

**City of Detroit Brownfield Redevelopment Authority
Local Brownfield Revolving Fund
Guidelines**

Approved August 13, 2025

The City of Detroit Brownfield Redevelopment Authority (the “DBRA”) has established a Local Brownfield Revolving Fund (“LBRF”) pursuant to Section 8 of Act 381, Public Acts of Michigan, 1996, as amended (“Act 381”).

This document (the “LBRF Guidelines”) is intended to provide interested parties with a general overview of the objectives of the LBRF, LBRF loan and grant eligibility requirements, LBRF application process and associated costs, etc. Interested parties are strongly encouraged to review the LBRF Guidelines in detail and contact DBRA staff if they have any additional questions. The DBRA reserves the right to depart from these guidelines on a case-by-case basis as it deems necessary in order to further the purposes for which the DBRA was established.

The LBRF Guidelines may be amended or modified, from time to time, by the DBRA Board of Directors, in its sole discretion. As such, please check the DBRA website or contact DBRA staff to ensure you have the most recent version of the LBRF Guidelines, applications, and/or forms.

Objectives

The LBRF Program is intended to meet the following objectives:

1. Assist in the revitalization of eligible property, as defined in Act 381, in the City of Detroit.
2. Provide a funding source that encourages the leveraging of additional private investment into the community

LBRF Grant and Loan Fund

In connection with the LBRF, DBRA offers grants and revolving loans to assist eligible applicants with the upfront costs associated with the completion of eligible activities (as defined by Act 381) and support the redevelopment of brownfields in the City of Detroit. This source of gap financing can assist with the redevelopment of brownfield sites by providing developers/property owners with an alternate method of financing, which may provide more flexible and favorable borrowing and repayment terms than conventional financing; and may also provide the developer and/or property owner the opportunity to monetize (in whole or in part) the DBRA’s tax increment financing (“TIF”) commitment to the project.

The LBRF is primarily funded through tax capture on eligible property (as defined by Act 381) as part of an approved Brownfield redevelopment plan and, if school capture is to be applied to the project, a state approved work plan when required under Act 381. In accordance with Act 381, the LBRF may only be used to fund “eligible activities” on “eligible property” as these terms are defined in Act 381. This LBRF will only be approved by DBRA as part of an approved development project.

LBRF loans and grants are intended to support development projects that are demonstrated to be economically viable to the satisfaction of DBRA. Entities that will qualify for LBRF grants and loans include,

but are not limited to: Detroit Headquartered Businesses, non-profit organizations, state sanctioned economic development organizations, and private for-profit developers, etc.

With respect to LBRF loans, as these loans are repaid, payments of the principal loan amount is “revolved” back into the LBRF, thus providing an on-going source of capital to fund new loans and grants to eligible brownfield projects within the City of Detroit. Payments of interest received by DBRA in connection with LBRF loans shall be used by the DBRA to fund LBRF operating costs, with any excess amounts deposited into the LBRF. Interest rates and repayment terms on LBRF loans will be market competitive based on loan underwriting and project needs.

Only one loan may be given to each project. The loan amount allocated for any project shall not exceed fifty percent (50%) of the DBRA’s TIF commitment for the Brownfield Plan or one million and 00/100 dollars (\$1,000,000), whichever is less; however, notwithstanding anything to the contrary in these LBRF Guidelines, the DBRA shall not be obligated to provide any funds in excess of what is available in the LBRF.

Applicant Minimum Criteria:

Eligible Applicants wishing to use LBRF funding shall meet the following criteria:

1. Must be a financially sound corporation or sole proprietor, as determined by the DBRA in its sole discretion, wishing to redevelop an eligible property which would result in an increase in taxable value.
2. Must include a detailed list of eligible activity costs, as defined by Act 381 of 1996, as amended, to be funded by the LBRF.
3. Must have a redevelopment plan consistent with local zoning.
4. Must have control over the property (either ownership or purchase option) and provide DBRA with evidence of the same. If the property is not owned by the applicant, the applicant must provide DBRA with a written agreement between the applicant and the property owner that permits the activities contemplated for funding with LBRF funds.
5. Must not be the party responsible for the contamination, if any, on the eligible property.
6. Must not be delinquent in taxes, fee assessments, loan payments, or other indebtedness to the City of Detroit, the State of Michigan or any political subdivision or public body corporate.
7. Must be able to demonstrate committed financing for the project.

Grant and Loan Terms & Conditions:

1. The amount of the grant or loan and repayment terms will be determined on a case-by-case basis; however, the minimum loan amount the DBRA will consider is in the amount of Fifty Thousand and 00/100 Dollars (\$50,000.00). Consideration will be given to the requested funding, the amount of the investment, the developer returns, as well as any anticipated tax capture.
2. The DBRA reserves the right to set flexible loan terms on a case-by-case basis, including, but not limited to: balloon payments, deferred or forgivable loans, and interest-only payments.

3. If seeking approval of Brownfield TIF and LBRF funding concurrently, the LBRF funding requests may be approved contingent upon an approved Brownfield Plan, Reimbursement Agreement, and/or Work Plan.
4. If applicable, as security for the repayment of any LBRF loan, the TIF capture from the project shall be pledged to DBRA for loan repayment. Additional security may also be required by the DBRA (ex. mortgage lien on eligible property, personal guaranty, etc.). Unless otherwise agreed to by the DBRA Board of Directors, if Brownfield TIF has been approved for the project, the DBRA shall have first priority on the TIF capture as collateral for an LBRF loan.
5. Upon DBRA staff recommendation to support an LBRF funding request, a non-refundable \$500 application fee shall be due before the request is brought to the DBRA Board's LBRF Committee.
6. At financial closing, an origination fee equal to 1% of the total funding request shall be due.
7. In addition to the application and origination fees, the applicant shall pay the DBRA's legal fees in connection with an LBRF loan. Applicants may be required to enter into an agreement regarding the payment of the DBRA's legal fees in the event that the funding request fails to close.
8. The DBRA's legal counsel will draft and coordinate the LBRF grant and/or loan documents. Applicants and/or their legal counsel shall be responsible for coordinating the financing documents for the project, including legal compatibility between project funders.
9. The DBRA's obligation to provide the LBRF funding pursuant to the executed LBRF loan documents shall be contingent upon the Developer/Owner providing DBRA with evidence, satisfactory to the DBRA, that the financing for the project has been committed and secured.
10. Loan and grant proceeds for each LBRF loan and grant will be disbursed in accordance with the LBRF loan and grant documents.
11. Projects requesting any funding from the LBRF and Brownfield Plan concurrently, are subject to the DBRA Guidelines. A copy of the DBRA Guidelines shall be provided upon request.
12. To remain eligible for the approved grant and/or loan, unless otherwise agreed to in writing by the DBRA, upon Board approval the development must close on its funding request within twelve months (12) months, start construction within eighteen (18) months, and the project must be completed within three (3) years. Failure to meet these deadlines may result in the rescission of the funding award by the DBRA and/or be a default under the LBRF grant/loan documents.
13. In connection with approved and consummated LBRF grants and loans, the DBRA staff shall periodically review all financial statements and loan amortization schedules of LBRF grant and loan recipients, review and approve documentation of business expenditures financed with LBRF proceeds, record LBRF security instruments, maintain the LBRF accounting records and report annually to the DBRA Board of Directors regarding the use of the LBRF funds.
14. Any sale of the eligible property requires immediate payment of the outstanding loan balance including any accrued interest.

LBRF Loan and/or Grant Approval Process:

1. Submit to DBRA a completed and executed DBRA Local Brownfield Redevelopment Fund Application which includes all information and documents requested by the DBRA as part of the application and review process.
2. DBRA staff will review the application materials and provide feedback. Additional information and materials may be requested.
3. If DBRA staff has sufficient information and documentation to recommend approval of the LBRF funding request, the non-refundable application fee will be due before the request can proceed to the LBRF Committee.
4. The LBRF Committee will review application and supporting documentation and, if applicable (i.e. no further documentation is required by applicant), prepare a recommendation for approval or denial to the DBRA Board of Directors. Please note: Regardless of the LBRF Committee recommendation, the DBRA Board of Directors will be the entity to approve or deny grant or loan applications.
5. DBRA Board of Directors will review and either approve or deny the application.
6. Denied applications may re-apply for reconsideration 45 days after the date their application was denied by the DBRA Board of Directors.
7. Upon DBRA Board approval of the LBRF funding request, DBRA staff and its legal counsel will draft grant and/or loan agreements and such other documentation that may be executed in conjunction therewith.
8. Upon payment of all applicable fees to the DBRA and execution of the grant and/or loan agreement and such other documents that may be executed in conjunction therewith, funds will be disbursed on a draw basis (unless otherwise agreed to by the DBRA board) to pay for eligible costs pursuant to the grant and/or loan agreement.
9. Unless otherwise agreed to in writing by the DBRA, the applicant must meet the closing, construction start, and completion deadlines noted above to remain in compliance with the funding request.

LBRF Application Materials

To apply for an LBRF loan or grant, eligible applicants shall submit the following documents to the DBRA staff:

1. A completed and executed LBRF application.
2. The following information/documentation shall be attached to the application form:
 - a. Project description including sources and uses of funds
 - b. business financial information for the development company

- c. brief history of the company, including a description of similar projects completed with references and contact information
- d. resumes of owners and/or key management
- e. schedule for redevelopment
- f. site plan
- g. legal description and associated maps of the project property
- h. cost estimates
- i. project budget
- j. Owner/sponsor equity and term sheets from all other funding sources in form and substance agreeable to DBRA staff
- k. proof of ownership of the eligible property (i.e. deed, purchase agreement or option to purchase)
- l. Most recent property appraisal, if available
- m. a statement describing how the loan funding is critical to the project and is consistent with DBRA policies and procedures
- n. and such other documents as may be requested by the DBRA.

As noted above, any grant or loan approval is contingent upon the approval of the DBRA Board of Directors and the execution of a Grant and/or Loan Agreement, between the applicant and the DBRA, and such other documents that may be executed in conjunction therewith.

LBRF Contact & Administration:

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