the issue, but some voted it very high. Greenfields Impact Assessments and Fees would fall into this category.

### Question 2: Which of these strategic actions is most important to implement within the next two years?

The top ten responses to Question 1 were chosen and prioritized again using paired comparisons. Each strategic action was compared to every other strategic action. Participants had to choose the most important strategic action from each pair.

Figure 3: Ten Most Important Strategic Actions

30 responses		
Strategic Action	Score*	Diversity
Funding for Brownfields Programs	69.2	25
Development of Local Comprehensive Plans	62.4	18
Building Abandonment Reform	60.2	20
State Planning Goals	59.9	29
Comprehensive Farmland Protection	51.4	38
Interagency Coordination for State Funded Projects	48.0	32
Private Sector Financing Pool for Brownfields Redevelopment	41.4	28
Small-Scale Infill Development	40.1	47
Greenfields Impact Assessments and Fees	34.6	39
Farmland and Open Space Mitigation	28.3	20

\* Percentage of times strategic action was selected over all other pairs

### Question 3: How achievable is this strategic action on a statewide basis?

Participants then rated achievability of the same top ten responses.

Figure 4: Achievability

30 responses		
Strategic Action	Average Score*	Diversity
State Planning Goals	4.9	32
Interagency Coordination for State Funded Projects	4.9	19
Small-Scale Infill Development	4.8	28
Development of Local Comprehensive Plans	4.5	32
Building Abandonment Reform	4.4	20
Comprehensive Farmland Protection	3.9	22
Private Sector Financing Pool for Brownfields Redevelopment	3.9	23
Funding for Brownfields Programs	3.8	31
Farmland and Open Space Mitigation	3.3	22
Greenfields Impact Assessments and Fees	3.2	30

\* 1=not achievable, 7=very achievable

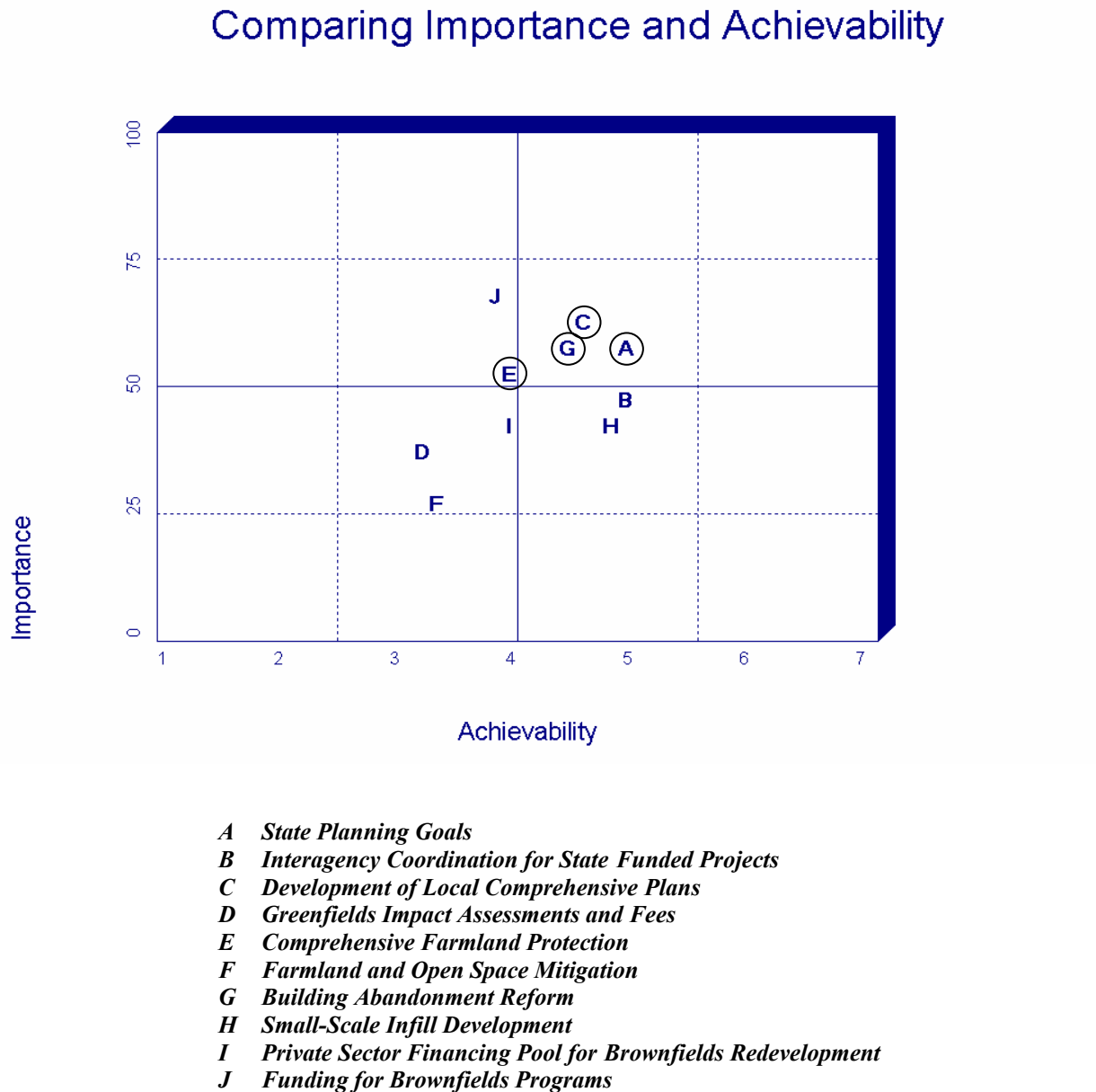
### Question 4: What strategies are most important and most achievable?

Using Option Finder<sup>®</sup> graphing features, “importance” and “achievability” were plotted on a 2-axis graph to display a visual interpretation of the questions. The top-ranking strategies would be the focus of the breakout session. Those strategies that fell into the upper right quadrant as most important and achievable included: A-State Planning Goals, C-Development of Local Comprehensive Plans, and G-Building Abandonment Reform.

Participants were asked whether to include additional strategies that bordered near the upper right quadrant (e.g., items B and E in Figure 5). There was consensus that *interagency coordination for state funded projects* could be considered part of a larger strategy involving *statewide planning goals*, so these two were combined into a single strategy for purposes of the breakout discussions.

Participants also agreed to include *comprehensive farmland protection*. Thus, strategic actions A, C, E and G (circled in Figure 5) were chosen by participants for the breakout group discussions.

Figure 5: Using Option Finder<sup>®</sup> graphing features, “importance” and “achievability” were plotted on a 2-axis graph to display a visual interpretation of the questions.





## Small Group Discussion

Participants were divided into four breakout groups. Each group had a facilitator and a recorder. The group was charged to focus on the four most achievable and important strategic actions. (See box at right.)

### Most Important and Achievable

- State Planning Goals/Interagency Coordination for State Funded Projects
- Building Abandonment Reform
- Development of Local Comprehensive Plans
- Comprehensive Farmland Protection

Each group was asked to respond to two questions designed to stimulate ideas for moving the proposed strategies toward implementation. The breakout groups reconvened to report out their respective findings and recommendations.

## Most Promising Characteristics

The first question that was presented to the groups was: *What characteristics of these strategic actions are most promising for advancing land protection and redevelopment?* Figure 6 illustrates some characteristics identified by participants to be most promising for moving each of the four selected strategies forward.

Figure 6: Most Promising Characteristics of Strategic Actions

State Planning Goals/Interagency Coordination	Building Abandonment Reform	Development of Local Comprehensive Plans	Comprehensive Farmland Protection
Not costly to implement*	Reduce taxpayer burden	Plans required in other sectors (e.g., lending institutions)	Many available tools to accomplish
Precedents in other states*	Reuse of existing property and infrastructure	Respects local control	Respects/retains local control
Political and public support*	Political and public recognition of issue support to address problem	Public support	Increasing public support/awareness of need*
Contributes to long-term economic viability (e.g., global competitiveness) and sustainability			Examples in other state programs (e.g., solid waste, recreation)
			Good for economy

\*noted by more than one breakout group

Although the strategic actions dealt with an array of issues, they had many common promising characteristics, as noted in the box at right.

### Common Promising Characteristics

- Precedent/models in other states
- Contributes to economic viability
- Has public and/or political support
- Is not costly to implement
- Respects local control

## Next Steps for Implementation

Figure 7 summarizes the breakout group recommendations in response to the second question, *What are the necessary steps to move these strategies forward and which agencies, organizations or individuals are best-positioned to initiate those steps?*

Figure 7: Necessary Steps to Move Strategic Actions Forward

State Planning Goals/Interagency Coordination	Building Abandonment Reform	Development of Local Comprehensive Plans	Comprehensive Farmland Protection
Executive order, vision of state leadership*	Legislative reforms to clarify liability*	Planning incentives (e.g., tie to infrastructure funding, revenue sharing)*	Legislative changes to allow for use-value assessment
New legislation	Rehabilitation incentives for new owners*	Map to show impacts of trends	Tie to urban revitalization
Legislative changes to existing laws to support goals	Streamline title-clearing process*	Define comprehensive plan and local role	Demonstrate public benefits*
Evaluate programs/policies that affect land use*	Involve community in implementation	Develop “growth zones”	Incentives for long-term protection*
Bipartisan commission with budget	Pursue chain of liability	Tie to state planning goals	More funding for existing programs

\*noted by more than one breakout group

## Participation and Evaluation

### Participants

Participants reflected a variety of stakeholders with responsibility for or an active interest in land redevelopment and/or protection. Attendees identified themselves in the following categories:

Figure 8: Participant Affiliation

34 responses		
Group	Number	Percent
Legislator/Legislative Staff	7	21
State Agency Official/Staff	6	18
Interest Group/Association	15	44
Other	6	18
<b>Total</b>	<b>34</b>	<b>100</b>

The “Interest Group/Association” category represented a variety of stakeholders, including realtors, environmental nonprofit organizations and local government associations, among others. A full list of participants is included in Appendix C.

## Evaluation

Participants used Option Finder<sup>®</sup> to evaluate the event and see immediate results of their evaluation. Participants responded to five evaluation questions at the end of the day's events.

Figure 9: Evaluation Questions

20 responses					
Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Today's program increased my knowledge of land protection and redevelopment efforts in Michigan.	0	0	10%	75%	15%
The background material was helpful in preparing me for the roundtable.	0	10%	20%	55%	15%
Option Finder <sup>®</sup> was a useful technique for prioritizing strategies.	0	5%	10%	40%	45%
The format (plenary and breakout sessions) worked well for the roundtable.	0	15%	20%	55%	10%
Roundtables like this will be useful in the future in other states and for other groups.	0	0	5%	75%	20%

## Why These Strategic Actions?

In August 2001, the Great Lakes Commission released a report entitled *Linking Brownfields Redevelopment and Greenfields Protection for Sustainable Development*. The full report was the result of a multiyear collaborative research effort. The report contains 32 strategic actions - policy options for moving the report's findings from concept into practice across the Great Lakes region. This full list of all 32 strategic actions (with one additional strategic action) is included in Appendix D. These strategic actions include proven methods as well as innovative tools and approaches for land redevelopment and conservation. State, provincial and local agency officials and other stakeholder groups from around the Great Lakes participated in the development of these strategic actions.

A manageable subset of 16 actions was selected for consideration at the one-day policy roundtable. The Great Lakes Commission worked with the Michigan Brownfields-Greenfields Steering Committee to select the subset of actions for consideration with the understanding that the remaining strategic actions continue to be important policy options for consideration by Michigan decision makers and will be considered in future forums and events. A list of Steering Committee Members is found in Appendix E.

## Progress to Date in Michigan

During the roundtable, participants heard from a panel of experts on Michigan's progress to date related to land protection and redevelopment. Andrew Hogarth, Assistant Chief of the Remediation and Redevelopment Division of the Michigan Department of Environmental

Quality (MDEQ), spoke on the substantial progress that has been made in Michigan over the last eight years toward discouraging brownfield formation and encouraging brownfield redevelopment. Mr. Hogarth focused his presentation on Michigan's environmental liability reform, reductions in costs for the cleanup of contaminated sites, public funding of a number of orphan site cleanups and demolitions, and financial incentives for developers to help level the playing field between brownfields and greenfields.

According to Mr. Hogarth, the 1995 Amendments to Part 201, Michigan's primary contaminated site cleanup statute, were a milestone in efforts to establish liability protection for potential redevelopment sites by holding only persons who caused the contamination responsible for the cleanup of contaminated sites. As a provision of these amendments, a Baseline Environmental Assessment (BEA) must be conducted on the property to gather enough information so that existing contamination can be distinguished from any new releases that might occur after the new owner or operator takes over the property. Mr. Hogarth stated that the MDEQ has received almost 6,000 BEAs to date, which represent opportunities for potential redevelopment.

However, as a result of this increased liability protection, a larger burden has been placed on the general public to cover the costs of cleanup efforts in cases where a liable party is not determined. Mr. Hogarth pointed to several sources of revenue within the state that have been tapped to help relieve this increased need for funding, including legislation enacted in 1996 to capture unclaimed bottle deposits to fund cleanup; the Clean Michigan Initiative (CMI) which provided \$335 million for cleanup efforts, predominantly for the purpose of readying sites for redevelopment; and increased General Fund appropriations directed toward cleanup work. As a result of CMI funding, 115 sites have been readied for redevelopment, \$52 million in brownfield grants and loans have been awarded for 181 projects, an estimated 7,900 jobs have been created, and nearly \$1.7 billion of private investments have been recorded. The CMI also made available \$50 million for waterfront redevelopment grants to local governments.

Mr. Hogarth noted that financial incentives available to developers have played a key role in leveling the playing field between brownfields and greenfields. Such examples of this are the Michigan Renaissance Zone Act of 1996, which gives selected localities the authority to provide almost total state and local tax relief to both residents and businesses located within a renaissance zone, and the Brownfield Redevelopment Financing Act of 1996, which provides for the establishment of brownfield redevelopment authorities and provides processes through which Single Business Tax credits and Tax Increment Financing Plans are possible for brownfields. As of April 2002, 197 brownfield redevelopment financing authorities have been established within the state.

The second panelist, Rich Harlow of the Michigan Department of Agriculture's Environmental Stewardship Division, presented Michigan's progress to date in the area of greenfields protection. Mr. Harlow spoke about the state's Purchase of Development Rights (PDR) program, the Michigan Agricultural Preservation Fund, and PA 116, which allows farmers to get tax relief in exchange for committing their land to farming for a minimum of 10 years. About 45 percent, or 4.3 million acres, of Michigan's 9.5 million acres of farmland are currently protected under PA 116. The original PA 116 legislation, passed in 1974, also established the state's PDR program, whereby the state purchased development rights (i.e., agricultural conservation

easements) on privately owned farmland. Since 1996, the state PDR program has permanently protected more than 13,000 acres of farmland, although this is less than 10 percent of the 125,000 acres that owners have sought to enter in the state PDR program. The Michigan Agricultural Preservation Fund, established in 2000, created institutional mechanisms for agricultural conservation easements; it funds the existing state PDR program and provides grants to local governments for purchase of agricultural conservation easements. Sixteen counties have programs in progress that anticipate support from the fund.

Mr. Harlow showed a Michigan Department of Natural Resources map of MDNR-owned lands, the majority of which are located in the northern Lower Peninsula and Upper Peninsula – away from urbanized and urbanizing areas. He also presented a series of land use forecasting maps prepared by Public Sector Consultants, Inc. that show projected Michigan land use in 2020 and 2040 if current trends continue. The illustrations show sprawling urbanization in the southern portion of the state – particularly in the southeast and southwest, but also around the northwest.

The third and final panelist was Gregory Pitoniak, mayor of the City of Taylor, who spoke to the roundtable participants about his experiences with brownfields and greenfields issues within the City of Taylor. Mayor Pitoniak attributes many of his successes within the city to having successful economic development strategies, including brownfield redevelopment programs, park expansion, open space recreation areas, and tree plantings. Mayor Pitoniak also spoke on the importance of financial incentives to encourage the development of brownfields sites over greenfields spaces.

As a result of the City of Taylor's brownfields activities (including the city's Brownfield Redevelopment Authority), 139 acres of land have been remediated and reused, drawing an estimated \$98 million in investments for the city. Brownfields activities have also eliminated risks to public health and the environment posed by abandoned buildings, removed blight, increased the city's tax base, and promoted economic growth within the city. The City of Taylor's most recent efforts have included 12 approved brownfield plans on 140 acres of land, which will result in an estimated \$100 million of new investment. The Downriver Area Brownfield Consortium has also succeeded in securing 14 additional brownfield sites on 536 acres of land, resulting in an estimated \$375 million in new investment for the city.

## **Next Steps for Michigan**

### **Opportunities to Continue the Dialogue**

The Brownfields-Greenfields Linkages Policy Roundtable was the first step in a statewide dialogue on farmland protection and brownfields redevelopment. The Victor Institute has agreed to take the lead in continuing this dialogue through a series of Michigan regional roundtables as the next step. The regional roundtable goals are to inform and educate local decision makers, planners, developers, agency staff, and community members on a regional basis about policy options for advancing brownfields redevelopment and greenfields protection and linkages between the two and to explore particular steps that could be taken.

A follow-up steering committee meeting will be held to provide input into Michigan's regional roundtables. From this input, a new steering committee will be formed. The new committee will identify key partners and funding opportunities to develop the regional roundtable sessions. The new steering committee will decide on the locations, outreach and additional education for each of the regional roundtables. Ideally, a regional roundtable would be hosted in each of the six Michigan State University (MSU) Extension regions, overlaying with the 14 planning regions, 10 agricultural regions, and eight MDEQ regions. One proposal for these regional roundtables includes the use of the Option Finder<sup>®</sup> electronic voting system in a similar manner as it was used in the state Brownfields-Greenfields Linkages Policy Roundtable. Although background materials have been developed for the strategic actions, additional educational materials may be required at the local level. These additional materials could include key research reports and local statistics such as census data, land-use change, and the number of brownfield sites for each region.

### **Key Players and Roles**

The success of the Michigan regional roundtables will be based on the ability to find funding as well as the ability to partner with key stakeholders and regional groups. These stakeholders may include planning and development groups or departments, brownfield redevelopment authorities, MSU Extension, MDEQ regional offices, Michigan Department of Agriculture, MDNR, Urban core mayors, Michigan Farm Bureau, and local community leaders from multiple levels of government (county to township).

### **Next Steps for the Great Lakes Region**

The Michigan roundtable was the first in what is anticipated to be a series of roundtables to be held in states or provinces throughout the Great Lakes region. The success of the Michigan roundtable confirmed that the objectives and methodology developed are sound. The next steps at the regional level are to apply the objectives and methodology to other Great Lakes jurisdictions. The methodology can be adapted to accommodate larger (e.g., multistate) or smaller (multi-municipal) geographic areas, but the Great Lakes regional focus will continue to be on state-level policies and actions. A brownfields-greenfields policy roundtable for the southern Lake Michigan basin, which includes the states of Indiana and Illinois, is one possibility. In several Great Lakes states, the timing is ripe to enhance existing statewide initiatives through the organization and conduct of a brownfields-greenfields policy roundtable. For example, Ohio's Lake Erie Protection and Restoration Plan calls for strategies that will "balance the protection of the Lake Erie watershed with continued economic growth." Also, the Clean Ohio Fund focuses funding in the area of brownfields redevelopment and greenfields protection. Developing partnerships between the Great Lakes Commission and state agencies, universities and other informed stakeholders that are willing to collaborate on the design and conduct of future roundtables is of utmost importance. Such partners will have important roles in making sure that the roundtable meets the needs of the jurisdiction (e.g., state) and involves a number and variety of interested decision makers to ensure effective participation at the roundtable and continued dialogue and action after the event.

## **Conclusions**

It is virtually impossible to discuss the relationship between brownfields redevelopment and greenfields protection without also discussing how we plan and design our cities, suburbs and rural areas. The issue of urban form and development is a critical component to developing brownfields-greenfields linkages in mutually productive ways. Several efforts have been undertaken or are underway to look at land use and development trends that are complementary to the roundtable process. At the Great Lakes regional level, these include efforts to develop and implement a suite of physical indicators for the Great Lakes as part of the State of the Great Lakes Ecosystem (SOLEC) process; studies and workshops sponsored by the International Joint Commission; and efforts to develop and implement Lakewide Management Plans to the extent they address land use issues.

In Michigan, at the local level, there have been numerous studies and workshops and planning initiatives to promote alternative development patterns that support these dual goals. The Victor Institute's aim to build on the state roundtable process through sub-state regional roundtables will be another important complement. By informing and promoting statewide policies, the roundtable process fills a necessary role to promote more sustainable land use and development that recognizes the inherent strengths of urban, suburban and rural components of the Great Lakes economy, environment and region.



## Appendix A

### Agenda

MICHIGAN STATE  
UNIVERSITY  
EXTENSION

# Advancing Linkages Between Brownfields Redevelopment and Greenfields Protection in Michigan: A Policy Roundtable

For  
State Agency Officials, Legislators and Key Stakeholders

9:30 a.m. to 4:30 p.m.  
Kellogg Center at Michigan State University  
Lincoln Room  
January 23, 2003

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9:30 a.m. <i>Lincoln Room</i>	Welcome	Mr. David C. Hollister, Director, Michigan Department of Labor and Economic Growth
9:40	Introduction and Overview	Victoria Pebbles, Senior Project Manager, Great Lakes Commission
10:00	Brownfields Redevelopment and Greenfields Protection: Progress to Date in Michigan	Phil Davis, Director, Victor Institute ( <i>Moderator</i> ) <ul style="list-style-type: none"><li>• Andy Hogarth, Assistant Division Chief, Remediation and Redevelopment Division, MDEQ</li><li>• Rich Harlow, Program Manager, Farmland Protection Program, MDA</li><li>• Greg Pitoniak, Mayor, City of Taylor</li></ul>
10:45	Strategic Actions for Advancing Brownfields and Greenfields Linkages	Mike Donahue, President/CEO, Great Lakes Commission; Victoria Pebbles
11:30 <i>Room 106</i>	Selecting Policies and Issues for Action	<b>Dean Solomon, MSU Extension</b> ( <i>Facilitator</i> )
Noon	Lunch	<b>Centennial Room</b>
1:00 p.m. <i>Room 106</i>	Selecting Policies and Issues for Action (cont'd)	Dean Solomon
1:50 <i>Rooms 61, 106, 107</i>	Breakout Sessions: Implementation Strategies for Michigan	Mike Donahue ( <i>Instructions</i> ) ( <i>Facilitators: Catherine Cunningham Ballard, Mark Breederland, Richard Harlow, Amber Levofsky, Susan Sandell, and Lisa Szymecko</i> )
2:50	Break	
3:00 <i>Room 106</i>	Report Out of Breakout Groups and Discussion of Implementation Strategies	Breakout Group Reporters and Participants
4:15	Roundtable Evaluation	Mike Donahue and Dean Solomon
4:30	Adjourn	



## Appendix B

# **Strategic Actions For Promoting and Linking Brownfields Redevelopment and Greenfields Protection:**

*Background Materials  
For the  
Brownfields-Greenfields Policy Roundtable*

*January 23, 2003*

*Kellogg Center  
Michigan State University  
East Lansing, Michigan*

Sponsored by  
The Great Lakes Commission  
and  
The Victor Institute for Responsible Land Development and Use  
at Michigan State University Extension

This document contains summaries and analyses for 16 selected strategic actions. These strategic actions have been excerpted from *Linking Brownfields Redevelopment and Greenfields Protection for Sustainable Development*—a report of the Great Lakes Commission, the National Wildlife Federation - Great Lakes Natural Resource Center, and the Council of Great Lakes Industries. The full report, published in June 2002, was the result of a multi-year collaborative research effort. The report contains 32 strategic actions—policy options for moving the report's findings from concept into practice across the Great Lakes region. A manageable subset of 16 actions has been selected for consideration at the one-day policy roundtable on January 23, 2003. The Great Lakes Commission worked with the Michigan Brownfields-Greenfields Steering Committee to select the subset of actions for consideration with the understanding that the remaining strategic actions continue to be important policy options for consideration by Michigan decision makers and will be considered in future forums and events.

## Michigan Brownfields-Greenfields Policy Roundtable Steering Committee

Catherine Cunningham Ballard  
Chief, Coastal Programs Unit  
Land & Water Mgt. Division  
Michigan DEQ  
Constitution Hall  
525 W. Allegan  
Lansing, MI 48933  
Phone: 517-335-3456  
Fax: 517-335-3451  
Email: cunninggc@michigan.gov

Mark Breederland  
Victor Institute for Responsible  
Land Development & Use  
MSU Extension Southeast  
200 Grand River Ave. Ste 102  
Port Huron, MI 48060  
Phone: 810-989-6323  
Fax: 810-985-3557  
Email: breederdm@msue.msu.edu

Phil Davis, Ph.D., Director  
Victor Institute for Responsible  
Land Development & Use  
11 Agriculture Hall  
East Lansing, MI 48824-1038  
Phone: 517-432-9295  
Fax: 517-432-1048  
Email: davisvp@msue.msu.edu

Richard Harlow  
Program Manager  
Environmental Stewardship Division  
Michigan Dept. of Agriculture  
Ottawa Building  
611 West Ottawa  
P.O. Box 30449  
Lansing, MI 48909-7949  
Phone: 517-373-3328  
Fax: 517-335-3131  
Email: harlowr@state.mi.us

Andrew Hogarth  
Assistant Division Chief  
Remediation and Redevelopment  
Division  
Michigan DEQ  
P.O. Box 30426  
Lansing, MI 48909  
Phone: 517-373-9838  
Fax: 517-373-2637  
Email: hogartha@state.mi.us

Laura E. Kaminski  
Program Specialist  
Great Lakes Commission  
Eisenhower Corporate Park  
2805 South Industrial Hwy, Ste 100  
Ann Arbor, MI 48104  
Phone: 734-971-9135  
Fax: 734-971-9150  
Email: laurak@glc.org

Amber Levofsky  
Office of Policy, Economics and  
Innovation  
U.S. EPA  
1200 Pennsylvania Ave. NW  
MC 1808  
Washington, D.C. 20460  
Phone: 202-566-2847  
Fax: 202-566-2868  
Email: Levofsky.Amber  
@epamail.epa.gov

Victoria Pebbles  
Senior Project Manager  
Great Lakes Commission  
Eisenhower Corporate Park  
2805 South Industrial Hwy, Ste 100  
Ann Arbor, MI 48104  
Phone: 734-971-9135  
Fax: 734-971-9150  
Email: vpebbles@glc.org

Susan Sandell  
Remediation and Redevelopment  
Division  
Michigan DEQ  
Cadillac District Office  
120 W. Chapin St.  
Cadillac, MI 49601-2158  
Phone: 231-775-3960 x 6312  
Email: sandells@michigan.gov

Bill Schmidt  
Michigan DNR  
Office of Land and Facilities  
530 West Allegan  
P.O. Box 30028  
Lansing, MI 48909  
Phone: 517-335-3257  
Fax: 517-335-1880  
Email: schmidt@w@michigan.gov

Dean Solomon  
MSU Extension Coordinator  
W.K. Kellogg Biological Station  
3700 E. Gull Lake Drive  
Hickory Corners, MI 49060-9516  
Phone: 616-671-2412  
Fax: 616-671-4485  
Email: solomon@msue.msu.edu

Eric Sprague  
Office of Policy, Economics and  
Innovation  
U.S. EPA  
1200 Pennsylvania Ave NW  
MC 1808  
Washington, D.C. 20460  
Phone: 202-260-1962  
Email: sprague.eric@epamail.epa.gov

Lisa Szymecko  
Midwest Hazardous Substance Center  
for Research  
B-100A Engineering Research Complex  
East Lansing, MI 48824  
Phone: 517-432-2291  
Fax: 517-432-1550  
Email: szymecko@egr.msu.edu

Judy von Bernuth  
Victor Institute for Responsible  
Land Development & Use  
11 Agriculture Hall  
East Lansing, MI 48824-1039  
Phone: 517-355-0108  
Fax: 517-432-1048  
Email: vonbernj@msue.msu.edu

### OBSERVER

Julie Gales  
Legislative Service Bureau  
Michigan National Tower  
124 W. Allegan, 4<sup>th</sup> Floor  
P.O. Box 30036  
Lansing, MI 48909-7536  
Phone: 517-373-3028  
Fax: 517-373-0171  
Email: jgales@lsb.state.mi.us

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## **Transfer of Development Rights**

### **Strategic Action: Enact statewide legislation to allow for Transfer of Development Rights programs.**

Enact statewide legislation authorizing the establishment of the mandatory type Transfer of Development Rights (TDR) programs within one or more counties or multiple municipalities (i.e., townships, towns, villages, or cities). The legislation would encourage multiple jurisdictions or a single county to work together to establish TDR programs, including determining appropriate sending and receiving areas. Sending districts are priority areas for protection while receiving districts are priority areas for growth and development.

### **Rationale**

Transfer of development rights programs allow landowners to transfer the right to develop one parcel of land to a different parcel of land. TDR programs can protect greenfields by shifting development from agriculture and open space areas to areas planned for growth. Mandatory TDR does not require landowners to sell their development rights, but development is limited in the sending areas through downzoning.

TDR is established through local zoning ordinances. Although many TDR programs are established by local governments without specific state authorizing legislation municipal governments must overcome the obstacle of legal uncertainty about TDR as it relates to existing state law. Special enabling legislation gives local governments the authority and legal certainty they need to implement TDR. Pennsylvania's Act 68 of 2000 expands the local authority for TDR by allowing neighboring municipalities to work together and shift planned development from agricultural and open space areas to where growth is needed and wanted.

Implementing TDR among multiple jurisdictions allows for small and medium-sized communities to avoid the development paradox, by allowing communities to gain revenue whether they decide to develop and grow or remain primarily rural or agricultural. This measure is especially important where urbanized and/or growth areas and agricultural/rural lands are located in different jurisdictions by allowing each jurisdiction to benefit from the assets to the other. Municipalities will have to coordinate to develop and implement local programs.

### **Progress to Date in Michigan**

Michigan enabling legislation currently does not specifically provide for TDR. Discussion has and continues to occur regarding enacting appropriate legislation to allow for TDR both within and between governmental jurisdictions.

### **State Initiatives Under Consideration**

In 2001 House Bill 4346 was introduced by Representative Birkholz to clearly provide for TDR in Michigan. The bill, which is titled the Development Rights Marketing Act, was subsequently modified to create a "pilot" TDR program beginning with 5 communities in the State. The modified bill remained in committee and no further action was taken.

### **Possible Next Steps**

- New legislation would be needed to advance this strategic action since the effort put forth via House Bill 4346 is no longer viable due to the end of the legislative session.
- Examination of TDR enabling legislation in other states would be of use in developing legislation for Michigan.

## State Planning Goals

**Strategic Action: Adopt state planning goals that promote urban revitalization, greenfields protection, and transit and/or pedestrian oriented development patterns that enhance neighborhoods and reduce public infrastructure and service costs and discourage sprawl.**

In support of such planning goals, states and provinces should also:

- Review and where necessary, modify state policies and programs to ensure their consistency in support of state planning goals and/or brownfields redevelopment/urban revitalization and greenfields protection;
- Adopt policies that direct public investments (where state money is involved) for roads, sewers, water lines, schools and other growth-related projects into already identified growth areas developed areas and avoid greenfields; and
- Establish policies that require public facilities (i.e., sewer/water, schools, roads) to either be in place, or be consistent with a communities' capital improvements program before new development can proceed.

### **Rationale**

States have an important leadership role in promoting cost-effective and sustainable land use and development. Unfortunately, most Great Lakes states have not assumed this role. Adoption of state planning goals and implementation of policies consistent with those goals is a necessary first step to address current land development patterns that are overly costly and unnecessarily destructive to the Great Lakes ecosystem. Some Great Lakes states have, taken steps in this direction. Pennsylvania in 2000 and Wisconsin in 1999 adopted legislation that links funding support for local planning efforts to state identified planning objectives. Legislation passed in Minnesota in 1997 identified 11 statewide planning goals. The goals identified in each of these states are consistent with what is commonly known as "smart growth."

However, in each of these states, the goals directed at local planning activities stop short of addressing other activities that affect growth and development, such as state or even federal agencies and their activities. States should also ensure that their agencies are meeting such goals by establishing smart growth policies that invest public funds into areas targeted for new growth or to already developed areas. The state of Maryland was the first to establish state smart growth policies directing state funding for public investments in infrastructure toward already-developed areas.

A systematic review of state/provincial policies and programs is necessary where state agencies have different and potentially conflicting mandates. **Interagency task forces** are a promising forum to review and resolve differences and develop complementary and efficient approaches to meet the statewide goals of urban revitalization, greenfields protection and livable communities.

**Capital improvement programs** estimate a community's current capacity and anticipate future needs of public services and facilities (including costs and location). By adopting "**adequate public facilities**" policies communities can require that infrastructure to support the effects of growth be in place concurrently with those effects. The inability for growing communities to pay for the installation and maintenance of infrastructure for new developments results in ever-increasing taxes or deteriorated infrastructure, either which push new development even further into greenfields. Requiring that new development or public infrastructure investments be limited to identified growth areas or areas where suitable public facilities exist can help ensure that new development does not occur until there is an

ability to pay for new services, a clear demand for those services, and the necessary infrastructure. Impact fees and special assessments as well as general tax revenues can be used to support these policies.

Gubernatorial leadership in the establishment of goals, review and implementation of policies and programs to ensure state actions support state planning goals and cost-effective, sustainable land development is critical.

### **Progress to Date in Michigan**

Michigan currently does not have statewide planning goals. However, some individual state programs incorporate the objectives outlined in this Strategic Action into individual program goals and objectives. For example, redevelopment of urban waterfronts is an explicit objective of Michigan's coastal program. Greenfields protection is an objective of the MDA farmland and open space preservation program and urban revitalization is an objective of the DEQ's brownfields program. A primary objective of the Clean Michigan Initiative's Brownfield Program is to clean up contaminated sites that will also promote redevelopment. Of the \$675 million approved for this bond, \$335 was dedicated toward brownfields redevelopment and a majority of those expenditures have been dedicated to urban areas.

### **State Initiatives Under Consideration**

None known.

### **Possible Next Steps**

These strategic actions can be accomplished with amendments to existing legislation as well as by executive order. The initial step would be to develop statewide goals and objectives for land use in Michigan. The goals could be established through stand-alone legislation, as was done in Minnesota; or by modifying state planning and zoning enabling laws to provide incentives for local units of governments to develop comprehensive plans as was done in Pennsylvania. An executive order could also establish broad goals and could be administered through an existing state agency.

Changes could be made to existing planning and zoning enabling legislation to establish the framework for consistency with established statewide land use objectives. For example, current Michigan planning and zoning enabling legislation does not require adoption of a capital improvement plan or the local master plan by the local legislative body (i.e. township board, city council, county commission). These plans need only be adopted by the local planning commission. Requiring adoption of these plans by the local legislative body would establish the initial framework for consistency of these plans with state objectives for land utilization and would help to enhance consistency between local planning and zoning.

Additional legislative amendments and executive order(s) could be developed in such a manner to create incentives for local units of government to develop infrastructure in a fashion consistent with state objectives and local planning efforts. For example state funds and approval for development and extension of public sanitary sewer systems might only be granted to communities that have adopted a capital improvement plan that is consistent with state goals and objectives. Likewise road improvement dollars would be targeted to those areas with consistent plans with state objectives.

## **Interagency Coordination for State Funded Projects**

**Strategic Action: Require interagency coordination for state funded projects and consistency with state planning goals.**

Require coordination among state agencies for state-funded projects that will directly result in changes in land use and establish a process for multi-agency evaluation of such projects that: a) ensures that such projects support the state planning goals and/or the mutual goals of greenfields protection and brownfields redevelopment/urban revitalization and; b) requires the consideration of alternatives where the project is inconsistent with local land-use plans.

### **Rationale**

This strategic action directly complements other strategic actions to ensure more efficient implementation of state programs and more effective expenditure of state funds by ensuring that publicly funded projects are coordinated and implemented consistent with statewide goals related to land-use planning, growth and development. It will also ensure that alternatives are considered and pursued where mandated activities are in conflict with state goals or with local land-use plans developed pursuant to state goals. Promoting and ensuring state consistency with comprehensive plans will reinforce and complement state incentives for local governments to develop comprehensive plans that reflect state planning and/or smart growth goals.

### **Progress to Date in Michigan**

None. This is probably done for some individual state programs, but is not part of statewide policy. Also, the Coordinated Planning Acts (HB 5267, 5252 and 5038) encourage local governments to do what this strategic action is suggesting for state agencies.

### **State Initiatives Under Consideration**

None.

### **Possible Next Steps**

- New legislation or an executive order requiring coordination among state agencies to assess the land use impacts of all publicly-funded development projects. Some programs may already do this. Others may require a different type of assessment and a land use assessment could be added to that process.
- Tie appropriations for publicly funded projects to consistency with local land use plans.



## **Development of Local Comprehensive Plans**

**Strategic Action: Encourage the development of local comprehensive land use plans and provide state funding to support their development.**

Such funding should be contingent on plans that reflect state planning goals or that include designated areas for growth and also for protection, promote urban revitalization, greenfields protection and transit and/or pedestrian oriented development patterns that enhance neighborhoods and reduce public infrastructure and service costs and discourage sprawl, and are prepared through local interjurisdictional agreements or otherwise in cooperation with other municipalities.

### **Rationale**

Development of local comprehensive land use plans is voluntary in all of the Great Lakes states. As an alternative to requiring the development of comprehensive plans, states can provide a strong incentive for comprehensive plan development by offering planning grants to local governments that develop plans that reflect state planning goals. Minnesota, Pennsylvania and Wisconsin have demonstrated leadership among Great Lakes states in this area by passing legislation that defines what comprehensive plans should include and offering incentives for local governments to develop and implement such plans. Pennsylvania's 2000-2001 budget provided \$3.6 million for local land-use planning assistance and tied the money to the state planning code that establishes incentives for intermunicipal and innovative land-use planning, including revenue sharing, transfer of development rights and the establishment of designated growth areas. Legislation passed in 1999 (Act 9) in Wisconsin provides \$2.5 million in planning grants and ties that money to the development of traditional neighborhood development and conservation subdivision ordinances, smart growth, urban revitalization, transportation alternatives, and intergovernmental coordination. Legislation passed in Minnesota in 1997 identified 11 statewide planning goals and has provided some funding to develop and implement plans in selected communities.

State legislation to encourage comprehensive plan development should allow for flexibility so that local governments can determine the best use of their lands based on the community's assessments of its own needs for growth and development while encouraging intergovernmental cooperation/coordination and innovative land development and protection techniques. For example, not every community needs to allow for every type of land use (e.g., industrial, commercial, residential, agricultural). The goal is to have the comprehensive plan for growth and development that reflects the short, medium and long-term goals of the community within the context of a larger region.

### **Progress to Date in Michigan**

House Bills 5038, 5252, and 5267 (Public Act No. 263, 264, and 265 of 2001), which make up the state's Coordinated Planning Acts, became effective January 9, 2002. Generally speaking, these acts require planning commissions at the township, city, village, and county levels to consult with one another, and with regional planning commissions, to share proposed master plans for review and comment before adoption. In addition, these acts indicate that the plans must be transmitted to the consulting jurisdictions once plans are adopted.

The primary funding source for community planning efforts are the Coastal Zone Management (CZM) grants administered by the Michigan Coastal Management Program. Federal funds are available to assist coastal communities in addressing the cumulative and secondary impacts of coastal development. All shoreline communities and non-profit organizations are eligible to apply for CZM funds for projects that support local land use planning. The CZM funds have been used for community master plans and zoning

ordinances, geographic information systems, citizen surveys, waterfront and watershed planning, land use education and farmland preservation. Some examples of CZM funded projects include, Peninsula Township's Purchase of Development Rights program, GIS development in Luce and Berrien Counties, land use workshops in the Saginaw Bay region, Chain-of-Lakes watershed conservation plan and master plans for Friendship, Helena and Fruitport Charter Townships.

Other federal funding may be available through HUD Community Development Block Grants, which provide limited funding for a wide range of community development activities for entitlement communities. In addition, some eligible authorities may use Tax Incremental Financing to update a community's master plan; however, it usually must involve improving the Downtown Development Authorities (DDA) areas, so it is also limited.

### **State Initiatives Under Consideration**

House Bill 6134 (The Joint Municipal Planning Act) was introduced in the House and referred to the Committee on Land Use and Environment on May 28, 2002. This bill seeks to provide "for joint land use planning by certain local units of government; and to provide for the establishment, powers, and duties of joint planning commissions." This would allow for interjurisdictional planning commissions to be established in order to work together throughout the planning process rather than merely requiring individual planning commissions to inform other jurisdictions of proposed plans for review. These joint planning commissions would combine planning activities under one body, with one set of rules. All joint planning commission decisions or recommendations are subject to approval by the individual participating units of government.

### **Possible Next Steps**

- Pass legislation to provide state funding or other financial incentives to local governments to develop and implement local comprehensive land use plans as has been done in Minnesota, Pennsylvania, and Wisconsin.
- Create incentives for communication among communities during the planning process.

## **Link Brownfields Funding With Planning**

**Strategic Action:** Tie state funding for brownfields cleanup and redevelopment to land-use planning by encouraging consistency with up-to-date comprehensive plans as a condition for brownfields funding, particularly in metropolitan and other urbanized areas.

### **Rationale**

Great Lakes states' efforts to wed cleanup and economic development programs have been an important and positive step toward a more comprehensive approach to brownfields redevelopment. However, Great Lakes jurisdictions at all levels fall short when it comes to integrating brownfields redevelopment into a more comprehensive approach to land-use planning and development.

Great Lakes states can learn from New Jersey and Oregon by linking brownfields cleanup and redevelopment funding to a strategic growth plan that has a strong urban revitalization/urban development component. Encouraging consistency of brownfield activities with comprehensive plans as part of brownfields funding may also promote comprehensive plan review and updating, a needed activity in many areas. This will also ensure that brownfields cleanup and redevelopment does not compromise a community's ability to carry out its master plan or vision of growth and development in the future. Though tying comprehensive plans with state brownfields funding may be viewed as an encumbrance to brownfield redevelopment, it will ultimately result in brownfields redevelopment that is well-planned to serve the short and long-term needs of the community. This action will be enhanced where state programs for developing and updating comprehensive plans are in place.

### **Progress to Date in Michigan**

Michigan does not require master plans or comprehensive plans for state loans, grant or Clean Michigan Initiative money.

### **State Initiatives Under Consideration**

None known.

### **Possible Next Steps**

- Revise the CMI grant application.
- New legislation is needed to amend the existing brownfield grant program.
- Develop a Smart Growth initiative to direct State resources to revitalize older developed areas, preserve valuable resources and open space lands, and discourage the continuation of sprawling development into our rural areas. The Smart Growth legislation would allow the state to direct its programs and funding to support locally-designated growth areas and protect rural areas based on the development of a master/comprehensive plan.

## **Tax Increment Financing for Greenfields**

**Strategic Action: Establish a tax increment financing (TIF) program for greenfields that earmarks the TIF revenue for greenfields protection, and infrastructure and public service maintenance in the same jurisdiction**

### **Rationale**

TIF provides an institutional framework for financing priority activities in a given area. When a TIF district is created, the amount of revenue that a taxing body receives from that area is frozen at a set level for a specified number of years. Monies derived from the increase in the incremental tax revenue due to new construction or investments in the area go to a TIF authority, which manages the money and disburses it for specific purposes. Most Great Lakes states have some type of TIF program and some use the TIF revenue specifically for brownfields or environmental cleanup. Though TIFs are established locally, state legislation provides legal authority to establish such programs. Michigan's locally-established brownfields redevelopment authorities operate like tax-increment financing authorities, but are specific to brownfields. A greenfields TIF would operate in much the same way, only focusing on areas of protection instead of revitalization.

Counties could work with local governments to establish TIF authorities in urban fringe open space and agricultural lands. The TIF authorities would establish greenfield zones, which would be subject to the TIFs. When lands within the zone are developed, the difference in the taxes before and after development would go to greenfields protection elsewhere in that jurisdiction and to long-term infrastructure and public service needs associated with that development.

### **Progress to Date in Michigan**

Michigan allows the Brownfield Redevelopment Authorities to establish TIFs for brownfield redevelopment.

### **State Initiatives Under Consideration**

None known.

### **Possible Next Steps**

Legislation is needed to authorize counties and local governments to establish TIF authorities for greenfields.

## **Greenfields Impact Assessments and Fees**

**Strategic Action: Levy impact fees and assessments for development on Greenfield sites to pay for infrastructure and public service costs.**

Conduct greenfields impact assessments and levy associated impact fees for the usual infrastructure and public service costs as well as for ecological damages. Consideration should be given to incorporating such fees into the permitting process and devising fees that also account for a portion of long-term infrastructure maintenance and public service costs. Also, local governments should adopt impact coordination rules whereby each community must consider the impact of planning/zoning and development decisions on neighboring communities/jurisdictions.

### **Rationale**

Impact fees are becoming a regular cost of business, particularly for greenfields development. Eighteen states have adopted enabling legislation that authorizes local governments to collect such fees. Minnesota does not allow impact fees. If the fees are properly designed and reasonably proportionate to the incremental cost of a new development, courts consistently uphold them.

Impact fees are traditionally designed to offset a portion of infrastructure and public service costs such as for roads, sewer and water service, emergency services and schools. For some types of natural resources or ecological damages/loss of “natural services” (e.g., reduced infiltration capacity due to increased imperviousness), fees can be gauged to the problem but some natural resources damages may be difficult to quantify. In these instances an acreage exchange could be implemented whereby for every acre of greenfields developed, an acre of greenfields must be protected, with the option of transferring the acreage exchange to urban redevelopment projects. Also, a percentage of impact fees that are quantifiable and payable in real dollars could go to fund greenfields protection and/or urban revitalization projects.

### **Progress to Date in Michigan**

Michigan law currently does not provide for the use of impact fees or assessments when new development occurs. In addition in a Michigan Supreme Court decision “Arrowhead Development v Livingston County Road Commission” it was held that a county road commission may not require a developer to construct an off site road improvement that was necessitated by a particular development project.

### **State Initiatives Under Consideration**

In 2001 House Bill 4020 was introduced by Representative Jamnick to require the payment of impact fees for off site road improvements associated with development in counties in Michigan that exceed 400,000 in population. The bill remained in committee and no further action was taken.

Also Public Act 75 of 2002 was passed and signed into law in March of 2002. This bill provided for a 2 to one 1 “acreage exchange” in cases where farmland enrolled in a Farmland Development Rights Agreement (PA 116) is converted to an industrial or commercial use. Land in the Agreement converted to development would be removed from the Agreement. In exchange for that removal a permanent conservation easement would be placed on farmland two times the number of acres removed from the Agreement. If suitable land is not found to place the conservation easement, money would be deposited in the Michigan Agricultural Preservation Fund.

**Possible Next Steps**

- New legislation would be needed in several arenas to advance this strategy.
- Examination of impact fee enabling legislation as well as greenfield mitigation legislation in other states would be of use in developing legislation for Michigan.

## **Inventory Wildlife Habitat, Cultural/Historic Resources**

**Strategic Action:** As part of comprehensive plans or as an independent effort, jurisdictions in urban fringe areas should:

- a) Inventory wildlife habitat acreage and characterize its capacity to support viable plant and animal populations;**
- b) Inventory cultural and historic resources for tracts of undeveloped land and develop mitigation/protection measures in advance of development proposals.**

### **Rationale**

For those places on the urban fringe where development pressures are often most intense, proactive policies that anticipate development proposals should be encouraged. Through planning efforts or even independent initiatives such as contracted studies, communities can inventory their resources, both natural and cultural/historical. With this information on hand, developers can modify their plans and be informed in advance of the lay of the land.

Two primary state institutions are poised for leadership in this area: the Michigan Natural Features Inventory (MNFI) and the Michigan State Historic Preservation Office (SHPO).

### **Michigan Natural Features Inventory**

The Michigan Natural Features Inventory (MNFI) is a program in Michigan State University Extension within the College of Agriculture and Natural Resources. Since 1980, MNFI has been collecting, analyzing, and communicating information on locations, habitats, and management needs of key elements of Michigan's biodiversity – the rarest species of plants and animals and best example of all types of native ecosystems. The MNFI database contains over 12,000 records of Michigan's most sensitive species and natural features.

Most of MNFI's activities are funded on grants, contracts, and fees for services. MNFI's current grants and contracts funding structure is not conducive to getting complete data for any given area as it is largely dependent on finding appropriate requests for proposals from granting agencies. It also perpetuates the dangling question of whether absence of records really means that there are no sensitive species or habitats present. Federal funds available to the Michigan DNR Wildlife Division are currently supporting extensive state lands inventories, but their future is uncertain. MNFI's core contract with DNR Wildlife Division does not cover inventories, has not kept pace with inflation over the past decade, and is likely to be cut significantly in the current year.

To be most useful for supporting land use and management decisions, a more systematic inventory approach and a reliable funding source that will support a strong core staff are needed. It is estimated that a comprehensive statewide inventory would require approximately \$1 million/year for a period of 10 to 15 years. In addition, there should be continued monitoring of sites deemed most important for maintenance of the state's biodiversity.

### **State Historic Preservation Office**

The National Historic Preservation Act (NHPA) of 1966 mandated that each state create a State Historic Preservation Office (SHPO) to identify, evaluate, register, and protect historic resources. Context development, involving research and analysis of information to determine important time periods and

people and events that relate to them, (e.g., industry, maritime history, agriculture, recreation, etc), is a priority of the Michigan SHPO. Communities can use this information to develop regional planning and economic development initiatives. Context development and surveys can also help to facilitate the historic and environmental impact review for federally funded or authorized projects (as required under Section 106 of the NHPA) process and decrease turn around time on the review of federally funded projects.

The SHPO has identified the need for a survey of historic schools. Identifying historic schools would help the state to target funding and programs to maintain and upgrade existing schools operational in neighborhoods.

Federal funding initially supported the state program but has since been phased out and the state has made no provision to replace. Currently, identification of historic resources is done a project-by-project basis most typically in response to Section 106 review. The Michigan SHPO reviews almost 5,000 Section 106 projects annually and some of them, such as highway or pipeline projects, may require surveys to be conducted.

### **Progress to Date in Michigan**

#### Michigan Natural Features Inventory

To date, MNFI's database has records in all 83 counties, though no county has had truly comprehensive inventories completed. Some work has targeted certain species or natural communities statewide (e.g., Mitchell's satyr or lakeplain prairie), while other work has targeted particular areas (e.g., a state park). As a result MNFI data comes with the caveat: "absence of evidence is not evidence of absence."

#### State Historic Preservation Office

To date, the Michigan SHPO has collected survey data on over 300,000 historic properties. Systematic survey for historic resources was conducted in 42 of Michigan's 83 counties. The Office of the State Archaeologist has a database of over 18,000 land sites and 1,400 shipwrecks. The SHPO recently hired technical staff to put its survey data into a GIS system that can be made available to planners, consultants and the public.

The Michigan SHPO also has records on over 1,500 properties or districts that have been listed in the National Register of Historic Places. Michigan's *Local Historic District Act*, Public Act 169 of 1970 as amended, requires that a survey be conducted by local governments in conjunction with the establishment of local historic districts. The Automobile National Heritage in southeast Michigan has established a database of automotive-related sites and will continue, through TEA-21 grant funds, to develop contexts and identify resources that can be used to promote Michigan's automotive heritage.

As required by federal law, the SHPO provides 10 percent of the federal Historic Preservation Funding it receives to federally-certified local governments for survey work, national register nominations, planning, public education, or bricks and mortar work on historic buildings

Michigan law [Section 266 of the Income Tax Act of 1967 (MCL 206.266) and Section 39a of the Single Business Tax Act (MCL 208.39a)] provides a state historic preservation tax credit of up to 25 percent of qualified rehabilitation expenditures. The tax credit can be used for general improvements and is geared toward residential property owners. Federal law provides a 20 percent federal historic preservation tax credit for rehabilitation projects on income producing properties. To qualify, a property must be listed in the National Register of Historic Places either individually or as part of a district.



## **State Initiatives Under Consideration**

None known.

## **Possible Next Steps**

### Michigan Natural Features Inventory

- Enact legislation that requires the MNFI information review as part of the site plan approval/construction permitting process.
- Earmark a portion of real estate transfer taxes for continued support and maintenance of MNFI's information system.
- Establish and fund state programs to develop a GIS database for land use/land cover and ensure that it is updated at least every five years.
- Develop aquatic classification system for all lakes and streams in Michigan and habitat tables and models for all listed plants and animals.
- Enhance funding for MNFI as a program of the Michigan State University Extension Office.

### State Historic Preservation Office

- Enact legislation that requires Section 106 type review for state funded projects to ensure consistency in state policies and that natural and historic resources are identified and protected.
- Fund the development of a statewide GIS database of historic resources and use this inventory to inform decision making with respect to brownfields redevelopment and greenfields preservation (including farmland protection) programs.
- Tie historic resource survey to brownfield development funds, empowerment zones, core community programs, and other state-sponsored community revitalization programs.
- Develop incentives that encourage developers to rehabilitate rather than demolish historic buildings.
- Provide incentives for communities to include historic resource inventory in their local comprehensive plans.

## **Comprehensive Farmland Protection**

### **Strategic Action: Establish a comprehensive statewide farmland protection program.**

Establish a comprehensive statewide farmland protection program that includes funding for farmland preservation, tax relief for farmers, disincentives for farmland speculation/conversion, and a public education campaign about the attributes and benefits of farmland. Use/value assessment with a meaningful recapture (penalty); tax credits for farms in counties that have adopted a farmland preservation plan; voluntary agricultural district programs; and state funding to support local purchase of development rights programs are specific policies that should be considered.

### **Rationale**

All of the Great Lakes states have a variety of farmland protection policies. Research to date indicates that the most effective approach to protecting prime farmland and ensuring viable local farm economies is a comprehensive farmland protection program that addresses four critical issues: tax relief for farmers, disincentives for farmland speculation/conversion, funding for farmland preservation and public education about the attributes of farmland and the need to protect it as a valuable resource. Michigan, New York and Pennsylvania are Great Lakes States that have most of these elements as part of their farmland protection efforts. However, throughout the region farmland protection efforts are compromised by a lack of funding, inadequate disincentives for farmland speculation/conversion, and/or lack of public (and hence legislative and gubernatorial) support for farmland preservation. Pennsylvania has demonstrated leadership in terms of comprehensive farmland protection, but even there the demand for purchase of development rights (PDR) funds continues to far outstrip the availability of funding for farmland preservation. Additional evaluation of the effectiveness of farmland protection tools with respect to agriculture land values is also needed. Finally, tying sustainable agricultural or “best” practices that reduce pollution from agricultural activities to farmland protection can bolster farmland protection as a means of environmental stewardship.

### **Progress to Date in Michigan**

Michigan has several components of the recommended strategic action. The Farmland and Open Space Preservation Program (PA 116), which has more than 50,000 temporary development rights restrictions on farmland, provides tax relief to farmers while protecting more than 4.3 million acres of Michigan farmland from development. This program has a recapture provision with money received to be deposited into the Michigan Agricultural Preservation Fund.

The Michigan Agricultural Preservation Fund was created in June of 2000. This fund is to provide grants to qualifying local units of government to providing matching funds for the purchase of development rights of unique farmland. The PA 116 recapture money generates approximately \$1.5 million annually to this fund. (Pennsylvania expends \$40 million annually and New Jersey \$80 million annually for similar programs.) More than 14 local governmental units including counties and townships are currently developing local PDR programs in anticipation of grant funds being available.

Michigan also has a state purchase of development rights program that was originally established in 1974 at the same time as the creation of the “PA 116” program. Funding for the program has been from the PA 116 recapture funds and would now come from the Michigan Agricultural Preservation Fund if sufficient funds remain once grants are made to local units of government. Under this program the state currently holds 60 permanent agricultural conservation easements protecting more than 14,200 acres of farmland (7 of these easements were donated).

The state has received more than 1,300 applications from farm landowners to have their development rights purchased since 1997. Because of limited funding the state selected 86 farms from the 1,300 to consider for purchase. Of these 86 farms the development rights have been purchased on 53 with an additional 11 acquisitions pending. Although 86 farms have been selected for purchase not all will be completed since some landowners have not or may not accept the offer made.

Under the state PDR program more than \$26 million has been spent to acquire the development rights on the 53 farms at an average cost of approximately \$2,000.00 per acre. Since 1997 the state has also received approximately \$3.5 million of matching funds from the USDA Farmland Protection Program.

### **State Initiatives Under Consideration**

In 2000 Senate Bill 29 was introduced by Senator Schutte to create agricultural security areas as a method to further improve farmland preservation in the state. The bill was referred to committee and no further action was taken.

In 2001 a constitutional amendment to establish use value assessment for farmland in Michigan was proposed. (Michigan is one of two states in the nation that does not assess farmland at use value.) In order for the constitutional amendment to be placed on the ballot the proposition must be passed by a two-thirds majority vote in both the House and Senate. The proposal did not receive a two-thirds majority vote in the Senate and therefore was not placed on the ballot.

In 2001 two bills were introduced in the House in an attempt to address the use value assessment question for farmland. House Bill 4456 was introduced by Representative Gilbert to create another manner to tax farmland based on use value. House Bill 4500 was introduced by Representative DeWeese to change the manner in which farmland is assessed when classified as developmental land. Both bills remain in committee and no further action has been taken.

### **Possible Next Steps**

It is expected that significant demand will be made on the Michigan Agricultural Preservation Fund by local units of government wishing to execute a PDR program. Current rates of income generation for the fund are insufficient to meet the expected demand for matching funds. Securing adequate and consistent funding for this program is needed.

The Michigan PA 116 program currently targets farms that are owned and operated by full time farmers due to the manner in which tax credits are issued. More than half of the farmers in Michigan maintain off farm jobs and therefore typically do not qualify for the PA 116 tax credit. Enhancing the PA 116 program to target these off farm income farmers would be appropriate.

Consideration should be given to use value assessment for agricultural land in the state. However, use value assessment should not be adopted until an appropriate manner to determine the use value assessments is determined, until the local tax implications of use value assessments is clearly understood and until a reasonable recapture system is established for conversion of farmland to other uses. As an alternative to use value assessment review and discussion of a flat, per acre, tax rate for farmland should occur. Additional enhancements to Michigan's existing farmland preservation initiatives such as agricultural districts and educational programs for local officials to increase understanding of farmland preservation options should also be considered.

## **Farmland and Open Space Mitigation**

**Strategic Action: Adopt a policy requiring the state to mitigate for loss of farmland and open space caused by public projects.**

Adopt a policy of farmland/greenfields mitigation that requires the state to purchase (or pay the costs of purchasing) the development rights on other farmland/greenfields, specifically those designated for protection, where state-funded projects will directly resulting in farmland or greenfields conversion.

### **Rationale**

Notwithstanding the goal of greenfields protection and effective intergovernmental coordination to achieve that goal, there will likely be occasions where state action results in the conversion of farmland. This strategic action provides a mechanism to mitigate the impacts of farmland conversion where there is no feasible or practical alternative.

This action would require state agencies to purchase farmland or agricultural conservation easements elsewhere in the state when their activities result in farmland loss/conversion. The easements purchased could be based on a ratio that recognizes the quality of the farmland impacted (i.e., converted), so that the higher the quality of farmland converted, the greater the amount of acreage protected elsewhere. Where not in place already, a system of characterizing the quality of farmland would need to be established. State agencies would put the money in a fund administered by an independent board, which would also select where the easements would be purchased. Cities, counties, townships, and private groups (e.g., land trusts) could submit proposals for PDR acquisition to the independent board. In states that already have state PDR programs, existing institutional resources could be expanded and utilized to provide this service.

### **Progress to Date in Michigan**

Michigan currently does not have a broad based program to address the loss of farmland and open spaces by public bodies as a result of a public project. Although a landowner having land released under a PA 116 Agreement due to a public project is required to repay tax credits attributable to the parcel being released. Money repaid is directed to the Michigan Agricultural Preservation Fund for use in making grants to local governments for PDR.

### **State Initiatives Under Consideration**

None Known.

### **Possible Next Steps**

New legislation would be needed in to advance this strategy. Examination of public project mitigation and coordination legislation in other states would be of use in developing legislation for Michigan. As an alternative this objective may be accomplished, in part, via executive order.

## **Expanding Eligibility for Brownfields Grant and Loan Programs**

**Strategic Action:** Modify brownfield grant and loan programs to allow non-governmental organizations like community groups and business associations to be eligible to apply for these funding assistance tools.

### **Rationale**

All Great Lakes states have funding programs to encourage brownfield cleanup and redevelopment. Some grant and loan programs are only available to local units of government. In these instances, non-profits organizations and community groups who might be interested in redeveloping a parcel in their neighborhood are not eligible for these financial incentives. In some metropolitan areas, local units of government and community organizations do not have the same redevelopment priorities, so the requirement that funding go only to local governments is yet another obstacle to non-profit organizations. Broadening the eligibility to non-profit organizations will increase opportunities for community-led initiatives in brownfield redevelopment.

### **Progress to Date in Michigan**

Currently, NGOs are not eligible for state brownfield funding in Michigan

### **State Initiatives Under Consideration**

None known.

### **Possible Next Steps**

- Modify brownfields programs through legislation or executive order to expand eligibility for brownfields funding to qualified non-profit organizations.
- Review federal and other states' policies to identify potential model transferable to Michigan.

## **Building Abandonment Reform**

**Strategic Action: Enact legislation to reform condemnation and demolition procedures and combat fraud/negligence when owners avoid responsibility for abandoned buildings.**

### **Rationale**

Abandoned buildings are a visible symptom of urban decay. These structures are physical hazards subject to arson, vandalism, and other forms of criminal mischief. Although most abundant in the central cities in Great Lakes metropolitan areas, vacant, dilapidated properties can be a problem virtually anywhere.

Decayed, abandoned buildings can tip a neighborhood over the edge, spiraling relentlessly downward. Neighbors fear the effect on property values and for the safety of area children. According to the *Detroit News*, more than 1,100 of Detroit's 12,000 vacant buildings are within a block of a public school.

The number of massive structures that have become burdens to society clearly indicates that it is too easy for viable companies to unload obsolete structures and avoid responsibility for assuring that they are dealt with appropriately. Structures can be stripped of any usable objects, abandoned, and eventually reverted to the local government for back taxes, leaving the taxpayers to bear the burden of demolition.

Environmental liability associated with releases of hazardous substances continues to be the responsibility of the party causing the release, even after ownership of the property transfers. However, liability for hazardous buildings does not.

### **Progress to date in Michigan**

None known.

### **State Initiatives Under Consideration**

None known.

### **Possible Next Steps**

A discussion should be undertaken involving state and local government and representatives of real estate, development, neighborhood, and other interested organizations to propose legislation or policy changes. The law should provide incentives or penalties that would make it more difficult for financially viable property owners to unload functionally obsolete structures by allowing properties to tax revert, or by selling the property to intermediaries who strip the buildings of valuable objects and then allow the property to tax revert. Specifically, the law could require:

- the purchaser to demonstrate that they plan to make viable use of the structure, to discourage stripping and dumping of structures.
- a fee on new building permits or property transactions to fund demolition of abandoned buildings.

## **Incentives for Higher-Level Brownfields Cleanup**

**Strategic Action: Provide incentives for brownfields cleanup to residential or unrestricted use levels with special emphasis on mixed use and affordable housing projects.**

### **Rationale**

Broad use of exposure controls has helped reduce costs associated with brownfields cleanup, allowing literally thousands of sites in the Great Lakes region to be redeveloped where they might not otherwise have been had they been required to actually treat or remove all the contaminants. However, current issues over which level of government is responsible for long-term monitoring and enforcement of exposure controls raises questions about their long-term implications for human health and the environment. Also, the use of such controls may restrict future land-use options.

Cleaning up a property to residential or unrestricted use levels will build in flexibility to change land uses in the future, without concerns about past contamination or the use of exposure controls. Proposed legislation in New York, which provides added tax incentives for cleanup to residential standards, is an innovative approach to encouraging greater actual cleanup, while still providing flexibility to choose a remedy based on future land uses associated with fewer risks (and potentially less cleanup or greater reliance on exposure controls). A similar policy in Quebec provides incentives for cleanup over containment. In Quebec, remedial actions that involve only engineering controls are eligible for up to 50 percent financing from the province. However, where cleanup involves the use to treatment technologies instead of engineering controls, an additional 20 percent financing is available.

### **Progress to Date in Michigan**

- There are no special initiatives for cleanup to meet residential standards in Michigan.
- For sites that were commercial or industrial, there are no incentives to consider cleanup to residential standards. The implication of a deed restriction for a limited residential may encourage cleanup to residential.

### **State Initiatives Under Consideration**

None known.

### **Possible Next Steps**

State legislation or executive action establishing new programs or modifying existing ones will provide incentives for the use of treatment technologies over engineering and institutional controls. A focus on mixed use will allow for a variety of reuse options and attention to affordable housing will address the continuing challenge of providing affordable housing in urban areas.

- Use non-school tax capture; '93 changes may deter TIF usage for such purposes.
- Provide additional incentives through internal agency policies
- Amend existing grant program to include new incentives for higher-level cleanups
- Allow grant programs to fund higher-level cleanups.
- Promote the preference of residential cleanup for all communities
- Brownfield incentives should require a review of the Master Plan or community vision. This input should be a factor for which sites receive higher-level cleanup.

## **Small-Scale Infill Development**

**Strategic Action: Through the use of fee incentives and permit expediting, promote small-scale infill development in urban areas.**

### **Rationale**

Vacant city land is both a liability and an opportunity. On or off the tax rolls, contaminated or clean, is a site suitable for development or is it otherwise unusable? These matters count. There are generally enough good reasons for cities to focus development on already built-up places. However, what can be done to induce such development beyond the tax forgiveness, site preparation, liability waivers, interest reductions, and job training deals which large, higher profile projects can at times leverage? Fee incentives and permit expediting, applied fairly, could be the catalytic agent.

### **Progress to Date in Michigan**

Currently, there are no statewide programs that promote small-scale infill development in urban areas through the use of fee incentives and permit expediting. Local governments would be more likely to create policies or programs involving fee incentives or permit expediting for small local development projects. However, some statewide redevelopment and development programs do incorporate the infill objectives outlined in this Strategic Action without specifying size or funding requirements for the project to be eligible.

For example, a primary objective of the 2001 Clean Michigan Initiative's Brownfield Redevelopment Program is to provide funding to local units of government to clean up contaminated sites that will also promote redevelopment. Grants are available to cities, townships, villages, counties, and other public bodies including brownfield redevelopment authorities and can provide up to \$1 million per project with one grant per community per fiscal year. Of the \$675 million approved for this bond, \$335 was dedicated toward brownfield redevelopment and a majority of those expenditures have been dedicated to urban areas. As a complement to the brownfield programs, the Obsolete Property Rehabilitation Act provides a property tax exemption for up to 10-12 years for commercial or housing properties if an obsolete property rehabilitation district has been established.

### **State Initiatives Under Consideration**

Recently enacted legislation (House Bills 6501 and 6502) amends the Single Business Tax Act (SBTA) and the Brownfield Redevelopment Financing Act (Act 381) to extend brownfield redevelopment programs through the year 2007 that would otherwise end after 2002. This legislation extends brownfield SBTA credits through 2007 and allows for the creation of brownfield-related tax increment financing programs through 2007, in addition to other amendments.

### **Possible Next Steps**

Develop statewide legislation or amend existing legislation to provide for fee incentives and/or permit expediting to promote small-scale infill development projects in urban areas.



## **Private Sector Financing Pool for Brownfields Redevelopment**

**Strategic Action:** Create a private-sector financing pool to attract bank and corporate capital as well as leverage government funds for the purpose of restoring brownfields.

### **Rationale**

The brownfields redevelopment process has been generally burdened by inadequate funding. Private sector capital for brownfields redevelopment must account for risk and return factors. In some cases such as banks, regulatory constraints inhibit lending money for site assessment and cleanup activities. What is proposed is an innovative financing vehicle capitalized by corporate and bank members capable of pooling resources and leveraging government funding. It would make money available for brownfield projects that cannot currently be serviced by the private marketplace. These kinds of financing pools have been successfully created in other state for various purposes, including community development activities such as building affordable housing.

The new financing pool would be created as a permanent and self-sustaining financing source that would attract investments and/or loan capital from banks and corporate participants on a significant scale, most likely in the tens of millions of dollars. The new vehicle would achieve this scale by creating an investment mechanism with the following advantages:

- Creation of an independent entity that is not subject to the same bank regulatory constraints as regulated financial institutions;
- Risk-sharing and portfolio diversification, to further enhance its ability to reach projects that could not be otherwise served by the private marketplace;
- “Reasonable” rates of return to support large-scale investments by participating banks and corporation;
- A liability shield to help mitigate legal issues associated with lending on contaminated property;
- Centralized, shared expertise in this type of specialized lending for site assessment and cleanup;
- Fulfillment of all banking and investment regulatory requirements; and
- Utilization of the Community Reinvestment Act and other available public incentives.

### **Progress to Date in Michigan**

Private sector financing pools for brownfields redevelopment have not been established in Michigan.

### **State Initiatives Under Consideration**

None known.

### **Possible Next Steps**

- Initiate a dialogue with financial institutions and corporations with an interest in brownfields redevelopment to explore the potential for establishing private sector financing pools in Michigan.
- Look to examples in other states and regions that could be used as models in Michigan.

## **Funding For Brownfields Programs**

**Strategic Action: Resume Clean Michigan Initiative bond sales to fund existing brownfield grant and loan authorizations, and determine a new source of long-term funding for state brownfield redevelopment programs.**

State budget shortfalls have resulted in a freeze in new grants and loans under the Department of Environmental Quality's (DEQ) brownfield redevelopment programs. Brownfield grants in Michigan have been funded through bond sales since the 1988 Quality of Life Bond and later the 1998 Clean Michigan Initiative (CMI) Bond. Of the \$65 million originally allocated to brownfield grants under the 1988 and 1998 bonds, only about \$8 million remains (and is unavailable until bond sales resume). The Revitalization Revolving Loan program was appropriated \$30 million in 2001 from Antrim gas well tax credits. The state has been prevented from selling bonds to provide new grants, and the balance of the Revitalization loan fund was reallocated to higher priorities, leaving the loan program completely unfunded.

### **Rationale**

The DEQ's brownfield grant and loan programs support brownfield reuse, farmland and greenspace protection, and sprawl reduction by targeting financial assistance to urban properties. The DEQ's financial assistance has:

- Helped equalize the costs of brownfield and greenfield developments for developers. The presence of contamination diminishes the value of the property for redevelopment, and can result in much higher construction costs as due care concerns are addressed. Grants combined with other incentives can make the cost of developing a brownfield equal to or less than a comparable greenfield.
- Decreased local infrastructure costs associated with new developments by promoting development in areas already served by infrastructure.
- Encouraged local planners to focus on development of abandoned urban parcels rather than greenspaces.
- Helped provide liability protection to developers of brownfield sites through Baseline Environmental Assessments and Covenants Not to Sue.

Grants and loans are made to local units of government for sites selected locally for redevelopment. Funding assistance is provided for properties that are, or that are believed to be, contaminated; that have committed developers or good redevelopment potential; and that generally have a history of commercial or industrial use. When these urban properties can be reused, developments that may otherwise have been located in the suburbs or countryside are instead located on old factory, gas station, or other contaminated sites. Grants and loans may be used in conjunction with the recently reauthorized Single Business Tax credits and the Brownfield Redevelopment Financing Act incentives for redevelopment of brownfield properties.

The DEQ's brownfield redevelopment programs have traditionally been funded through the sale of environmental bonds. Although the grant funds are from a dedicated source, the lack of income from bond sales has resulted in a temporary freeze on new grants. Despite the lack of state funding, brownfield redevelopment grants and loans continue to generate considerable interest across the state. As recently as December of 2002, 47 Michigan communities applied to the US EPA for grant funds under the EPA's new Brownfield Redevelopment program. These 47 communities requested \$23 million in assistance to

address brownfield site issues and promote redevelopment. This is only a portion of the communities and brownfield sites that need financial assistance in order to promote redevelopment.

There is sufficient interest among Michigan communities in brownfield redevelopment grants and loans that \$10 million could be fully obligated in one year, once the funding is made available. The DEQ believes that a minimum of an additional \$50 million will be needed over the next five years to meet the anticipated demand for brownfield redevelopment funding assistance.

### **Progress to Date in Michigan**

For many years Michigan has been a national leader in brownfield redevelopment incentives. Michigan was the first state in the country to offer grants to help clean up contaminated property for redevelopment, and has continued to provide the most comprehensive, effective package of brownfield incentives available. The DEQ offers a number of grant and loan programs that can be used along with other state incentives such as tax credits, tax increment financing, and liability protection to encourage reuse of contaminated property. Since 1991, the brownfield grant and loan programs have leveraged over 8,000 new jobs in Michigan and almost \$2 billion in new private investment. Each brownfield grant or loan dollar invested by the DEQ has resulted in over \$34 of private investment in new brownfield development.

### **State Initiatives Under Consideration**

None known.

### **Possible Next Steps**

- Resume bond sales to fund brownfield grants in the short term, as well as identify a consistent, dedicated source of funding to ensure the long-term viability of brownfield grants and loans.

## Appendix C



### List of Participants Michigan Brownfields-Greenfields Policy Roundtable January 23, 2003

MICHIGAN STATE  
UNIVERSITY  
EXTENSION

Bill Anderson  
Legislative Liaison  
Michigan Townships Association  
512 Westshire Drive  
P.O. Box 80078  
Lansing, MI 48908-0078  
Phone: 517-321-6467  
Fax: 517-321-8908

Rob Anderson  
Associate Legislative Counsel  
Michigan Farm Bureau  
7373 W. Saginaw Hwy  
P.O. Box 30960  
Lansing, MI 48909  
Phone: 517-323-7000  
Email: randers@mail.michfb.com

Luke Bonner  
Brownfield Redevelopment Manager  
City of Taylor  
23555 Goddard Road  
Taylor, MI 48180

George Burgoyne  
Resource Management Deputy  
Michigan Department of Natural  
Resources  
Mason Building  
P.O. Box 30028  
Lansing, MI 48909  
Phone: 517-335-4873

Rob Campau  
Vice President of Public Policy  
Michigan Association of Realtors  
720 North Washington Avenue  
P.O. Box 40725  
Lansing, MI 48901  
Phone: 517-372-8890  
Email: rcampau@mirealtors.com

Keith Charters  
Chair, Natural Resources  
Commission  
Michigan Department of Natural  
Resources  
Mason Building  
P.O. Box 30028  
Lansing, MI 48909  
Phone: 517-335-4873

Steven Chester  
Director  
Michigan Department of  
Environmental Quality  
Constitution Hall  
525 West Allegan Street  
P.O. Box 30473  
Lansing, MI 48909  
Phone: 517-373-7917

Liesl Clark  
Senator Liz Brater's Office  
510 Farnum Building  
Lansing, MI 48909  
Phone: 517-373-2406  
Fax: 517-373-5679

James Clift  
Policy Director  
Michigan Environmental Council  
119 Pere Marquette Drive, Suite 2A  
Lansing, MI 48192  
Phone: 517-487-9539  
Fax: 517-487-9541

Michael Donahue, Ph.D. \*  
President/CEO  
Great Lakes Commission  
Eisenhower Corporate Park  
2805 South Industrial Hwy, Ste 100  
Ann Arbor, MI 48104  
Phone: 734-971-9135  
Fax: 734-971-9150  
Email: mdonahue@glc.org

Dave Downey  
Executive Director  
Michigan Society of Planning  
27300 Haggerty Road, Suite F-30  
Farmington Hills, MI 48331  
Phone: 248-553-7526  
Fax: 248-553-7536  
Email: ddowney@planningmi.org

Kelly Dunn  
Legislative Associate  
Michigan Municipal League  
1675 Green Road  
Ann Arbor, MI 48105

Susan Erickson  
Chief, Site Reclamation, 319, and  
CMI Nonpoint Source Grants Unit  
Michigan Department of  
Environmental Quality  
Constitution Hall  
525 West Allegan Street  
P.O. Box 30475  
Lansing, MI 48909  
Phone: 517-241-8707

Joe Fivas  
Policy Advisor  
Speaker Rick Johnson's Office  
64 House Office Building  
Ottawa Street  
Lansing, MI 48933  
Phone: 517-373-7906  
Fax: 517-373-5972  
Email: jfivas@house.mi.gov

Dennis Fox  
Executive Director  
Michigan United Conservation Clubs  
P.O. Box 30235  
Lansing, MI 48909  
Phone: 517-371-1041

Jim Fuerstenau  
Executive Director  
Michigan Farmland and  
Community Alliance  
7373 W. Saginaw Hwy  
Lansing, MI 49817-1103  
Phone: 800-292-2680 x6550  
Fax: 517-391-5093  
Email: jfuerstanau@  
mfcaonline.com

Sue Glynn  
Michigan Regional Manager  
Senator Debbie Stabenow's Office  
280 East Saginaw Hwy  
East Lansing, MI 48823  
Phone: 517-203-1760

Jerry Griffin  
Legislative Director  
Michigan Association of Counties  
935 N. Washington Avenue  
Lansing, MI 48906  
Phone: 517-372-5374

William W. Hanson  
Executive Director  
Washtenaw Land Trust  
1100 North Main Street, Suite #203  
Ann Arbor, MI 48104  
Phone: 734-302-5263  
Fax: 734-302-1804

Tom Hickson  
Legislative Coordinator  
Michigan Association of Counties  
935 N. Washington Avenue  
Lansing, MI 48906  
Phone: 517-372-5374

David Hollister  
City of Lansing  
9th Floor City Hall  
124 W. Michigan Avenue  
Lansing, MI 48933

Garrett Johnson  
Director of Government Relations  
The Nature Conservancy  
101 E. Grand River  
Lansing, MI 48906  
Phone: 517-316-2258  
Fax: 517-316-9886

Kerry Krone  
Legislative Assistant  
Representative Ruth Johnson's  
Office  
N0895 House Office Building  
P.O. Box 30014  
Lansing, MI 48909-7514  
Phone: 517-373-1798

Mac McClelland  
Policy Specialist  
Michigan Land Use Institute  
205 S. Benzie Boulevard  
P.O. Box 500  
Beulah, MI 49617  
Phone: 231-882-4723  
Fax: 231-882-7350

Mark Morante  
Vice President Business Finance  
and Advocacy  
Michigan Economic Development  
Corporation  
300 N. Washington Square  
Lansing, MI 48913  
Phone: 517-373-6216

Kurt J. Norgaard, Ph.D.  
Research, Outreach, and Program  
Consultant  
Michigan Farmland and  
Community Alliance  
Phone: 517-204-5970  
Fax: 517-3915093  
Email: knorgaard@mfcaonline.com

Gregory E. Pitoniak  
Mayor, City of Taylor  
23555 Goddard Road  
Taylor, MI 48180  
Phone: 734-374-1449  
Fax: 734-374-1421

Mr. Richard Plewa  
Environmental Risk  
Management/Environmental  
Affairs Group  
Southeast MI Sustainable  
Business Forum  
c/o Comerica Bank  
P.O. Box 75000  
Detroit, Michigan 48275-3218

Vicki Pontz-Teachout  
Environmental Stewardship Director  
Department of Agriculture  
611 West Ottawa Street  
Ottawa Building  
P.O. Box 30017  
Lansing, MI 48909

Josephine Powell  
Deputy Director  
Wayne County Department of  
Environment  
415 Clifford Street  
Detroit, MI 48226  
Phone: 313-224-2658  
Fax: 313-224-0045

Stanley Pruss  
Deputy Director  
Michigan Department of  
Environmental Quality  
Constitution Hall  
525 West Allegan Street  
P.O. Box 30473  
Lansing, MI 48909

Doug Roberts  
Michigan Chamber of Commerce  
600 S. Walnut  
Lansing, Michigan 48933  
Phone: 517-371-7673  
Email: roberts@michamber.com

Tom Russow  
City of Monroe  
111 S. Macomb Street  
Monroe, MI 48161

Jacqueline Shinn  
State Transportation Building  
425 West Ottawa Street  
P.O. Box 30050  
Lansing, MI 48909  
Phone: 517-335-1069  
Email: SHINN@Michigan.Gov

Chris Siebenmark  
Representative Ron Jelinek's Office  
405 Farnum Building  
Lansing, MI 48909  
Phone: 517-373-6960  
Fax: 517-373-0897

Carol Skillings  
Site Reclamation, 319, and CMI  
Nonpoint Source Grants Unit  
Michigan Department of  
Environmental Quality  
Constitution Hall  
525 West Allegan Street  
P.O. Box 30475  
Lansing, MI 48909

J.D. Snyder  
Victor Institute for Responsible  
Land Development & Use  
11 Agriculture Hall  
East Lansing, MI 48824-1038  
Phone: 517-432-9295  
Fax: 517-432-1048

Jim Tischler  
Development Principal  
Stepping Stone Properties, LTD  
123 N. Ashley, Suite 208  
Ann Arbor, MI 48104  
Phone: 734-761-2828  
Email: jetischler@sbcglobal.com

Jim Townsend  
Michigan Suburbs Alliance  
300 E. Nine Mile Road  
Ferndale, MI 48220  
Phone: 248-546-2380  
Email: jtownse1@hotmail.com

James Turner  
Regional Representative  
Senator Carl Levin's Office  
124 W. Allegan, Suite 1810  
Lansing, MI 48933  
Phone: 517-377-1508  
Fax: 517-377-1506

Tom Voice, Ph.D., P.E.  
Director, Hazardous Substance  
Research Center  
Civil and Environmental Engineering  
A125 Engineering Research  
Complex  
East Lansing, MI 48824  
Phone: 517-355-8240  
Email: voice@egr.msu.edu

Brad Ward  
Director of Legal Affairs  
Michigan Association of Realtors  
720 North Washington Avenue  
P.O. Box 40725  
Lansing, MI 48901

Justin Winslow  
Legislative Aide  
Representative Clark Bisbee's Office  
N0998 House Office Building  
P.O. Box 30014  
Lansing, MI  
Phone: 517-373-1795  
Fax: 517-373-5760

Dan Wyant  
Director  
Department of Agriculture  
611 West Ottawa Street  
Ottawa Building  
P.O. Box 30017  
Lansing, MI 48909  
Phone: 517-373-1052  
Email: WyantD9@michigan.gov

Fred Zorn  
Director of Economic Development  
City of Taylor  
23555 Goddard Road  
Taylor, MI 48180

**\* Meeting Facilitator**

## **Appendix D**

### **Strategic Actions For Brownfields Redevelopment and Greenfields Protection**

#### **A. Brownfields and Greenfields Linkages**

##### **State/Provincial Actions**

**1. Task Force for Real Estate Taxes.**

Evaluate real estate tax policies as they pertain to greenfields protection and brownfields redevelopment/urban revitalization. Assess the potential for greenfields conversion tax, real estate transfer tax, split taxation (taxing land not buildings in urban areas and the reverse in rural areas), and regional tax sharing.

**2. Transfer of Development Rights Programs.**

Legislation can encourage the establishment of TDR programs between multiple jurisdictions or within a single county. TDR programs allow landowners to transfer the right to develop one parcel of land to a different parcel of land, and are established through local zoning ordinances.

**3. State Planning Goals.**

State planning goals can promote urban revitalization, greenfields protection, and development patterns that enhance neighborhoods and reduce public infrastructure and service costs and discourage sprawl. Adoption of state planning goals and implementation of policies consistent with these goals is necessary to address current land development patterns that are overly costly and destructive to the Great Lakes ecosystem.

**4. Interagency Coordination for State-Funded Projects.**

Ensure more efficient implementation of state programs and more effective expenditure of state funds by ensuring that publicly-funded projects are coordinated among state agencies and implemented consistent with statewide goals/policies related to land-use planning, growth and development.

**5. Development of Local Comprehensive Plans.**

Funding is needed to support the development of voluntary local comprehensive land-use plans. As an alternative to requiring the development of comprehensive plans, states can provide a strong incentive for comprehensive plan development by offering planning grants to local governments that develop plans that reflect state planning goals/policies.

**6. Consistency Between Zoning Ordinances and Comprehensive Plans.**

Zoning ordinances are a tool for implementing land use plans. When used alone, zoning ordinances often result in unplanned, relatively uniform low-density development that conforms to minimum building code requirements, but does not address how and when a community should grow. Zoning ordinances need to be used as a tool for implementing a comprehensive plan, not as development growth policies themselves.

**7. Link Brownfields Funding With Planning.**

States can link brownfields cleanup and redevelopment funding to a strategic growth plan that has a strong urban revitalization/urban development component, resulting in a more comprehensive approach to brownfields redevelopment that is well-planned to serve the short and long-term needs of the community.

**8. Study of Interjurisdictional Sprawl-Related Governance.**

Establish a statewide study effort to focus on land use issues and sprawl-related costs which manifest themselves across jurisdictions and throughout the states and Great Lakes region. A broad membership for the study would provide a greater area in which solutions may be tried and may be conducive for gaining support for legislative action, if required.

**Local Actions**

**9. Urban Growth Boundaries/Greenbelts.**

Urban growth boundaries (UGBs) and greenbelts may be established to significantly slow sprawl within a community. Growth boundaries can be set up under state authorizing legislation or through interjurisdictional agreements.

**10. Settlement Monies Used for Redevelopment/Protection.**

Settlement monies accruing from certain pollution and land-use lawsuits may be used as a source of funding for greenfields protection and brownfields redevelopment. Legislative authorization for such action would need to address what kind of litigation would be eligible.

**11. Reduce Secondary Road Mileage.**

The publicly maintained secondary road system is essential to support farm operations, however, some unpaved road segments could be converted to other uses without significant disruption. These areas could be used as trails, trail corridors, habitat corridors or expansions for adjacent farms. Where sales are involved, revenues could be directed to local or regional funds for farmland protection or transportation improvements tied to brownfields redevelopment.

**12. Greenfields Impact Assessments and Levy Fees.**

Impact fees are traditionally designed to offset a portion of infrastructure and public service costs, and may be tied into the permitting process. A percentage of these fees can go to fund greenfields protection and/or urban revitalization projects.

**13. Inventory Wildlife Habitat, Cultural/Historic Resources.**

Proactive policies that anticipate development proposals should be encouraged in areas on the urban fringe where development pressures are often intense. Inventories of natural and cultural/historical features for tracts of undeveloped land can aid in the planning process, the development of mitigation/protection measures, and/or allow developers to modify their plan.



## **Private Actions**

### **14. Business Location Decision Making Policies.**

Companies can benefit by devising policies to minimize impact on greenfields and assist with urban revitalization, resulting in a good corporate image in terms of public perception and related employee morale. Such companies can be pacesetters establishing a well-deserved reputation for corporate responsiveness and environmental sensitivity.

## **B. Greenfields Protection**

### **State/Provincial Actions**

#### **15. Comprehensive Farmland Protection Program.**

A comprehensive statewide farmland protection program would include funding for farmland preservation, tax relief for farmers, disincentives for farmland speculations/conversion, and a public education campaign about the attributes and benefits of farmland.

#### **16. Farmland and Open Space Mitigation.**

State agencies purchase farmland or agricultural conversion easements elsewhere in the state when their activities result in farmland loss or conversion. The easements purchased could be based on a ratio that recognizes the quality of the farmland impacted (i.e., converted) so that the higher the quality of farmland converted, the greater the amount of acreage protected elsewhere.

### **State/Provincial, Local and Private Actions**

#### **17. Conversion Risk As Criteria for Acquisition.**

State, local and non-governmental open space land and easement acquisition programs should make the risk of conversion or development of such lands a priority for eligibility criteria. Such programs should give priority funding to land and easement acquisition to create buffers/greenbelts around medium-sized cities and metropolitan areas.

### **State/Provincial and Local Actions**

#### **18. Tax Increment Financing for Greenfields.**

Counties can work with local governments to establish Tax Increment Financing (TIF) districts for greenfields zones in urban fringe open space and agricultural lands. When lands within the zone are developed, the difference in the taxes from before and after development would go to greenfields protection elsewhere in that jurisdiction and to long-term infrastructure and public service needs associated with that development.

#### **19. Large Lot Size Zoning.**

Minimum lot size zoning can be used as a form of agricultural zoning with the purpose of reducing the fragmentation of farmland, and can be used as a residential zoning tool to create low-density residential buffers around farmland, but not as a tool for growth management.

**20. Linkages to Urban Fringe Farmsteads.**

City farmers' markets and small farms in urban fringe areas make up a farm niche within some communities. Linkages to urban fringe farmsteads are promoted by providing market space and administrative support for city farmers' markets, and creating a network of these small urban fringe farms (possibly organized under a cooperative structure). Such linkages help sustain farmland and open space on the urban edge.

**C. Brownfields/Urban Revitalization**

**Federal, State/Provincial and Local Actions**

**21. Local Historic Districts.**

Urban revitalization can be spurred by designating local historic districts and expanding the federal historic preservation income tax credit to include a wide range of residential and commercial structures. Broadening or relaxing the usual criteria for designating state and local historic districts could catalyze reinvestment in older city areas by restoring vintage neighborhoods.

**22. Expanding Eligibility for Brownfield Grant and Loan Programs.**

Some grant and loan brownfield programs are only available to local units of government. Broadening the eligibility and financial incentives to non-profit organizations and community groups will increase opportunities for community-led initiatives in brownfields redevelopment.

**23. Public Participation Within Brownfields Programs.**

Community involvement in decisions that affect the neighborhood is a logical component of economic development. Public outreach and community involvement can improve public relations with respect to redevelopment proposals, promote partnerships with existing community groups/associations, and has the potential to generate neighborhood support for individual projects and a supportive constituency for development/redevelopment on surrounding parcels.

**State/Provincial Actions**

**24. Building Abandonment Reform.**

Abandoned buildings are a visible symptom of urban decay and are physical hazards subject to arson, trespass and other forms of criminal mischief. Demolition and condemnation actions are fraught with legal complexities and often lack the resources to ultimately get the job done. Condemnation and demolition procedures need to be reformed to combat fraud and negligence when owners avoid responsibility for abandoned buildings.

**25. Incentives For Higher-Level Brownfields Cleanup.**

Cleaning up a brownfields property to residential or unrestricted use levels will allow for a variety of reuse options and build in flexibility to change land uses in the future without concerns about past contamination or the use of exposure controls. Providing added tax incentives for brownfields cleanup to residential standards is an innovative approach to encouraging greater actual cleanup.

## **State/Provincial and Local Actions**

### **26. Informational and Capacity-Building Educational Workshops.**

Neighborhood residents, representatives of local and state brownfields programs, financial institutions, and private developers should be encouraged to participate in informational and capacity-building educational workshops in targeted metropolitan areas with an emphasis on economically challenged urban neighborhoods. An important objective of such workshops is to stimulate local interest and involvement in redevelopment decision making and to share information and experiences related to brownfields redevelopment.

### **27. Community Development Guidebook for Brownfields.**

In cooperation with relevant state agencies, local governments should produce and disseminate a community development guidebook to serve as a resource for community members interested in pursuing a brownfields redevelopment project. Community development corporations and local non-profits should be involved in the creation of the manual to ensure that the manual addresses brownfields redevelopment from a neighborhood-level perspective.

## **Local Actions**

### **28. Small-Scale Infill Development.**

Fee incentives and permit expediting can be used to promote small scale infill development where other incentives such as tax forgiveness, site preparation, liability waivers, interest reductions, and job training are more difficult to obtain.

### **29. Rehabilitation of Older Buildings/Neighborhoods.**

Traditional building codes or zoning rules which prohibit the mixing of residential and commercial uses within a single building or on a single building site encourage or even require relatively uniform low-density development which can be a significant obstacle to urban redevelopment. Performance-based zoning - zoning that considers the net and cumulative impacts and benefits of a project to meet the goals and objectives of an overall project or to meet consistency with comprehensive plans - provides an alternative to standard zoning practices.

## **Local and Private Actions**

### **30. Design Competitions for Redevelopment.**

Communities can organize design competitions by bringing together developers, design professionals and residents to jointly plan a mutual effort for a redevelopment project or related planning initiative. Design competitions can raise public interest and distill financially feasible and well-designed solutions.

## **Private Actions**

### **31. Private Sector Policies for Neighborhood Revitalization.**

Private sector employers and financial institutions should review policies and programs and where appropriate, modify them to encourage investments such as infill development, transit oriented and pedestrian friendly development, and location efficient mortgages that will contribute to neighborhood revitalization or enhancement.

**32. Private-Sector Financing Pool for Brownfields Redevelopment..**

Creating a financing pool through the use of bank and corporate capital to leverage government funds. This type of financing pool can help secure funding for redevelopment projects that cannot currently be serviced by the private marketplace.

**Strategic Action for Michigan**

**33. Funding for Brownfields Programs.**

For many years, Michigan has been a national leader in brownfield redevelopment incentives; however, many of these initiatives are due to expire on January 1, 2003. Authorization and funding is needed to continue such incentives as tax credits, tax increment financing, and other assistance. Without these incentives to equalize or decrease the cost of development in urban areas, brownfield sites will not be able to compete against greenfield sites and will again fall out of favor with developers.

## Appendix E

### Michigan Brownfields-Greenfields Policy Roundtable Steering Committee

Catherine Cunningham Ballard  
Chief, Coastal Programs Unit  
Land & Water Mgt. Division  
Michigan DEQ  
Constitution Hall  
525 W. Allegan  
Lansing, MI 48933  
Phone: 517-335-3456  
Fax: 517-335-3451  
Email: cunninggc@michigan.gov

Mark Breederland  
Victor Institute for Responsible  
Land Development & Use  
MSU Extension Southeast  
200 Grand River Ave. Ste 102  
Port Huron, MI 48060  
Phone: 810-989-6323  
Fax: 810-985-3557  
Email: breederdm@msue.msu.edu

Phil Davis, Ph.D., Director  
Victor Institute for Responsible  
Land Development & Use  
11 Agriculture Hall  
East Lansing, MI 48824-1038  
Phone: 517-432-9295  
Fax: 517-432-1048  
Email: davisp@msue.msu.edu

Richard Harlow  
Program Manager  
Environmental Stewardship  
Division  
Michigan Dept. of Agriculture  
Ottawa Building  
611 West Ottawa  
P.O. Box 30449  
Lansing, MI 48909-7949  
Phone: 517-373-3328  
Fax: 517-335-3131  
Email: harlowr@state.mi.us

Andrew Hogarth  
Assistant Division Chief  
Remediation and Redevelopment  
Division  
Michigan DEQ  
P.O. Box 30426  
Lansing, MI 48909  
Phone: 517-373-9838  
Fax: 517-373-2637  
Email: hogartha@state.mi.us

Laura E. Kaminski  
Program Specialist  
Great Lakes Commission  
Eisenhower Corporate Park  
2805 South Industrial Hwy, Ste 100  
Ann Arbor, MI 48104  
Phone: 734-971-9135  
Fax: 734-971-9150  
Email: laurak@glc.org

Amber Levofsky  
Office of Policy, Economics and  
Innovation  
U.S. EPA  
1200 Pennsylvania Ave. NW  
MC 1808  
Washington, D.C. 20460  
Phone: 202-566-2847  
Fax: 202-566-2868  
Email: Levofsky.Amber  
@epamail.epa.gov

Victoria Pebbles  
Senior Project Manager  
Great Lakes Commission  
Eisenhower Corporate Park  
2805 South Industrial Hwy, Ste 100  
Ann Arbor, MI 48104  
Phone: 734-971-9135  
Fax: 734-971-9150  
Email: vpebbles@glc.org

Susan Sandell  
Remediation and Redevelopment  
Division  
Michigan DEQ  
Cadillac District Office  
120 W. Chapin St.  
Cadillac, MI 49601-2158  
Phone: 231-775-3960 x 6312  
Email: sandells@michigan.gov

Bill Schmidt  
Michigan DNR  
Office of Land and Facilities  
530 West Allegan  
P.O. Box 30028  
Lansing, MI 48909  
Phone: 517-335-3257  
Fax: 517-335-1880  
Email: schmidtw@michigan.gov

Dean Solomon  
MSU Extension Coordinator  
W.K. Kellogg Biological Station  
3700 E. Gull Lake Drive  
Hickory Corners, MI 49060-  
9516  
Phone: 616-671-2412  
Fax: 616-671-4485  
Email: solomon@msue.msu.edu

Eric Sprague  
Office of Policy, Economics and  
Innovation  
U.S. EPA  
1200 Pennsylvania Ave NW  
MC 1808  
Washington, D.C. 20460  
Phone: 202-260-1962  
Email:  
sprague.eric@epamail.epa.gov

Lisa Szymecko  
Midwest Hazardous Substance  
Center for Research  
B-100A Engineering Research  
Complex  
East Lansing, MI 48824  
Phone: 517-432-2291  
Fax: 517-432-1550  
Email: szymecko@egr.msu.edu

Judy von Bernuth  
Victor Institute for Responsible  
Land Development & Use  
11 Agriculture Hall  
East Lansing, MI 48824-1039  
Phone: 517-355-0108  
Fax: 517-432-1048  
Email: vonbernj@msue.msu.edu

**OBSERVER**

Julie Gales  
Legislative Service Bureau  
Michigan National Tower  
124 W. Allegan, 4<sup>th</sup> Floor  
P.O. Box 30036  
Lansing, MI 48909-7536  
Phone: 517-373-3028  
Fax: 517-373-0171  
Email: jgales@lsb.state.mi.us