

MEMORANDUM



TO: MAYOR AND COUNCIL
FROM: VICTOR CARDENAS, CITY MANAGER
SUBJECT: POSSIBLE ESTABLISHMENT OF CITY OF NOVI BROWNFIELD REDEVELOPMENT AUTHORITY (BRA)
DATE: JULY 10, 2025

Mayor and Council,

The Mayor suggested I share these memos (all related to the Brownfield program(s)) as we have new members of Council, and a consideration may be on a future agenda.

Victor

To complement another correspondence in the administrative packet, the following memo is intended to introduce the idea of establishing a City of Novi Brownfield Development Authority and to summarize the process that the City would need to follow to do so. Currently, in order to take advantage of funding sources to remediate environmental contamination using a brownfield authority, the City uses Oakland County's Brownfield Development Authority, which means any brownfield-related projects must go through the County's lengthy process (Board of Commissioners committees and then full board consideration) with limited input by the City on the financing aspects of the development plan. Additionally, the County collects fees on all projects in the City and can use them for various County activities elsewhere.

All told, the City has approved three (3) brownfield-related projects:

- Sakura
- Dunhill Estates
- Villas of Stonebrook

Those projects all resulted in environmental benefits (cleanup) to the City, and the County was fine to work with for each of them. But it is somewhat unusual for a city of Novi's size not to have its own BRA that it can use to accomplish the same project and financing approvals in a more efficient way while capturing some of the revenue from those projects for use *by the City* in connection with other future projects. That revenue-capturing ability is the primary reason why this topic is being introduced now.

By creating a local BRA instead of remaining under the County's the City would have local decision-making in all future brownfield redevelopments, including the use of tax increment financing (TIF) to fund eligible activities, and potentially attract private investment, most importantly, have oversight of the collected taxes. Additionally, BRAs may collect administrative fees to cover the costs of managing the program, including reviewing plans, aiding developers, and managing TIF capture and disbursement. For example, the fees associated with the Sakura development that were captured by the County (and not the City) totaled \$40,000.

It is not by accident that this memorandum introducing the concept of a local Novi BRA comes at the same time as the separate memorandum on the possible City West Transformative Brownfield Plan (TBP) discussion. If that project proceeds it is likely that the

brownfield authority process will be more complicated/less efficient at the County level than it would be as a City process, and the fees generated for future use in the City would be substantial (many times more than the Sakura amount). Now is a good time to begin this conversation.

To establish a [Brownfield Redevelopment Authority](#) (BRA) in Michigan is actually fairly simple. The City would need to pass a resolution, hold a public hearing, and file the resolution with the Michigan Secretary of State. The process also involves designating members for the authority and adopting bylaws. A condensed/summarized process to create an authority is as follows:

1. Resolution of Intent: The municipality's governing body (city council, township board, etc.) passes a resolution expressing its intent to create a BRA.
2. Public Hearing: A public hearing is held to discuss the proposed BRA, giving residents and stakeholders a chance to provide input.
3. Resolution Creating the Authority: Following the public hearing, the governing body passes a resolution officially establishing the BRA.
4. Filing with the Secretary of State: A copy of the resolution is filed with the Michigan Secretary of State.
5. Authority Membership: The governing body designates the members of the BRA, who can be drawn from existing local development authorities or appointed at-large.
6. Organizational Meeting: The BRA holds an organizational meeting to elect officers, adopt bylaws, and establish operating procedures.