



Detroit Brownfield Redevelopment Authority
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**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, OCTOBER 12, 2016
4:00 PM**

BOARD MEMBERS PRESENT: Maggie DeSantis
Evette Griffie
Mia Grillier
Pamela McClain
Derrick Sanders
Raymond Scott
Matt Walters
Donele Wilkins

BOARD MEMBERS ABSENT: Stephanie Washington

OTHERS PRESENT: Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Glen Long (DEGC/DBRA)
Ngozi Nwaesei (Lewis & Munday)
Aamir Farooqi (Banyan Investments)
Scott Ord (Banyan Investments)
Elizabeth Masserang (PM Environmental for Banyan Investments)
Beth Gotthelf (Butzel Long for Banyan Investments)



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MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, OCTOBER 12, 2016
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD SUITE 2200 DETROIT, MI - 4:00PM

CALL TO ORDER

Chairperson Matthew Walters called the meeting to order at 4:03 PM.

GENERAL

Approval of Minutes

Mr. Walters called for a motion approving the minutes of September 28, 2016 as presented. The Board took the following action:

On a motion by Ms. DeSantis, seconded by Mr. Sanders, DBRA Resolution Code 16-10-02-208 was unanimously approved.

ADMINISTRATIVE

FY 2015-2016 DBRA Audit

Mr. Walters asked that the board allow Mr. Long to present the FY 2015-2016 DBRA Audit as the next agenda item in order to respect Mr. Long's time. No board members objected.

Mr. Long stated that he is present to answer any questions the board may have about the annual audit that was sent to the board under separate cover via email.

Mr. Walters, noting an unqualified (i.e. "clean") audit and no questions from the board, called for a motion receiving the DBRA Audited Financial Statements and Management Report as of June 30, 2016.

On a motion by Ms. Wilkins, seconded by Mr. Sanders, DBRA Resolution Code 16-10-01-174 was unanimously approved.

PROJECTS

St. Charles Place Lofts Brownfield Redevelopment Plan

Mr. Vosburg stated that a Single Business Tax "credit-only" Brownfield Plan (the "Plan") for the former St. Charles School building was approved by the DBRA on September 17, 2003, by the Detroit City Council on November 14, 2003 and the Mayor of the City of

Detroit on November 24, 2003. The Plan failed to occur and the developer, English Village Lofts, LLC no longer controls the property. DBRA staff were unable to find any approvals of the Plan by the MEDC, nor were they able to find any additional approved contracts or agreements that may be associated with the Plan.

Act 381 permits Plans to be terminated if they failed to occur within 5 years of approval. Termination of this Plan will clear the parcels listed in the Plan for future Brownfield Plans more in line with a current development plan. Board members had a brief discussion about what was proposed in the Plan and what was known about why the project failed to occur,

Mr. Walters called for a motion recommending termination of the Plan to City Council as well as any other agreements or contracts that may be associated with the Plan. The Board took the following action:

On a motion by Ms. DeSantis, seconded by Mr. Sanders, DBRA Resolution Code 16-10-57-02 was unanimously approved.

St. Charles School Brownfield Redevelopment Plan

Mr. Vosburg presented the St. Charles School Brownfield Redevelopment Plan. Mr. Vosburg noted that City Council staff has not yet provided a letter qualifying 1432-1444 Townsend as Blighted, however a letter is underway and the three parcels automatically qualify as blighted per Act 381 of 1996, as amended, due to the fact that they are tax reverted and/or owned by the Detroit Land Bank Authority.

Mr. Aamir Farooqi and Mrs. Elizabeth Masserang presented additional information regarding the project and answered various questions from board members regarding compliance with Executive Orders, expected rental rates, and the developer's prior real estate development experience.

Project Introduction

FSI 4, LLC is the project developer (the "Developer") for the Plan which entails the rehabilitation of the vacant former St. Charles School, which is next door to St. Charles Borromeo Catholic Church, into a 27-unit loft-style rental building which will include a new construction fourth floor. A new construction 11-unit two-story townhome building will be built directly to the south of the school building on what are four vacant lots. One, two and three bedroom units will be created, with 8 of the 11 new construction townhomes reserved as affordable units for renters with incomes below 80% of the area median income (AMI). The parking areas of the development will be located away from the street view and have green storm water features.

Approximately 5 permanent full time equivalent jobs and 100 temporary construction jobs are expected to be created as a result of the project. The total investment is estimated to exceed \$8.3 million. The Developer is requesting \$851,295 in TIF reimbursement.

Property Subject to the Plan

The eligible property (the “Property”) is located at 1432-1454 Townsend Street, five parcels on the eastside of Townsend Street between St. Paul and Agnes Streets in the Islandview Village neighborhood of Detroit, just east of East Grand Boulevard and just north of East Jefferson Avenue near Belle Isle.

Basis of Eligibility

The property is considered “eligible property” as defined by Act 381, Section 2 because (a) the property was previously utilized for a commercial and/or residential purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is determined to be functionally obsolete, blighted and/or adjacent to or contiguous to an eligible parcel and is estimated to increase the captured taxable value of that property as defined by Act 381. 1454 Townsend, the former school building, has been certified functionally obsolete by a level 3 or level 4 assessor, a letter to that effect can be found in Attachment D of the Plan. The three vacant lots identified as 1432, 1438 and 1444 Townsend are owned by the Detroit Land Bank Authority and thus automatically qualify as blighted per Act 381, the initial determination of blight letter is pending from Detroit City Planning Commission staff. The parcel identified as 1450 Townsend is adjacent and contiguous to eligible parcels at 1444 and 1454 Townsend Street.

Eligible Activities and Projected Costs

The “eligible activities” that are intended to be carried out at the Property are considered “eligible activities” as defined by Sec 2 of Act 381, because they include a Phase I Environmental Site Assessment, demolition, lead and asbestos abatement, infrastructure improvements, site preparation, and development and preparation of a brownfield plan and/or work plan. The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and will incur no debt. The eligible activities are estimated to begin in fall/winter of 2016 and complete within eighteen (18) months.

Tax Increment Financing (TIF) Capture

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the DBRA and used to reimburse the cost of the eligible activities completed on the Property after approval of this Plan pursuant to the terms of a Reimbursement Agreement with the DBRA.

COSTS TO BE REIMBURSED WITH TIF

1. Phase I ESA	\$2,800.00
2. Demolition	\$231,500.00
3. Lead & Asbestos Abatement	\$197,000.00
4. Infrastructure Improvements	\$427,370.00
5. Site Preparation	\$138,700.00
6. Brownfield Plan & Act 381 Work Plan	\$20,000.00
7. Contingency (15%)	\$149,186.00
Total Reimbursement to Developer	\$1,166,556.00

8. Authority Administrative Costs	\$276,275.00
9. State Brownfield Redevelopment Fund	\$209,816.00
10. Local Site Remediation Revolving Fund	\$664,517.00
TOTAL Estimated Costs	\$2,314,364.00

The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the DBRA from the Property shall be governed by the terms of the Reimbursement Agreement.

Other Development Incentives

The Developer of this Plan will seek additional support through a Commercial Rehabilitation Act Abatement (PA 210).

Attached for your review and approval is a resolution authorizing the St. Charles Place Brownfield Plan for submittal to the Community Advisory Committee.

Mr. Walters called for a motion approving the transmittal of the Brownfield Plan to the Community Advisory Committee as well as to conduct a public hearing for the Plan for the St. Charles School Brownfield Redevelopment Plan.

On a motion by Ms. DeSantis, seconded by Ms. McClain, DBRA Resolution Code 16-10-241-01 was unanimously approved.

ADMINISTRATIVE

Environmental Assessment Grant Awards

Mr. Vosburg reviewed the history of the EPA Funds transferred from the City and informed the board that over 50 projects totaling nearly \$900,000 in funding requests applied for the EPA Environmental Assessment grant funds during the one-week application window. Due to the overwhelming response to the grant funds and the limited time to review proposals and obligate funds, DBRA staff are recommending that the Board approve applicants on a first come, first served policy. Descriptions of twelve projects totaling \$220,500, listed in order of receipt, were presented to the board for approval.

Mr. Scott stated that applicants being considered for approval may not end up expending all the grant funds being requested and approved. Mr. Scott recommended having conditional awards for additional applicants in the event that all the funds are not expended by the first twelve applicants.

Mr. Walters called for a motion approving the awarding of EPA Assessment Grant Awards on a first come, first served policy; awarding the first twelve projects in order of receipt totaling \$220,500; as well as approving conditional awards for additional applicants. The Board took the following action:

On a motion by Ms. Griffie, seconded by Ms. McClain, DBRA Resolution Code 16-10-01-173, was unanimously approved.

OTHER

None

PUBLIC COMMENT

None

ADJOURNMENT

There being no further business, Mr. Walters called for a motion approving the adjournment of the meeting. On a motion by Ms. Wilkins, seconded by Ms. McClain, the board agreed unanimously to adjourn the meeting at 4:55 PM.



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CODE DBRA 16-10-02-208

APPROVAL OF MINUTES SEPTEMBER 28, 2016

RESOLVED, that the minutes of the regular meeting of September 28, 2016 are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Detroit Brownfield Redevelopment Authority.

October 12, 2016



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CODE DBRA 16-10-01-174

**ADMINISTRATION; DBRA AUDITED FINANCIAL STATEMENTS AND
MANAGEMENT REPORT AS OF JUNE 30, 2016**

RESOLVED, that the Board of Directors of the Detroit Brownfield Redevelopment Authority (the "DBRA") hereby receives the DBRA Audited Financial Statements and Management Report as of June 30, 2016, with comparative totals as of June 30, 2015, as prepared by George Johnson and Company, Certified Public Accountants.

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CODE DBRA 16-10-57-02

**TERMINATION OF THE BROWNFIELD PLAN FOR THE ST. CHARLES PLACE
LOFTS REDEVELOPMENT PROJECT**

WHEREAS, on November 14, 2003, the City of Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors approved the St. Charles Place Lofts Brownfield Plan (the "Plan") for English Village Lofts, LLC (the "Developer") and recommended its approval to the Detroit City Council; and

WHEREAS, on November 14, 2003 the Detroit City Council approved the Plan; and

WHEREAS, on November 24, 2003 the Mayor of the City of Detroit approved the Plan;
and

WHEREAS, Section 16(8)(b) of Act 381 of 1996, as amended, permits a governing body to terminate a brownfield plan or plan amendment if the project for which eligible activities identified in the brownfield plan or plan amendment fails to occur with respect to the eligible property for at least 5 years following the date of the resolution approving the brownfield plan or plan amendment; and

WHEREAS, the DBRA has determined that the project identified in the Plan failed to occur within 5 years of the City Council's approval of the Plan; and

WHEREAS, the DBRA Board of Directors desires to terminate the Plan.

NOW THEREFORE, BE IT RESOLVED, that the DBRA Board of Directors hereby recommends termination of the Plan to the Detroit City Council; and

BE IT FURTHER RESOLVED, that the DBRA Board of Directors hereby authorizes the termination of any other agreements or contracts between the Developer and the DBRA that were executed in conjunction with the Plan upon termination of the Plan by the City of Detroit;
and

BE IT FINALLY RESOLVED that any two Officers, or any one of the Officers and any one of the Authorized Agents of the DBRA, shall hereafter have the authority to negotiate and execute any and all documents, contracts, or other papers necessary to implement the provisions and intent of this resolution on behalf of the DBRA.

October 12, 2016



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CODE DBRA 16-10-241-01

ST. CHARLES PLACE BROWNFIELD REDEVELOPMENT PLAN – TRANSMITTAL OF BROWNFIELD PLAN TO THE COMMUNITY ADVISORY COMMITTEE

WHEREAS, pursuant to 381 PA 1996 (“Act 381”), the City of Detroit Brownfield Redevelopment Authority (the “DBRA”) has been established by resolution of the City Council of the City of Detroit (the “City”) for the purpose of promoting the revitalization of environmentally distressed areas in the City; and

WHEREAS, under Act 381 the DBRA is authorized to develop and propose for adoption by City Council a brownfield plan for one or more parcels of eligible property; and

WHEREAS, under the resolution establishing the DBRA and the bylaws of the DBRA requires the DBRA, prior to the approval of a brownfield plan, submit the proposed brownfield plan to the Community Advisory Committee for consideration and comment and solicit comments by publication of notice that the proposed brownfield plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies.

NOW, THEREFORE, BE IT RESOLVED:

1. The City of Detroit Brownfield Redevelopment Authority acknowledges receipt of the proposed Brownfield Plan for the **St. Charles Place Brownfield Redevelopment Plan** (the “Proposed Plan”) and authorizes and directs the Chairperson to cause the Proposed Plan to be transmitted to the Community Advisory Committee for consideration and comment within 30 days of their receipt of the Proposed Plan.

2. The President of the Detroit Economic Growth Corporation or any person designated by him, as a representative of the DBRA, shall conduct a public hearing in the area to which the Proposed Plan applies within the next 30 days. This public hearing may be held jointly with any public hearing conducted by the Community Advisory Committee.

3. The Chairperson is authorized and directed to cause there to be published notice that the Proposed Plan has been submitted to the Community Advisory Committee and of the public hearing to be held pursuant to this resolution.

BE IT FINALLY RESOLVED, that all of the acts and transactions of any Officer or Authorized Agent of the DBRA in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolution except that such acts were taken prior to execution of these resolution, are hereby in all respects confirmed, approved and ratified.

October 12, 2016



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CODE DBRA 16-10-01-173

AWARDING OF EPA GRANT FUNDS

WHEREAS, the City of Detroit Brownfield Redevelopment Authority (“DBRA”) was created pursuant to Act 381 of the Public Acts of Michigan of 1996 (“Act 381”) for the purpose of facilitating the implementation of brownfield plans and promoting the revitalization, redevelopment, and reuse of certain property, including, but not limited to, tax reverted, blighted or functionally obsolete property within the City of Detroit; and

WHEREAS, the City of Detroit (“City”), by and through its Building, Safety Engineering & Environmental Department (“BSEED”), and DBRA entered into that certain Funding Agreement (the “Funding Agreement”) for the purpose of transferring Two Hundred Forty-Five Thousand and 00/100 Dollars (\$245,000.00) (the “Funds”) from the City to DBRA in order for the DBRA to develop a revolving loan program to make the Funds available as revolving loans to eligible developers for qualified clean-up costs on eligible property; and

WHEREAS, on July 27, 2016 the City wired the Funds to the DBRA; and

WHEREAS, on September 27, 2016 the DBRA and City amended the Funding Agreement to allow the Funds to be utilized for grants as well as revolving loans; and

WHEREAS, the Funding Agreement, as amended, also imposed an October 15, 2016 deadline to obligate the Funds and a June 1, 2017 deadline to expend the Funds; and

WHEREAS, in the event the deadlines are not met, the Funds would become subject to recapture by the U.S. Environmental Protection Agency (“EPA”), the original source of the Funds; and

WHEREAS, due to the relatively short timeframe that the City and the DBRA have to obligate the Funds, the majority of the Funds will be awarded to developers (private, non-profit or public) and utilized as grants for environmental site assessments (“ESA”) and certain eligible activities; and

WHEREAS, DBRA staff notified the public of the available Funds and subsequently received and reviewed applications for the Funds for completeness and ability to conform to funding requirements; and

WHEREAS, there are not enough Funds to fund all the requests made by grant applicants; and

WHEREAS, the DBRA staff recommends that the Funds be awarded to applicants on a first come, first served basis.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the City of Detroit Brownfield Redevelopment Authority (the "Board") does hereby authorize the selection of grant awardees based on a first come, first served basis, and to award grants to said awardees in such amounts as deemed appropriate by DBRA staff.

BE IT FURTHER RESOLVED, that the Board does hereby authorize the negotiation and execution of a grant award letter, and/or such other documents deemed necessary by DBRA legal counsel, between DBRA and said awardees describing the grant amount and the terms and conditions related thereto.

BE IT FURTHER RESOLVED that any two Officers, or any one of the Officers and any one of the Authorized Agents or any two of the DBRA's Authorized Agents, shall hereafter have the authority to negotiate and execute any and all documents, contracts or other papers necessary or appropriate to implement the provisions and intent of this resolution on behalf of the DBRA.

BE IT FINALLY RESOLVED that all of the acts and transactions of any officer or authorized agent of the DBRA, in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

October 12, 2016

