



Performance Audit

Brownfield Redevelopment Financing Program

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

Report Number:
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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 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 properties. | | Effective | |
| Findings Related to This Audit Objective | | Material Condition | Reportable Condition |
| 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 |
| None reported. | | Not applicable. | |
| Observations Related to This Audit Objective | | Material Condition | Reportable Condition |
| Our assessment resulted in one observation related to program oversight and responsibilities (<u>Observation 1</u>). | | Not applicable for observations. | |

| Audit Objective | | | Conclusion | |
|--|--|----------------------------------|-----------------------------|------------------------------------|
| Objective 3: To assess EGLE's and MSF's compliance with statutory reporting requirements for the Program. | | | Complied | |
| Findings Related to This Audit Objective | | Material Condition | Reportable Condition | Agency Preliminary Response |
| EGLE and MSF did not include all required information in the calendar years 2020 and 2021 annual legislative reports (<u>Finding 1</u>). | | | X | Agree |
| Observations Related to This Audit Objective | | Material Condition | Reportable Condition | Agency Preliminary Response |
| See <u>Observation 1</u> within Objective 2. | | Not applicable for observations. | | |

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