

TROY BROWNFIELD REDEVELOPMENT AUTHORITY – AN OVERVIEW

What is the Troy BRA?

The Troy City Council established the Brownfield Redevelopment Authority (BRA) in 1999, becoming the 100th municipality to do so in the State of Michigan. The Troy BRA is a reaffirmation of the City's commitment to facilitate business and property owners in redeveloping brownfield sites throughout Troy.

The decision to create the Troy BRA was the outgrowth of two acts adopted by the State of Michigan. The first was the 1994 Part 201 Amendments of the State's Environmental Protection Act (EPA), which reformed liability determinations and reduced remediation costs for those looking to purchase and develop sites classified as brownfields. The second was Public Act 451, which provides developers with financial incentives in the form of the Single Business Tax (SBT) Credit, and Tax Increment Finance (TIF) reimbursements.

These provisions have allowed brownfield redevelopment to better compete with green field development. Brownfield redevelopment benefits such as reuse of existing infrastructure, slowing of urban sprawl, and preservation of green space make redevelopment an attractive option. The City is excited about the opportunities for the redevelopment of brownfields, and the Troy BRA is ready to assist.

What are the incentives for redeveloping?

The 1994 Amendments to Michigan's EPA created a unique opportunity for brownfield sites. In the past, attempts to redevelop brownfields proved to be a lengthy, costly, and a potentially risky venture. The Part 201 Amendments have made redevelopment a sound business decision with several provisions, which a developer may apply for with approval of a development plan by the Troy BRA.

The reforms are two pronged, the first involves liability protection:

- The 201 Amendments define and limit liability; it is now possible for an innocent purchaser to take title to environmentally impaired property without assuming past liability for existing contamination.

The second involves financial incentives for cleanup and redevelopment in the form of TIF reimbursements:

- TIF reimbursement: a BRA may capture the incremental real and personal tax revenues generated by a developer's project to pay for eligible environmental cleanup and contamination prevention incurred on the property.

In addition, the Troy Brownfield Redevelopment Authority established a Local Site Remediation Revolving Fund (LSRRF) to further promote the redevelopment of Brownfield sites located in the City of Troy. The Authority established the terms and conditions to the Revolving Loan Fund in October of 2006.

What has the Troy BRA done?

The first project that the Troy BRA implemented was the redevelopment of the old Ford tractor plant at the southwest corner of Maple and Coolidge. The site, which sat underutilized for nearly a decade because of liability and other issues concerning contamination, is now known as the Midtown Square, a \$200 million mixed use development, boasting 600,000 square feet of retail space, and 285 residential units. This project, covering nearly 77 acres, is one of the largest brownfield redevelopments of its kind in the state of Michigan, and is a testament to Troy's commitment to redeveloping brownfield and other idle or underutilized sites in the city.

More recently, the Troy BRA provided a Local Site Remediation Revolving Fund loan in the amount of \$498,079 for eligible activities to MJR Group, LLC for the MJR Troy Grand theater complex located at 100 E. Maple Road. A second loan to be paid back through tax capture in the amount of \$11,585 was also provided. This project involved the demolition and redevelopment of a vacant former Kmart Department Store into a 74,000 square foot, \$16 million theater complex consisting of 16 screens.

Meeting and Contact Information

The Troy BRA meets on the third Tuesday of October and April or as needed. For more information please contact:

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For more information concerning redevelopment opportunities, legislation, or application materials please visit the Michigan Department of Environmental Quality's website at: www.michigan.gov/deq