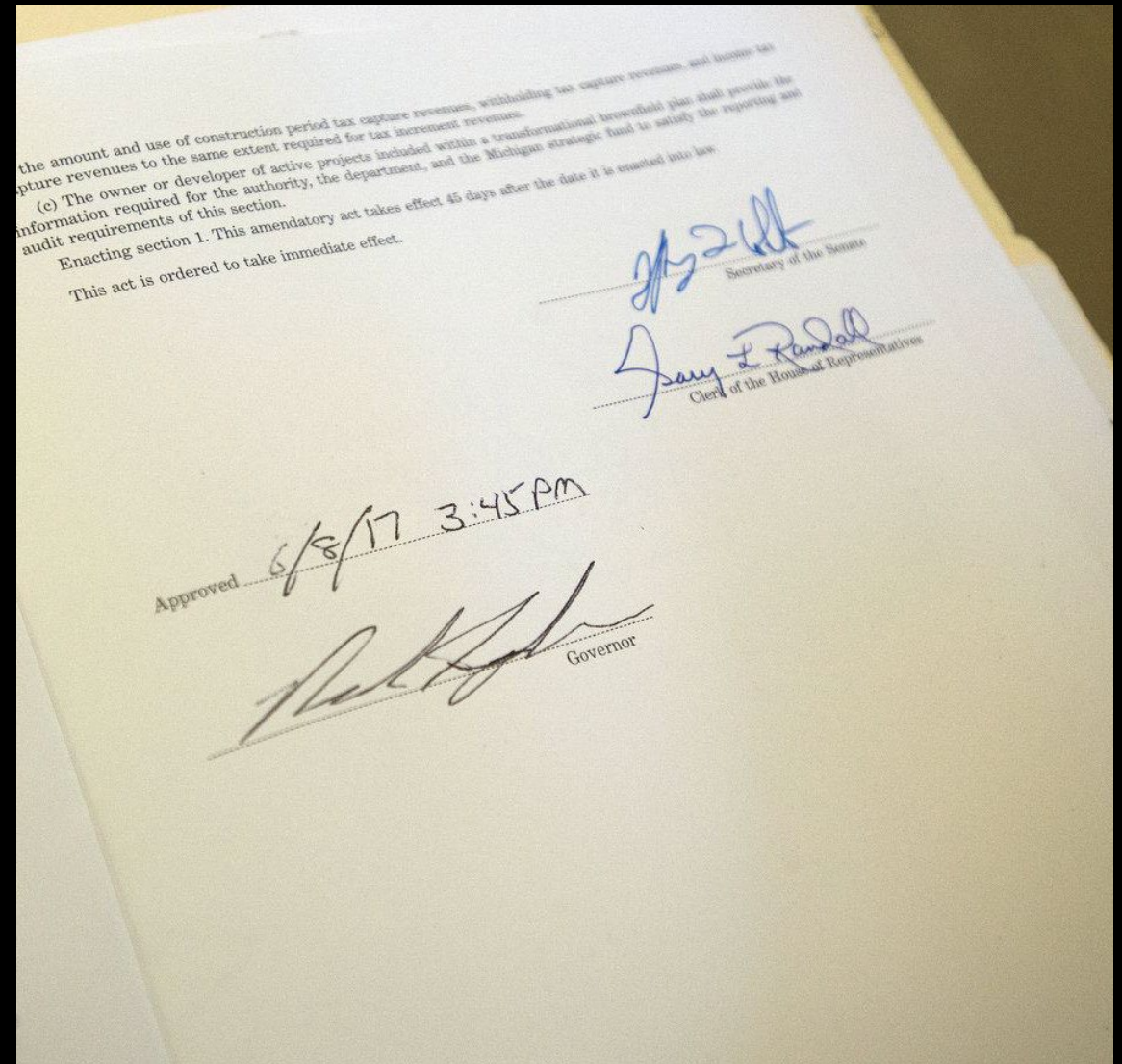


SB289: TRANSFORMATIONAL BROWNFIELD PROGRAM AMENDMENTS

May 23, 2023

A BRIEF HISTORY OF THE TBP LEGISLATION

- Enacted in 2017 with strong bipartisan support.
- Amended in 2021 to make it easier for communities to access.
- Program cap is about to be reached.
- Needs to be extended, and further reformed, so communities throughout Michigan can benefit.





WHAT IS A TRANSFORMATIONAL BROWNFIELD PROJECT?

- TBP is for the most significant and challenging brownfield redevelopment projects in our communities.
- Think of that key site that has been empty for decades because the cost of clean up and redevelopment is more than could ever be recovered—that is a TBP site.
- Different minimum investment thresholds for communities of different sizes.
- Local designation and approval required before state approval.



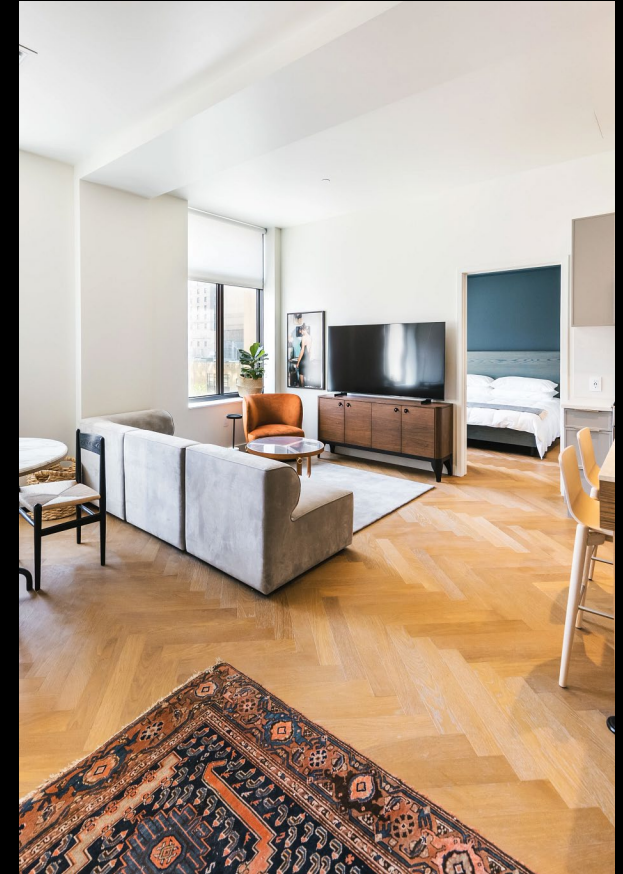


Transforming the Vicksburg Mill

PAPER CITY
PAPER CITY
PAPER CITY

- Signature Taproom
- Event Space
- Office Space
- Event Space
- Residential Units
- Shipping + Receiving
- Beer Garden
- Community Taproom
- Event Space
- Community Taproom
- Beer Garden
- Regional Trail
- Beer Garden
- Craft Beverage Community + Food Production
- Concert / Event Venue
- Event Space
- Event Space
- Event Space

Transforming the Book Tower





Transforming the Hudson's Site

An architectural rendering of a modern building complex. The central focus is a tall, slender skyscraper with a glass facade. To its left is a shorter, wider building with a complex, multi-level facade. The surrounding area includes other buildings, a street, and a body of water in the distance under a clear blue sky.

HOW DOES THE TBP PROGRAM WORK?

- TBP builds on the longstanding brownfield program to make it work for the largest and most challenging projects.
- Traditional brownfield tax increment financing relies primarily on local support. But that is not enough for the most difficult projects.
- TBP recognizes the state has a role in supporting transformational community development and allows *incremental* state tax dollars generated from brownfield sites to be reinvested into the projects to make them financially feasible.

WHY TBP HAS ALWAYS HAD STRONG BI-PARTISAN SUPPORT



No Money Upfront: Not a grant, not a credit



Smart Economic Policy: Vacant sites produce no benefits; reinvesting new taxes to enable redevelopment is a win-win



Need-Based: TBP assistance is strictly limited to the amount needed to make the project possible



Performance-Based: If a project is not completed, there are no benefits



Statewide Need and Benefit: Strong support from communities in every corner of Michigan



Our Members

Mithrive is a coalition of leading economic development organizations, cities and chambers of commerce working in support of legislation to revitalize and redevelop contaminated sites into thriving economic development engines in communities across Michigan.



“ ”

Lately, some of my conservative friends have asked me why I support the transformational brownfield economic development bills. My thinking is this, right now the state is getting 100% of nothing. By passing this legislation, we will get 50% of something. This is good legislation and that comes from a conservative who has owned his own business for 37 years.

-STATE SENATOR JACK BRANDENBURG (R-HARRISON TOWNSHIP)



What Does SB289 Do?

1. Reauthorizes the Program—Increases the cap by \$40 million per year to enable transformational projects throughout the state to move forward. Without this legislation, these projects will not be possible.
2. Ensures Geographic Equity: Requires at least 33% of TBPs to be in communities smaller than 100,000 and at least 33% of TBPs to be in communities between 100,000 and 225,000.
3. Updates the Program: Prior formula was focused on office-centric redevelopments. The world has changed, and the TBP program needs to adapt to support the “live-play” developments that our communities, and our state, need.

WHY IS SB289 SO IMPORTANT?

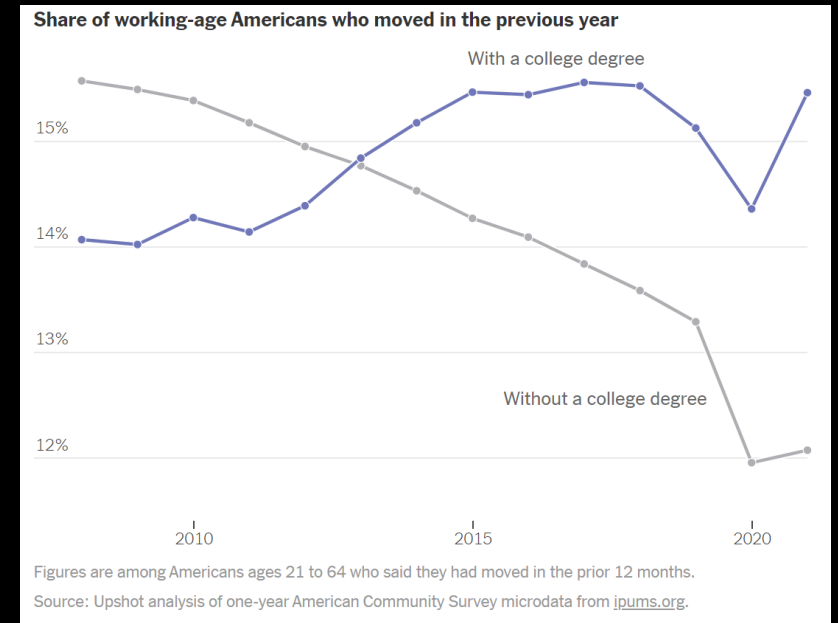


It's About Talent: Building vibrant cities and town centers is fundamentally about attracting and retaining talent to grow our state.



It's About The Jobs of the Future: Creating high quality places where talent wants to live is essential to attract the knowledge economy jobs of the future.

TALENT IS ON THE MOVE...



AND THE DATA SHOWS THEY ARE MOVING TO VIBRANT, HIGHLY AMENITIZED COMMUNITIES OUTSIDE THE COASTS.



THANK YOU
