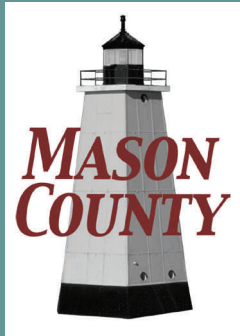


Brownfield Incentives

Brownfield Single Business Tax Credit And Tax Increment Financing



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Single Business Tax Incentives

The state of Michigan provides Single Business Tax (SBT) credits, on a case-by-case basis, to help with the expense of demolition, environmental cleanup and other remedial actions needed to facilitate reuse of undesirable properties. Credits are available for up to 10% of eligible investments to a limit of \$30 million.

All brownfield SBT credits must now be applied for through the Michigan Economic Growth Authority (MEGA). Brownfield SBT credits awarded for \$1 million or less are approved by the chairperson of MEGA. Brownfield SBT credits awarded for over \$1 million, but \$30 million or less, must be approved by the MEGA board.

Tax Increment Financing

In addition to qualifying for SBT credits, contaminated properties may qualify for tax increment financing (TIF). This allows projects to capture state and local property and school taxes to pay for cleanup-related costs. All TIF projects that include school tax capture must be approved by the MEGA board.

Eligible project are those in a locally approved brownfield plan under the Brownfield Redevelopment Financing Act. Certain activities, such as baseline environmental assessment, may qualify.

MEDC will give priority to projects that meet one or more of the following criteria:

The community participates through programs such as TIF, property tax abatement, Neighborhood Enterprise Zones or local revolving fund.

The project supports "cool cities" redevelopment in downtown and near-downtown areas.

Project plans reasonably improve the site's condition, or where TIF does not provide sufficient incentives for site reuse.

Reuse of facilities enables manufacturers to create or retain jobs.

Restrictions apply to these credits and application fees are required.