

City of Detroit

## **Brownfield Redevelopment Authority**

### **Community Advisory Committee**

500 Griswold Street • Suite 2200

Detroit, Michigan 48226

Phone: 313 963-2940

Fax: 313 963-8839

DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
MINUTES OF THE  
REGULAR COMMUNITY ADVISORY COMMITTEE MEETING  
WEDNESDAY, NOVEMBER 9, 2016 -- 5:00 PM  
AT DEGC OFFICES  
500 GRISWOLD, SUITE 2200  
DETROIT, MI

#### COMMITTEE MEMBERS

PRESENT: Kamal Cheeks  
John George  
Julian Hill  
Brad Lutz  
Allen Rawls  
Simone Sagovac  
Sandra Stahl

#### COMMITTEE MEMBERS

ABSENT: Michelle Lee

OTHERS PRESENT: Brian Vosburg (DEGC/DBRA)  
Kari Smith (Arte Express)  
Anne Jamieson (ECT)  
John D'Addona (ECT)  
Beth Gotthelf (Butzel Long)

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#### **Call to Order**

Mr. Rawls, Chair, called the meeting to order at 5:01 p.m.

#### **General**

##### **Approval of Minutes**

Mr. Rawls called for approval of the minutes of the October 12, 2016 DBRA-CAC meeting. The Committee took the following action:

On a motion by Mr. George, seconded by Mr. Lutz, DBRA-CAC Resolution Code 16-11-02-120, approving the October 12, 2016 CAC minutes, was unanimously approved.

#### **Projects**

##### **Packard Administration Building Brownfield Redevelopment Plan**

Mr. Vosburg presented the Packard Administration Building Brownfield Redevelopment Plan. A PowerPoint presentation provided renderings and maps. Mr. Vosburg responded to CAC a member question regarding TIF and the developer responded to CAC member questions regarding the purchase price, the project architect, historic tax credits, tax abatements, green construction and infrastructure, community meetings, future tenants and uses of the building, Detroit based contractors and residents, and plans for the redevelopment of the entire campus.

##### **Project Introduction**

Arte Express Detroit, LLC is the project developer (the “Developer”) for the Plan which entails the rehabilitation of the vacant former Administration Building for the Packard Motor Car Company at 1580 East Grand Boulevard into a 121,000 square foot four-story commercial office building. Albert Kahn Associates, Inc., the original architect of the building built in 1911, have been retained as architects for the project. The project will involve green features such as the historic restoration of the exterior of the building to the extent possible as well as a green roof. The developer will also be cleaning up adjacent vacant land with green storm water features for outdoor courtyard amenities and tenant parking.

Approximately 7 permanent full time equivalent jobs and 136 temporary construction jobs are expected to be created as a result of the project. A significant number of indirect jobs via building tenants are also expected to locate at the development. The total investment is estimated to be \$22.6 million. The Developer is requesting \$5,391,278.00 in TIF reimbursement.

### Property Subject to the Plan

The eligible property (the "Property") consists of five parcels located at 1580 E. Grand Boulevard (the Administrative Building), as well as 2821 & 5847 Concord (outdoor corridors within the Packard complex) and 5580 & 5590 Concord (vacant lots to be redeveloped). The parcels are generally located on the eastside of Detroit with the Administration building on East Grand Boulevard, east of Mt. Elliot Avenue.

### 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. 1580 E. Grand Boulevard, the administration building, has been certified functionally obsolete by a level 3 or level 4 assessor. 5821 & 5847 Concord have been determined blighted per Act 381 via a determination of blight letter from Detroit City Planning Commission staff. The parcels identified as 5580 & 5590 Concord have been determined to be a facility pursuant to Part 201. Letters and/or reports supporting these determinations can be found in Attachment G of the Plan

### 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 baseline environmental site assessment activities, due care and additional response activities, demolition, lead and asbestos abatement, site preparation, infrastructure improvements, 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. BEA Activities                             | \$35,000.00           |
| 2. Due Care Activities                        | \$406,600.00          |
| 3. Additional Response Activities             | \$42,950.00           |
| 4. Demolition                                 | \$744,000.00          |
| 5. Lead & Asbestos Abatement                  | \$680,618.00          |
| 6. Site Preparation                           | \$858,850.00          |
| 7. Infrastructure (includes green roof)       | \$1,902,875.00        |
| 8. Brownfield Plan & Act 381 Work Plan        | \$25,000.00           |
| 9. Environmental Contingency – Less BEA (15%) | \$67,433.00           |
| 10. Non-Environmental Contingency (15%)       | \$627,951.00          |
| <b>Total Reimbursement to Developer</b>       | <b>\$5,391,278.00</b> |
| 11. Authority Administrative Costs            | \$917,576.00          |
| 12. State Brownfield Redevelopment Fund       | \$616,963.00          |
| 13. Local Site Remediation Revolving Fund     | \$1,948,778.00        |
| <b>TOTAL Estimated Costs</b>                  | <b>\$8,874,595.00</b> |

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 an Obsolete Property Rehabilitation Act Abatement (PA 146).

Attached for review and approval were three (3) resolutions: 1.) a resolution supporting the Plan Amendment in the event the Committee does not deem it necessary to conduct a CAC public hearing and 2.) a resolution authorizing a public hearing in the project area and 3.) a resolution authorizing a public hearing in the project area and to appoint up to two special CAC members. The public hearing may be held jointly with any public hearing conducted by the Detroit Brownfield Redevelopment Authority.

Mr. Rawls called for a motion recommending the St. Charles School Brownfield Redevelopment Plan.

Mr. George motioned to recommend approval of the Packard Brownfield Redevelopment Plan without a CAC public hearing and without appointing special members. Mr. Hill seconded the motion. DBRA-CAC Resolution Code 16-11-242-01, recommending approval of the Packard Administration Building Brownfield Redevelopment Plan, was unanimously approved.

### **Other Matters**

None

### **Public Comment**

None

**Adjournment**

Citing no further business, Mr. Rawls called for a motion to adjourn. Mr. George motioned to adjourn the meeting. Ms. Sagovac seconded the motion and it was unanimously approved at 5:49 pm.

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**CODE DBRA CAC 16-11-02-120**

### **APPROVAL OF MINUTES OF OCTOBER 12, 2016**

RESOLVED, that the minutes of the regular meeting of October 12, 2016 are hereby approved and all actions taken by the members present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Community Advisory Committee of the Detroit Brownfield Redevelopment Authority.

November 9, 2016

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**CODE DBRA-CAC 16-11-242-01**

**PACKARD ADMINISTRATION BUILDING BROWNFIELD REDEVELOPMENT PLAN**

WHEREAS, pursuant to 381 PA 1996, as amended (“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, pursuant to the resolution establishing the DBRA and the bylaws of the DBRA, the DBRA has submitted the proposed Brownfield Plan for the Packard Administration Building Project (the “Plan”) to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its November 9, 2016 meeting, received, evaluated and considered the proposed Plan; and

WHEREAS, in accordance with the provisions of the resolution establishing the DBRA and the bylaws of the DBRA, the Community Advisory Committee desires to make recommendations to the DBRA and the Detroit City Council on the proposed Plan.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. After consideration of the proposed Plan, the Community Advisory Committee makes the following comment and recommendations on the proposed Plan:
  - a. The Community Advisory Committee has determined that it is appropriate for the achievement of the purposes of Act 381 of the DBRA to adopt a brownfield plan for the **Packard Administration Building Brownfield Redevelopment Project**.
  - b. The Community Advisory Committee recommends support of the proposed Plan presented to it.
2. The Chairperson of the Community Advisory Committee is authorized and directed to transmit a copy of this Resolution and the minutes of the public hearing on the proposed Plan and of the meeting at which this Resolution was adopted to the DBRA and the Detroit City Council as the report of the findings and recommendations of the Community Advisory Committee on the proposed Plan.
3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

November 9, 2016