

## **POLICY FOR INCLUSION OF PRIVATE PROPERTY IN CITY OF KALAMAZOO BROWNFIELD PLAN**

### **Introduction**

In 2000, the Michigan legislature created statutory provisions that much more broadly define properties considered “brownfields” for the purposes of inclusion in local brownfield plans. Under new state definitions, brownfields may include “functionally obsolete,” “blighted,” or environmentally contaminated properties. Privately owned properties that fall into one or more of these categories are potentially enormous in number. In order to make the best use of the city’s limited staffing and financial resources, and to focus on brownfield sites already designated in Kalamazoo’s Brownfield Plan (sites that are nearly all publicly owned), there is a need to be selective in the future choice of privately owned properties to include in the plan.

At the same time, the Brownfield Redevelopment Authority seeks to include in its Brownfield Plan eligible properties that lead to high-impact redevelopment projects consistent with the city’s strategic plan. Therefore, the following local criteria shall be used to determine the eligibility of private property and specific factors that the BRA will examine in making a recommendation to include a property in the Brownfield Plan.

### **Local Threshold Criteria**

1. An eligible property, when redeveloped, must generate property tax revenue "capturable" by the BRA for use on other sites included in the city's Brownfield Plan. Alternatively, a non-tax-generating project on a private property must result in new job opportunities and/or provide a needed neighborhood or community service. (Unless reimbursable expenses are incurred by a project, brownfield statutes do not allow the city to capture tax revenue. Brownfield Plan benefits provided for non-tax-generating properties must be subsidized by tax capture on tax-producing properties in the plan.); and
2. An eligible property that produces a major development (at least \$3 million total project value) or is demonstrated to be a unique development opportunity for the city or a catalyst for spinoff redevelopment will be considered a Category A Project. The BRA will consider action to amend its Brownfield Plan for a Category A Project independent of periodic city-initiated plan amendments; or
3. An eligible property that does not qualify as a Category A project will be designated as a Category B Project. Category B projects will be considered for inclusion in the Brownfield Plan at the time of the next city-initiated amendment (usually once per year).

## **Evaluation Factors**

City staff and the BRA board, in formulating a recommendation to the City Commission about the inclusion and categorization of a privately owned property in the Brownfield Plan, will consider and evaluate the factors below. A given project/property need not possess every characteristic implied by each of the following evaluation factors:

1. Strength of business plan, financial commitments, architectural plans, and market analysis for the re-use of vacant properties or structures.
2. Amount of property tax to be generated relative to property taxes abated.
3. Amount of investment in buildings and equipment.
4. Project allows a business to expand in the city, retains a significant number of jobs, and/or will add sustainable, quality jobs.
5. Project includes other investment in neighborhood revitalization; is located in a targeted redevelopment area; involves improvement of public infrastructure; or utilizes other public or private financing tools to maximize redevelopment benefits.
6. For residential projects, the extent to which the project is consistent with city housing strategies, creates mixed-use redevelopment, or develops downtown housing.
7. Project is consistent with a redevelopment plan and/or project enhances city investment in related brownfield projects.
8. All applicants must comply with the following city ordinances and policies:
  - a. Not delinquent with any real and personal property taxes, fees, assessments, liens or other charges;
  - b. No record of loan loss with the city; and
  - c. Not subject to a pending violation notice or compliance order for any violation of the city's Zoning Ordinance, or for any violation of either Chapter 9 or Chapter 17 of the Code of Ordinances.
9. Proposed use of a property must be consistent with the city's Comprehensive Plan.
10. Applicant has not contributed to, exacerbated, nor is responsible for any environmental contamination on the subject site.
11. Strength of references.

### **Application, Fees and Other Requirements**

1. Each applicant shall complete an application form provided by the city/BRA.
2. There is a \$5,000 application fee for all projects.
3. Applicants shall be responsible for reimbursing the city/BRA for any specialized legal expenses incurred in formalizing a development agreement or other contractual work required to include a project/site in the Brownfield Plan. A not-to-exceed cost will be determined following application review.
4. A development agreement between the applicant and the BRA, in a form generally used by the BRA, will be required. The agreement will contain enforceable provisions for non-compliance. The BRA may require that an applicant obtain a performance bond tied to the provisions of the development agreement.

Approved by Brownfield Redevelopment Authority Board, 9/21/06