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Office of the Auditor General

Report Summary

Performance Audit

Report Number:
186-0420-20

Brownfield Redevelopment Financing Program

Department of Environment, Great Lakes, and Energy (EGLE) and Michigan Strategic Fund (MSF), Department of Labor and Economic Opportunity

Released:
April 2021

The Brownfield Redevelopment Financing Act, Public Act 381 of 1996, as amended, authorizes municipalities to create brownfield redevelopment authorities to facilitate the implementation of brownfield plans and promote revitalization of eligible properties through the use of tax increment financing (TIF) for eligible activities. The Act prescribes the powers and duties of, and the related requirements and criteria for, the brownfield redevelopment authorities, EGLE, and MSF. This performance audit was required by Section 125.2666(6) of the *Michigan Compiled Laws*.

Audit Objective			Conclusion
Objective #1: To assess the effectiveness of the Brownfield Redevelopment Financing Program to increase the taxable value of eligible brownfield properties.			Effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.	Not applicable.		

Audit Objective			Conclusion
Objective #2: To assess the effectiveness of EGLE's and MSF's efforts to administer the Program.			Effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.	Not applicable.		
Observations Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
See <u>Observation #1</u> within Objective #3.	Not applicable for observations.		

Audit Objective			Conclusion
Objective #3: To assess EGLE's and MSF's compliance with statutory reporting requirements.			Complied
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.	Not applicable.		
Observations Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Statutory amendments are needed to establish oversight and enhance annual reporting (<u>Observation #1</u>).	Not applicable for observations.		

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