Memorandum

Date:	August 18, 2026
To:	Buchanan City Commission
From:	Tony McGhee
Subject:	Economic Incentive Policy

Background

The attached Economic Development Incentive Policy is being presented to create a consistent, transparent, and financially responsible process for considering requests for tax abatements, tax exemptions, payments in lieu of taxes, brownfield tax capture, and other forms of local economic development assistance.

The City already has access to tools under Michigan law, including industrial, commercial, housing, brownfield, PILOT, and authority assistance programs. What we have not had is one local policy explaining what an applicant must provide, how staff will evaluate a request, and what factors the Commission should consider.

The purpose of the policy is not to make these tools harder to use or discourage investment in Buchanan. It is to make sure assistance remains available when it is needed, while also making sure it is provided in a measured and responsible manner. How these tools are ultimately used remains a policy decision of the City Commission.

In many of these situations, there is a gap between the actual cost of completing the project and the amount that can reasonably be financed based on future rents, sale prices, or the value of the completed property. An incentive can help bridge that documented gap and allow a project to move forward in a better form, at a larger scale, or sooner than it otherwise would.

Approach

The policy is built around the idea that economic development assistance is discretionary and is not an entitlement simply because a project may qualify under state law. An applicant must demonstrate that the project is eligible, that there is a legitimate financial need, and that the requested assistance is tied to a measurable public benefit for Buchanan.

The policy requires a preapplication meeting, complete project and financial information, disclosure of other public assistance, and a review of the applicant's experience and capacity. It also applies a but for test to determine whether the project, or its promised public benefit, would occur in substantially the same form, quality, scale, or timing without assistance.

Projects meeting the minimum requirements are evaluated through a one hundred point scoring system covering financial need, private investment, jobs or housing, property reuse, design, infrastructure, readiness, and community benefits. The score is a decision aid, not an automatic approval, and the Commission retains full discretion based on the facts and public interest.

The policy calls for the shortest term and minimum amount reasonably necessary to close the documented gap. Written agreements, annual reporting, performance monitoring, and remedies for nonperformance help ensure the promised benefits are delivered. It also prevents duplicate reimbursement and expects applicants to pursue other available resources before seeking additional local assistance.

Just as importantly, the policy does not tie the Commission's hands. A high score does not require approval, and a lower scoring project may still be considered for an exceptional public purpose. The policy preserves flexibility while requiring written findings when the Commission deviates from the normal framework.

The policy should also improve the process for applicants by establishing expectations, documents, and timing early. It reduces the chance that work begins before a required district, hearing, or approval is in place and gives property owners and developers a clearer understanding of what will be expected.

Recommendation

Staff recommends that the City Commission adopt the attached Economic Development Incentive Policy. The policy gives the City the ability to continue using incentives to encourage investment and bridge legitimate development gaps, while ensuring those tools are used selectively, transparently, and in a manner that protects the long-term interests of the community.

Attachment A

Economic Development Incentive Policy

BUCHANAN
Life is better here.

Purpose

This policy shall be known as the City of Buchanan Economic Development Incentive Policy. Its purpose is to establish a consistent, transparent, and financially responsible process for considering requests for property tax abatements, specific tax exemptions, payments in lieu of taxes, tax increment financing, and related local economic development assistance.

The City Commission recognizes that these tools can help overcome extraordinary development costs, reactivate obsolete or vacant property, support business retention and expansion, create housing, address environmental conditions, and generate long term community value. The City also recognizes that every incentive has a public cost or opportunity cost. Assistance will therefore be used selectively, in the minimum amount and duration necessary to produce a defined public benefit.

This policy is adopted under the City Commission's general authority and the specific powers provided by applicable Michigan law. If this policy conflicts with an enabling statute, administrative rule, State Tax Commission directive, approved authority plan, or binding project agreement, the controlling legal requirement shall govern.

Economic development assistance is discretionary. No applicant, property owner, business, developer, or project has a right or entitlement to an incentive merely because the project may satisfy minimum statutory eligibility. Approval of one project does not establish a precedent for another project.

The City Commission retains the authority to approve, deny, reduce, modify, condition, postpone, or terminate a request to the extent permitted by law. Staff discussions, letters of interest, estimates, term sheets, or recommendations are not binding until all required public bodies have acted, all required agreements have been executed, and all required state approvals have been received.

Objectives

Incentives should advance one or more of the following objectives:

- Retain and expand existing employers and attract businesses that diversify the local economy.
- Create and retain quality employment with competitive wages, benefits, training, and advancement opportunities.

- Increase the City's long term tax base and generate a reasonable public return compared with the value of the assistance.
- Reactivate vacant, underutilized, blighted, contaminated, functionally obsolete, or historically significant property.
- Support downtown vitality, neighborhood commercial areas, community gateways, industrial areas, and other locations identified in adopted plans.
- Increase the supply and quality of housing, including workforce and income qualified housing, while supporting stable neighborhoods.
- Address environmental conditions, flood risk, utility limitations, infrastructure needs, and other extraordinary redevelopment barriers.
- Improve building design, site appearance, walkability, accessibility, resilience, and the overall sense of place in Buchanan.
- Leverage state, federal, county, utility, philanthropic, and private resources before relying on local assistance.
- Create catalyst projects that encourage additional private investment beyond the boundaries of the assisted property.

Definitions

1. *Applicant*. The property owner, business, developer, sponsor, or other person or entity requesting an incentive.
2. *Assistance.* Any tax abatement, specific tax exemption, payment in lieu of taxes, tax increment reimbursement, grant, loan, authority contribution, or other local financial participation covered by this policy.
3. *But for test.* A showing that the project, or the public benefit promised by the project, would not occur in substantially the same form, quality, scale, or timing without the requested assistance.
4. *City.* The City of Buchanan, including its departments and, where applicable, its component authorities.
5. *Commission.* The Buchanan City Commission.
6. *Development agreement.* A written agreement between the City or an authority and the applicant that states the approved assistance, project commitments, reporting duties, default provisions, and remedies.
7. *Incentive gap.* The amount of assistance reasonably necessary to make a project financially feasible after considering private equity, debt, grants, tax credits, and other available resources.

8. *Project.* The development, rehabilitation, business investment, housing development, environmental work, or public improvement for which assistance is requested.
9. *Public benefit.* A measurable benefit to Buchanan, such as jobs, investment, tax base, housing, remediation, historic preservation, infrastructure, public access, placemaking, or reuse of an important site.

Programs Covered by This Policy

This policy applies whenever an applicant requests local approval, sponsorship, recommendation, financial participation, or a project specific agreement under one or more of the following programs, as amended from time to time:

- Industrial Facilities Exemption under PA 198 of 1974, including Industrial Development Districts and Plant Rehabilitation Districts.
- Obsolete Property Rehabilitation Exemption under PA 146 of 2000.
- Commercial Rehabilitation Exemption under PA 210 of 2005.
- Commercial Facilities Exemption under PA 255 of 1978.
- Brownfield tax increment financing under PA 381 of 1996.
- Attainable Housing Exemption under PA 236 of 2022 and Residential Housing Exemption under PA 237 of 2022.
- Neighborhood Enterprise Zone assistance under PA 147 of 1992, where the City and property are eligible.
- New Personal Property Exemption under PA 328 of 1998, where the City, business, and property are eligible.
- Housing payment in lieu of taxes under PA 346 of 1966 and any ordinance adopted by the City.
- Project assistance from the Downtown Development Authority or another tax increment finance authority under PA 57 of 2018, where authorized by the authority's development plan and tax increment financing plan.
- Charitable nonprofit housing exemptions and other state authorized programs that require or request local action.

Air pollution control, water pollution control, historic preservation tax credits, Michigan Community Revitalization Program assistance, federal tax credits, and similar programs are primarily administered by other agencies. Staff may support or coordinate those programs, but they are governed by this policy only when a local financial commitment or local approval is requested.

Threshold Eligibility Requirements

Before a request is scored or scheduled for formal action, staff shall determine whether the following threshold requirements have been satisfied. Failure to satisfy a threshold requirement is grounds for an administrative recommendation of denial or for postponement until the deficiency is corrected.

- **Statutory eligibility.** The applicant, property, use, district, timing, and proposed investment appear eligible under the applicable law.
- **Early consultation.** The applicant has consulted with the City before beginning work or placing property in service when the law requires prior district creation, application, or approval. Work begun before the required action is undertaken at the applicant's sole risk.
- **Site control.** The applicant owns the property, has a binding purchase agreement or option, or has another legally sufficient interest in the property.
- **Good standing.** The applicant and related entities are current on City taxes, special assessments, utility bills, fees, loans, and other obligations. Any code violations must be corrected or addressed through a written plan acceptable to the City.
- **Land use compliance.** The project is permitted by existing zoning or has a reasonable and disclosed path to obtain any required land use approvals. Incentive approval does not guarantee zoning, building, environmental, or other permits.
- **Complete application.** The applicant has submitted all state forms, local supplemental information, required fees, cost deposits, and supporting documents.
- **Financial need.** The applicant has provided enough information to evaluate the but for test and the amount of assistance requested.
- **Public benefit.** The project provides benefits beyond the private return to the applicant and is consistent with a proper public purpose.
- **Applicant capacity.** The applicant has demonstrated relevant experience, financial capacity, and a credible plan to complete and operate the project.
- **Disclosure.** The applicant has disclosed related entities, prior incentives, defaults, litigation material to project completion, tax liens, bankruptcy, and all other public assistance requested or received for the project.

Projects Generally Not Recommended

Unless exceptional circumstances and a clear public benefit are documented, the following requests will generally not be recommended:

- Routine maintenance, ordinary replacement, or work required solely to correct deferred maintenance or existing code violations.

- Projects that are already complete or substantially underway when the applicable law requires prior action.
- Refinancing, recapitalization, acquisition of an operating business, or speculative land holding without a defined development commitment.
- A transfer of an existing Buchanan business from one site to another that does not create net new investment, jobs, housing, remediation, or another material public benefit.
- Projects that primarily shift economic activity from an existing Buchanan business without expanding the market or filling a documented need.
- Projects with unresolved environmental, utility, drainage, traffic, public safety, or land use impacts that the applicant has not agreed to mitigate.
- Requests that exceed the demonstrated incentive gap or that would provide a return materially above what is reasonably necessary to complete the project.
- Projects involving material misrepresentation, failure to disclose other assistance, or a history of nonperformance under prior City agreements.

Preapplication and Application Process

1. Preapplication Conference
   A preapplication conference with the City Manager or designated staff coordinator is required before a formal application is submitted. The City Assessor, Planning and Community Development Department, Treasurer, Public Works or utilities staff, Brownfield consultant, authority representative, and City Attorney may participate as appropriate. The purpose is to identify likely eligibility, timing, required districts, public hearings, supporting information, and other approvals.
   Applicants should allow at least sixty days between submission of a complete application and the requested local action. Brownfield plans, projects involving multiple incentives, and projects requiring state work plans should generally allow at least ninety days. These are planning targets and not guarantees.

2. Required Application Information
   In addition to the state application and program specific forms, the applicant shall provide a local supplemental application containing the following, unless waived in writing because an item is not relevant:
   - Applicant name, ownership, organizational structure, authorized representative, and related entities.

- Property address, parcel numbers, legal description, current ownership, and evidence of site control.
- Detailed project narrative, drawings, site plan, proposed use, construction schedule, and anticipated completion date.
- Itemized development budget, sources and uses of funds, financing commitments, equity contribution, and construction contingency.
- Operating pro forma, cash flow projection, financing gap analysis, and explanation of the requested amount and term.
- Current assessed and taxable values, estimated post project value, estimated tax effect, and any assumptions used.
- Capital investment, jobs retained, jobs created, expected wages, benefits, workforce development, and hiring schedule, where applicable.
- For housing, the number and type of units, target households, proposed rents or sale prices, affordability period, accessibility features, and annual compliance plan.
- Environmental conditions, due care obligations, demolition, site preparation, infrastructure, utility, traffic, stormwater, fire protection, and public service impacts.
- Description and value of all other grants, credits, loans, abatements, captures, reimbursements, or public assistance requested or received.
- Developer and operator experience, references, prior incentive performance, and evidence of financial capacity.
- A signed but for statement and certification that all information is complete and accurate.

3. **Cost Deposits and Confidential Information**

The applicant shall pay the application fee established in the City fee schedule and shall deposit funds sufficient to cover publication, certified mail, legal, financial, assessing, planning, engineering, Brownfield consulting, and other outside review costs. The City may require additional deposits as work proceeds. Unused deposits shall be returned after all costs are paid.

Applications and supporting records are public records to the extent required by law. An applicant may identify information it believes is protected from disclosure, but the City cannot guarantee confidentiality and will respond to records requests in accordance with applicable law.

Administrative Review

The City Manager or designated staff coordinator shall organize the review and prepare a written recommendation. Review may include the following departments and advisors: the Assessor, Treasurer and finance staff, Clerk, Planning and Community Development, Building and Code Enforcement, Public Works, water and wastewater utilities, public safety, the City Attorney, the Brownfield Redevelopment Authority and consultant, the Downtown Development Authority, and other agencies affected by the request.

The staff recommendation should include:

- A summary of the project and the assistance requested.
- Confirmation of statutory eligibility and required local and state actions.
- The completed evaluation score and an explanation of any unusual scoring decision.
- A fiscal impact estimate showing the City share and, where practical, the total public tax effect during and after the incentive term.
- The demonstrated incentive gap and the amount and duration staff believes are reasonably necessary.
- Public infrastructure, utility, service, environmental, land use, and public safety impacts.
- The proposed development agreement, reimbursement agreement, restrictive covenant, or other conditions.
- A recommendation to approve, approve with conditions, postpone, or deny.

Nothing in this policy directs or predetermines a statutory finding assigned to the City Assessor, the State Tax Commission, EGLE, MSHDA, the Michigan Strategic Fund, or another independent public body.

Evaluation Criteria and Scoring

Projects that satisfy the threshold requirements shall be evaluated on a one hundred point scale. The score is a decision aid, not an entitlement. A project may be denied despite a high score if legal, financial, service, environmental, or public interest concerns remain unresolved. A project with a lower score may be approved only when the Commission makes written findings identifying an exceptional public purpose.

Criterion	Points	What Is Evaluated	Typical Evidence
Statutory fit and financial necessity	**20**	Eligibility, timing, but for test, documented gap, and whether the request is the minimum necessary.	State forms, gap analysis, lender terms, pro forma, financing commitments.

Criterion	Points	What Is Evaluated	Typical Evidence
Private investment and fiscal return	**15**	Amount of new private investment, increase in taxable value, long term revenue, and relationship between public cost and public return.	Project budget, assessor estimate, tax model, capital schedule.
Jobs or housing benefit	**15**	Quality jobs retained or created, wages, benefits, training, or, for housing, units created, affordability, accessibility, and unmet need.	Employment schedule, wage data, unit mix, rents, income targets, covenant.
Property reuse and catalytic impact	**15**	Reuse of vacant, obsolete, blighted, contaminated, or historic property and ability to encourage surrounding investment.	Condition reports, environmental records, photos, redevelopment strategy.
Plans, design, and sense of place	**10**	Consistency with adopted plans, zoning, downtown and corridor goals, design quality, walkability, accessibility, and community character.	Site plan, elevations, design narrative, plan consistency review.
Infrastructure and environmental responsibility	**10**	Capacity and cost of streets, water, sewer, stormwater, public safety, remediation, resilience, and mitigation of impacts.	Utility review, engineering, environmental studies, operations plan.
Readiness and applicant capacity	**10**	Site control, financing readiness, experience, schedule, market support, and prior performance.	Purchase agreement, financing letters, resumes, references, market study.
Additional community benefits	**5**	Local procurement, public space, public access, preservation, sustainability, community partnerships, or other benefits.	Commitment letter, partnership agreement, project narrative.

Score Guidance

Score	General Result	Term and Support Guidance
Below 65	**Generally not recommended**	The project should be revised, use a smaller program, or document exceptional circumstances.
65 to 74	**Limited support**	Generally up to four years or the lowest term allowed by law, and only for the minimum amount needed.
75 to 84	**Moderate support**	Generally five to eight years, subject to the demonstrated gap and program maximum.

Score	General Result	Term and Support Guidance
85 to 89	**Strong support**	Generally nine to ten years, subject to the demonstrated gap and program maximum.
90 to 100	**Exceptional support**	May justify the statutory maximum when the public benefit and financial need support it.

These ranges are guidance only. The approved term shall be the shortest term that reasonably closes the incentive gap and shall never exceed the term permitted by law. Where a statute establishes a minimum term, the statutory minimum controls if the project is approved. For PA 328, the City will generally limit an initial exemption to twelve years unless exceptional public benefit is documented. Brownfield assistance is governed by verified eligible costs and actual tax increment rather than this term table.

Program Specific Standards

1. Industrial Facilities Exemption and Plant Rehabilitation Districts
    - The project must involve an eligible manufacturing, high technology, research, or other activity authorized by PA 198.
    - An Industrial Development District is used for an eligible new facility. A Plant Rehabilitation District is used for rehabilitation and requires the statutory obsolescence finding.
    - District creation and certificate approval are separate actions. The City may consider them together only when all notice, hearing, and timing requirements are satisfied.
    - The requested term shall reflect capital investment, quality jobs, business retention, site improvement, utility and service impacts, and the applicant’s prior performance.
    - A development agreement shall state the investment, project completion, jobs or retention commitments, annual reporting, assignment conditions, and remedies for material nonperformance.
2. Obsolete Property Rehabilitation Exemption
    - The City Assessor must independently determine whether the property is obsolete as required by law.
    - Priority consideration may be given to vacant or underutilized commercial buildings, mixed use projects, historic resources, downtown properties, and projects that create upper floor housing or remove a documented barrier to occupancy.

- The applicant shall provide a rehabilitation plan, code and life safety scope, design information, occupancy plan, and evidence that the work exceeds routine maintenance.
- The City may require an occupancy deadline, preservation commitments, design review, and a development agreement for the approved term.

3. Commercial Rehabilitation and Commercial Facilities Exemptions
    - The project must be located within the district required by the applicable act and must involve eligible commercial or multi family development or rehabilitation.
    - The City will consider the age and condition of the property, the level of private investment, occupancy, new business activity, housing, historic character, design, and the effect on surrounding properties.
    - A request for a new or replacement commercial facility should demonstrate a material increase in investment and public benefit rather than routine construction that would proceed without assistance.
    - The development agreement may require completion, occupancy, continued operation, property maintenance, design compliance, and annual reporting.
4. Brownfield Tax Increment Financing
    - Brownfield requests must comply with PA 381, this policy, and any separately adopted policies and procedures of the Buchanan Brownfield Redevelopment Authority.
    - The applicant shall prepare a Brownfield Plan, reimbursement agreement, tax increment estimate, eligible activity budget, and state work plan when required.
    - Developer financed, pay as you go reimbursement is the preferred structure. The City does not guarantee the amount or timing of tax increment and will not pledge its full faith and credit unless separately and expressly authorized.
    - Reimbursement is limited to verified eligible costs, approved interest where allowed, approved administrative charges, and actual available tax increment. No cost may be reimbursed twice from multiple public sources.
    - The plan should identify the initial taxable value, captured millages, expected annual increment, reimbursement priority, authority administrative capture, Local Brownfield Revolving Fund capture, and the date capture ends.
    - The City may require third party review of environmental, housing, construction, financial, or tax increment assumptions at the applicant’s expense.

5. Housing Exemptions and PILOTs
   - Attainable Housing and Residential Housing exemptions shall be evaluated based on unit production, rent and income restrictions, market need, location, accessibility, design, affordability period, and administrative capacity.
   - The applicant shall provide a recorded covenant or other enforceable restriction when required by law or local approval, together with an annual certification and audit process.
   - Housing targeted to households at or below one hundred twenty percent of county area median income should be evaluated as workforce housing, but the City may award additional points for deeper affordability, longer commitments, accessible units, or mixed income development.
   - A PILOT request must comply with PA 346, any City ordinance, and a project specific resolution. The staff analysis shall compare the proposed service charge with estimated ad valorem taxes and evaluate the amount necessary for feasibility.
   - The City may require the applicant to pay the cost of income and rent compliance review, independent audit, legal review, and covenant monitoring.
6. Neighborhood Enterprise Zone and New Personal Property Exemption
   - An NEZ request shall be considered only if the City and property are eligible and the proposed zone supports an adopted housing, neighborhood, infill, or redevelopment objective.
   - A PA 328 request shall identify the qualifying business activity, new personal property, placement date, jobs, investment, and why the exemption is necessary after considering other personal property exemptions available under state law.
   - The City will generally require measurable investment and employment commitments and will limit the term to what is needed to secure the project.
7. DDA and Other Authority Assistance
   - Requests for DDA or other authority funding must be permitted by the authority's approved development plan, tax increment financing plan, budget, and governing law.
   - The authority shall review the request and make its own decision or recommendation.
   - City Commission approval under this policy does not obligate an authority to spend its funds.
   - Project assistance should be tied to public improvements, property activation, placemaking, business support, or other eligible activities that benefit the authority district and not solely the private property owner.

- A reimbursement or development agreement shall identify eligible costs, proof of payment, completion standards, public access or maintenance obligations, and remedies.

Combining Incentives

Applicants may request more than one incentive when permitted by law. All assistance must be disclosed and analyzed together. The combined public assistance shall not exceed the documented financial need or reimburse the same cost more than once. The City will generally expect the applicant to pursue state, federal, county, utility, philanthropic, and private resources before increasing local support.

When later assistance reduces the project gap, the City may reduce uncommitted local assistance or amend future reimbursement to the extent allowed by law and the governing agreement. The Commission may require a shared savings or excess return provision for unusually large or uncertain requests.

Development Agreements and Conditions

A written agreement is required for every project receiving discretionary local assistance unless the City Attorney determines that the approving resolution and state certificate provide adequate protection. The agreement should be executed before or at the time of final local approval and should contain, as applicable:

- A complete description of the project and approved assistance.
- Required investment, eligible costs, jobs, wages, housing units, rents, income targets, occupancy, or other public benefits.
- Construction start, completion, occupancy, and operating deadlines.
- Compliance with zoning, building, property maintenance, utility, environmental, and other laws.
- Annual reporting, record retention, inspection, audit, and verification rights.
- Requirements to remain current on taxes, service charges, utilities, fees, and other City obligations.
- Restrictions on assignment, transfer, change of control, relocation, closure, or material change in project scope without written approval.
- Events of default, notice and cure, force majeure, and remedies.
- Authority to reduce or suspend reimbursement, recommend certificate revocation, terminate future assistance, recover improperly paid amounts, or require repayment when legally and contractually available.

- Indemnification, insurance, security, lien, guaranty, or other protections when the City advances funds or assumes financial risk.
- Payment of City legal, consulting, publication, monitoring, and enforcement costs.

Monitoring and Annual Reporting

Each recipient shall submit an annual compliance report on or before March 1 unless another date is established by the agreement or state program. The report shall compare actual performance with the commitments approved by the City and shall include the information reasonably requested by staff.

- Capital investment completed and placed in service.
- Jobs retained and created, wages, benefits, and employment status, where applicable.
- Housing units completed, occupancy, rents, household eligibility, and covenant compliance, where applicable.
- Project construction and operating status.
- Taxes, service charges, utilities, loans, fees, and other City obligations.
- Brownfield costs incurred, reimbursements received, remaining eligible costs, and tax increment captured.
- Any ownership, control, financing, use, closure, relocation, or material project changes.

Staff shall provide the City Commission with an annual summary of active incentives, expected and actual public benefits, compliance concerns, outstanding reimbursements, and recommended corrective action. The City may conduct inspections, request supporting records, or require an independent audit at the recipient's expense when permitted by law and the agreement.

Nonperformance and Remedies

When a recipient fails to meet a material commitment, staff shall provide written notice and a reasonable opportunity to explain or cure the deficiency. The City shall consider the severity of the deficiency, the recipient's good faith, circumstances beyond the recipient's control, the proportion of benefits actually delivered, and the remedies available under law and contract.

Available remedies may include a corrective action plan, revised schedule, proportional reduction, suspension of reimbursement, denial of future requests, recommendation of revocation, termination of assistance, repayment or clawback, collection costs, interest, and any other remedy stated in the agreement or authorized by law. Material misrepresentation, intentional concealment, abandonment, or misuse of funds may support immediate and stronger action.

Public Process, Ethics, and Commission Action
All notices, public hearings, taxing jurisdiction notices, resolutions, authority actions, and state filings required by law shall be completed. Staff shall not schedule final action until the application is complete and the proposed agreement is substantially finalized. Commissioners, authority members, staff, and advisors shall comply with applicable conflict of interest and ethics requirements. A person with a disqualifying interest shall disclose the interest and abstain as required by law.

The approving resolution should identify the program, property, applicant, term, amount or method of assistance, public purpose findings, score or evaluation summary, material conditions, agreement, and authorization for necessary filings. The Commission may deviate from this policy only through written findings explaining the exceptional public benefit or unique circumstances supporting the deviation.

Administration
The City Manager is responsible for administering this policy and may designate a staff coordinator. The City Manager may develop application forms, checklists, fee recommendations, standard agreements, annual report forms, and administrative procedures consistent with this policy. Administrative materials may be updated without amending the policy, provided that they do not expand the assistance authorized by the City Commission or conflict with law.

The City Attorney shall review program eligibility, resolutions, agreements, and unusual conditions as appropriate. The City Assessor retains all independent duties assigned by law. Brownfield and DDA requests remain subject to the authority and procedures of the applicable public body.

Existing Approvals, Review, and Effective Date
This policy applies to applications submitted after its effective date. It does not alter a certificate, agreement, Brownfield Plan, reimbursement agreement, PILOT, or authority commitment previously approved unless the parties lawfully agree to an amendment.

The City Manager shall review this policy at least once every three years and recommend amendments when state law, market conditions, community priorities, administrative capacity, or program experience warrant a change. This policy becomes effective upon adoption by the City Commission.

Appendix A. Michigan Program Reference Matrix

This matrix is a practical summary as of August 2026. Program law and State Tax Commission guidance change over time. Current law and official forms must be confirmed before each application is accepted.

Program	Typical Use	Required Public Action	Term or Structure
PA 198 Industrial Facilities Exemption	Eligible manufacturing, high technology, new facility, expansion, or rehabilitation.	Create IDD or PRD before the required project milestone; local hearing and resolution; State Tax Commission approval.	One to twelve years.
Plant Rehabilitation District	District for PA 198 rehabilitation of an obsolete industrial facility.	Local hearing and resolution with the required obsolescence finding. It is not a separate certificate.	Uses the PA 198 certificate term.
PA 146 OPRA	Rehabilitation of eligible obsolete commercial or commercial housing property.	Create district; assessor statement of obsolescence; local hearing and resolution; State Tax Commission approval.	One to twelve years; taxable value generally frozen at the prior year level.
PA 210 Commercial Rehabilitation	Rehabilitation of eligible commercial property or multi family residential facility.	Create district; local hearing and resolution; State Tax Commission approval.	One to ten years. New certificates currently authorized through 2035.
PA 255 Commercial Facilities	Restored, replacement, or new eligible commercial facilities.	Create Commercial Redevelopment District; local hearing and approval; certificate filed with the State Tax Commission.	One to twelve years. New certificates currently authorized through 2035.
PA 381 Brownfield TIF	Environmental, demolition, site preparation, infrastructure, housing, and other eligible activities on eligible property.	BRA approval and recommendation; City Commission Brownfield Plan approval; state work plan when required.	Actual increment reimburses verified eligible costs under the approved plan and agreement.
PA 236 Attainable Housing	Income qualified rental housing of not more than four units.	Create district; local hearing and resolution; State Tax Commission approval; annual compliance.	One to twelve years, with statutory extension provisions.
PA 237 Residential Housing	Income qualified rental housing of more than four units.	Create district; local hearing and resolution; State Tax Commission approval; annual compliance.	One to twelve years, with statutory extension provisions.

Program	Typical Use	Required Public Action	Term or Structure
PA 147 Neighborhood Enterprise Zone	New or rehabilitated residential housing in an eligible zone.	Create zone; local hearing and approval; State Tax Commission approval for new or rehabilitated facilities.	Generally six to fifteen years; special historic terms may differ.
PA 328 New Personal Property	New personal property for qualifying businesses in eligible communities.	Local district and resolution; state review; State Treasurer approval with Michigan Strategic Fund concurrence.	Term determined locally. Buchanan policy generally limits initial approval to twelve years.
PA 346 Housing PILOT	Qualified affordable or workforce housing when authorized by law and local ordinance.	Ordinance or statutory framework, project specific resolution, service charge, covenant, and required state certification.	Term and service charge established by law, ordinance, and project approval.
PA 57 Authority Assistance	Eligible DDA or other authority projects within an approved plan and district.	Authority action and City action where required; project agreement and budget appropriation.	Limited by available authority revenue, plan, budget, and agreement.
PA 612 Charitable Nonprofit Housing	Property owned by a charitable nonprofit housing organization for eventual low income principal residence occupancy.	State application and approval, with local information or action as required.	Generally three or five years depending on the property.

Appendix B. Staff Evaluation Worksheet

Applicant: ____________________________________

Project: ____________________________________

Program Requested: ______________________________

Date Reviewed: _______________________________

Criterion	Max	Score	Staff Findings
Statutory fit and financial necessity	20		
Private investment and fiscal return	15		
Jobs or housing benefit	15		
Property reuse and catalytic impact	15		
Plans, design, and sense of place	15		
Infrastructure and environmental responsibility	10		
Readiness and applicant capacity	10		
Additional community benefits	5		
Total:	100		

Threshold Review

☐ Yes ☐ No Statutory eligibility confirmed

☐ Yes ☐ No Required district exists or can be established

☐ Yes ☐ No No disqualifying project commencement

☐ Yes ☐ No Applicant in good standing

☐ Yes ☐ No Land use path confirmed

☐ Yes ☐ No Complete application and fees received

☐ Yes ☐ No Financial need documented

☐ Yes ☐ No Development agreement substantially complete

Recommendation

☐ Approve as requested
☐ Approve with reduced term or amount
☐ Approve with conditions
☐ Postpone for additional information
☐ Deny

Recommended term or structure:	
Material conditions:	

Staff Signature

Date