



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
MINUTES OF THE  
REGULAR COMMUNITY ADVISORY COMMITTEE MEETING  
WEDNESDAY, FEBRUARY 12, 2020 -- 5:00 PM  
AT DEGC OFFICES  
500 GRISWOLD, SUITE 2200  
DETROIT, MI**

**COMMITTEE MEMBERS  
PRESENT:**

Rick Blocker  
Kamal Cheeks  
Dr. Regina Randall  
Michelle Lee  
Peter Rhoades

**COMMITTEE MEMBERS  
ABSENT:**

Simone Sagovac  
Brad Lutz  
Allen Rawls  
Rico Razo

**OTHERS PRESENT:**

Jennifer Kanalos (DEGC/DBRA)  
Brian Vosburg (DEGC/DBRA)  
Cora Capler (DEGC/DBRA)  
Malinda Jensen (DEGC)  
Richard Barr (Honigman)  
Ryan Klunzinger (Dakkota)  
Elizabeth Masserang (PM Environmental)  
Matthew Naimi (Dreamtroit)



### **Call to Order**

Mr. Cheeks, Vice-Chairperson, called the meeting to order at 5:15 p.m.

### **General**

#### **Approval of Minutes**

Mr. Cheeks called for approval of the minutes of the November 20, 2019 (resolution) DBRA-CAC meeting. The Committee took the following action:

On a motion by Mr. Blocker, seconded by Mr. Rhoades, DBRA-CAC Resolution Code 20-02-02-148, approving the November 20, 2019 CAC minutes, as presented, was unanimously approved.

### **Projects**

#### **Brownfield Plan for Life is a Dreamtroit**

Ms. Capler introduced the Brownfield Plan for Life is a Dreamtroit to the CAC members present.

#### **Project Introduction**

Life is a Dreamtroit, LLC is the project developer (the "Developer") for the Plan. Previous use of the property includes a Lincoln Motor Factory and an Albert Kahn Building. A partially vacant two-story warehouse dominates the property and totals approximately 160,000 square feet. The property currently serves as a recycling reuse center, Recycle Here!, and collaborative art space.

The project will include the demolition of a portion of the existing warehouse building and renovate it into a modern mixed-use building featuring new residential units and office and retail space, incorporating both current operations and expanding upon them to create a vibrant neighborhood and public spaces. The project will include a coffee shop, an art park and outdoor event space, shipping container shops, Art Industry, and a market/co-working space. It is proposed that approximately 52 of the residential units will be at varying levels of affordability, including 50% at 80% of the Area Median Income (AMI), and 20% of the units below 50% AMI. The units are anticipated to consist primarily of studios and one-bedroom units totaling approximately 37,130 square feet. A surface parking lot with approximately 86 spaces is included as part of the project.

The total investment is estimated to be \$18.2 million. The Developer is requesting \$3,729,324.00 in TIF reimbursement.

There will be approximately 46 temporary construction jobs and 1 FTE job related to property maintenance created by the Developer. Additional jobs are expected to be created by commercial tenants.

#### **Property Subject to the Plan**

The eligible property (the "Property") consists of seven (7) parcels located in Detroit's New Center and Northwest Goldberg neighborhoods, bounded by Holden Street to the north, a railroad track to the east, Lincoln Street to the south and the west, forming a triangular shape.

#### **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, industrial, public, or residential purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; (c) the Property is determined to be a "facility" as defined Part 201 of P.A. 451, as amended, and/or (d) adjacent and contiguous to a "facility".

### 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 Pre-Approved activities, Department Specific activities, Demolition activities, Asbestos and Lead Abatement activities, Infrastructure Improvements, Site Preparation activities, and Preparation and Implementation of a Brownfield Plan and Act 381 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 commence within 18 months of approval of the Plan and be completed within 3 years.

### 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. Pre-Approved Activities (Environmental Assessments)	\$66,800.00
2. Department Specific Activities	\$573,000.00
3. Demolition	\$586,700.00
4. Asbestos, Mold, and Lead Abatement	\$256,000.00
5. Infrastructure Improvements	\$465,400.00
6. Site Preparation	\$757,000.00
7. Brownfield Plan & Work Plan Preparation/Implementation	\$60,000.00
8. Contingency (15%)	\$395,715.00
9. Interest	\$568,709.00
<b>Total Reimbursement to Developer</b>	<b>\$3,729,324.00</b>
10. Authority Administrative Costs	\$763,325.00
11. State Brownfield Redevelopment Fund	\$197,981.00
12. Local Brownfield Revolving Fund	\$326,268.00
<b>TOTAL Estimated Costs</b>	<b>\$5,016,898.00</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 Incentives

The Developer is seeking additional incentives, which will include local and/or state approval of a Commercial Rehabilitation Act (PA 210) Abatement and a Neighborhood Enterprise Zone (PA 147) Abatement.

Attached for the CAC’s review and approval were three (3) resolutions: 1.) a resolution supporting the Plan 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. Naimi provided further information about the development team, the history of the Property including the current operations located on the Property, the operations of Green Living Science and the services provided to students in the Detroit Public Schools Community District, the Developer’s commitment to the surrounding neighborhood and collaboration with local stakeholders, the community meetings held in the neighborhood led by the District Manager for District 5, Melia Howard, and the creation of the local business association, Northwest Goldberg Creative Coalition.

Dr. Randall asked if the Property is located in District 5 and stated that the support letters included in the Plan were not representative of community organizations in the area.

Ms. Lee asked what the anticipated rental rates for the residential units are. Mr. Naimi stated that there will be approximately 17 live/work (communal) units which will have a rental rate of \$666 per month including utilities, 21 communal units on the second floor will have a rental rate of \$1,066 per month, 19 studio units will have a rental rate of \$1,066 per month, 3 larger communal units will have a rental rate of \$1,600 per month, and 4 one-bedroom units will have a rental rate of \$1,800 per month.

Mr. Blocker asked if the financing for the project has been finalized. Mr. Naimi stated that the Developer has brought on consultants to help piece together the financing for the project. Ms. Masserang stated that Capital Impact Partners, IFF, and Invest Detroit are all set to provide financing for the project and have provided term sheets, the Michigan Economic Development Corporation has issued an LOI to the Developer for a low-interest loan, and the Developer is in the process of obtaining a Part 2 of a Historic Tax Credit and Ethos Development is the consultant working with the Developer on the financing for the project. Mr. Naimi added that MIG Construction has been selected as the general contractor for the project and the Developer has cost estimates for the construction and closed on the pre-development loan on November 4, 2019.

Mr. Cheeks asked who the architect is for the project. Mr. Naimi stated that Kraemer Design Group is the architect for the project and the Developer has worked with the Planning and Development Department on the design for the project and the Developer issued an RFP for the design of the project and to help with the massing in order to maximize use of the existing structure(s) and the Property.

Mr. Cheeks asked for more information on the planned green stormwater infrastructure for the project. Mr. Naimi stated that the demolition of portions of the existing structures will allow the development to have stormwater retention and detention systems and there will be additional greenspace and rain gardens which will be a visual learning opportunity for visitors to the Property to see green stormwater infrastructure in action. Mr. Naimi added that Green Living Science has educated students in the Detroit Public School Community District about recycling and will offer field trips for students to come to the Property and learn about green stormwater infrastructure.

Mr. Rhoades asked which existing structures on the Property will be demolished. Mr. Naimi stated that the building that currently houses Recycle Here! will be demolished and the recycling operations will be moved to the southern portion of the Property and the other structures surrounding the Albert Kahn building will be removed.

Mr. Rhoades asked what will replace the area where the current operations of Recycle Here! are located. Mr. Naimi stated that the area where the current operations of Recycle Here! are located will be turned into greenspace and some green stormwater infrastructure will be located there.

Ms. Lee asked if there is an ongoing plan for community engagement. Mr. Naimi stated that the Developer and other stakeholders in the area regularly hold community meetings regarding their developments, the local public hearing for the Plan is scheduled for February 24, 2020, the Developer has an event for Earth Day that is open to the public, and there isn't a lot of density in the neighborhood adjacent to the Property and the goal of this project is to add residential density to the neighborhood.

Mr. Cheeks asked for more information on the new construction component of the project. Mr. Naimi stated that to provide a large enough workspace for resident artists to create their pieces and to provide storage for art pieces the Developer decided to add a new structure and to locate it on Holden Street in order to preserve the street wall.

Mr. Cheeks called for a motion recommending approval of the Brownfield Plan for Life is a Dreamtroit.

Mr. Blocker motioned to recommend approval of the Brownfield Plan for Life is a Dreamtroit without a CAC public hearing and without appointing special members. Dr. Randall seconded the motion.

DBRA-CAC Resolution Code 20-02-283-01, recommending approval of the Brownfield Plan for Life is a Dreamtroit was unanimously approved.

### **Brownfield Plan for Dakkota Integrated Systems**

Mr. Vosburg introduced the Brownfield Plan for Dakkota Integrated Systems to the CAC members present.

#### Project Introduction

Dakkota Integrated Systems, L.L.C. is the project developer (the “Developer”) for the Plan. The project will include the construction of an approximately 300,000 square foot light industrial building and related site improvements on the property. The Developer has entered into agreements with the City of Detroit that provide for hiring practices intended to maximize the hiring of nearby and other Detroit residents. The project includes a stormwater management system designed to retain a 100-year storm.

The total investment is estimated to be \$45 million. The Developer is requesting \$5,442,244.00 in TIF reimbursement though current tax increment revenue projects estimate only \$3,708,214 in tax capture.

There will be approximately 155 temporary construction jobs and 419 FTE jobs.

#### Property Subject to the Plan

The eligible property (the “Property”) consists of 120 platted parcels and multiple tax parcels that are in the process of being combined into a single tax parcel located on Detroit’s east side, bounded by Van Dyke Avenue to the east, by Hendrie Street to the south, by Townsend Street and Field Street to the west and by the former Conger Street to the north.

#### Basis of Eligibility

The Property is considered “eligible property” as defined by Act 381, Section 2 because (a) the Property was previously utilized for public (school) purposes; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is a “facility” pursuant to Part 201 due to the presence of lead in soil above the Part 201 generic residential cleanup criteria.

#### 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 department specific activities (including baseline environmental assessments, due care activities and response activities), asbestos abatement, demolition, site preparation, infrastructure improvements, brownfield plan preparation and implementation, and interest. 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 commence within 18 months of approval of the Plan and be completed within 3 years.

#### 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. Department Specific Activities	\$262,810.00
2. Demolition (includes abatement costs)	\$2,632,703.00
3. Infrastructure Improvements	\$1,078,348.00
4. Stormwater Infrastructure	\$66,468.00
5. Site Preparation	\$1,064,937.00
6. Brownfield Plan & Work Plan Preparation/Implementation	\$30,000.00
7. Contingency (15%)	\$454,106.00
8. Interest	\$1,875,178.00

<b>Total Reimbursement to Developer</b>	<b>\$7,464,550.00</b>
9. Authority Administrative Costs	\$654,663.00
10. State Brownfield Redevelopment Fund	\$1,543.00
11. Local Brownfield Revolving Fund	\$0.00
<b>TOTAL Estimated Costs</b>	<b>\$8,120,756.00</b>
<b><i>Although the costs of eligible activities are estimated at \$7,464,550.00, the total reimbursement will be capped at \$5,442,244.00. Current tax increment revenue projects estimate only \$3,708,214 in tax capture.</i></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 Incentives

The Developer is seeking additional incentives, which will include local and/or state approval of a Renaissance Zone Act and Industrial Facilities Exemption (PA 198) tax abatements.

Attached for your review and approval are three (3) resolutions: 1.) a resolution supporting the Plan 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. Klunzinger provided more information on the project and the Developer including the contract between the Developer and FCA, working with the DEGC to identify a location for the Developer's new facility, the number of new permanent jobs which will be located on the Property, the Developer's utilization of Detroit at Work and their commitment to hiring Detroit residents starting with the five surrounding zip codes and reaching out to alumni of Kettering High School, and their hiring practices including "banning the box", not testing applicants for marijuana, and the lack of a requirement for a high school diploma, and the Developer's commitment to provide funding to employees for furthering their education in fields beyond manufacturing. Mr. Klunzinger added that the facility should be ready for equipment to be installed by June 1, 2020 and the Developer is working on a very tight timeline to meet the needs of FCA. Mr. Klunzinger stated that the "K" from Kettering High School will be preserved and moved from its current location at I-94 and Van Dyke Avenue to the southeast corner of the Property.

Mr. Blocker asked if the Developer is currently a supplier for FCA. Mr. Klunzinger confirmed that the Developer is currently a supplier for FCA and that they have existing facilities in Hazel Park, Sterling Heights, Brownstown, and Lansing, Michigan.

Mr. Blocker asked if the new permanent jobs will be filled via the transfer of existing employees from the other facilities or if they will be new jobs created. Mr. Klunzinger stated that the new permanent jobs will be filled by new employees and that the only transfer of employees from other facilities will occur for training purposes for the new employees.

Mr. Blocker asked if the Kettering High School building has been demolished. Mr. Vosburg stated that the DBRA currently owns the Kettering High School site and decisions for that site will be made when there is a project identified.

Dr. Randall stated that she wasn't aware that the DBRA owned any properties and asked for more information. Mr. Vosburg stated that the DBRA has owned some small parcels across the City and has been involved in the land acquisition for other projects such as the FCA project.

Dr. Randall asked how the Developer has the ability to move the “K” from the Kettering High School site to the Property. Mr. Barr stated that as part of the acquisition of the Property by the Developer from the DBRA, the DBRA asked the Developer to preserve the “K” structure.

Dr. Randall stated that she believes that it was an emotional decision to want the “K” to be preserved and asked if the “K” will be painted or changed. Mr. Barr stated that he believes the “K” will be preserved in its current state.

Mr. Cheeks added that the intention is to move the “K” and incorporate it into the new project in order to preserve the legacy of the former Kettering High School and its alumni.

Mr. Rhoades stated that he drove by the Property recently and saw that the project is already under construction and asked why the demolition costs are so high if there was not an existing structure on the Property. Mr. Barr stated that the demolition costs cover the relocation of gas lines and other utilities that were located on the Property in order to make way for the new facility, the demolition of the Rose School including lead and asbestos abatement, improvements to Van Dyke Avenue, and to allow for subsurface debris that may be located on the Property given the prior residential use.

Ms. Kanalos stated that unless the costs are incurred by the Developer, the Developer will not receive the reimbursement.

Mr. Rhoades asked since some of the work has been completed does the Developer have actual costs numbers from invoices or payments. Mr. Barr stated that some of the work has been completed and some of it has only received bids and estimates.

Mr. Rhoades asked for more information on the contamination in the soil on the Property and what the Developer’s plan is to remediate the contamination. Mr. Barr stated that the contamination on the Property is minor in comparison to other sites in the City of Detroit and so far there have only been portions of the Property with contamination, one of those being the future location of the truck access road to be added to the Property and the amount of contaminated soil to be taken to an appropriate landfill is small.

Mr. Cheeks asked where the access road will be located. Mr. Barr stated that the access road will be located on the western edge of the Property and the former Kettering High School site and will be separated from the residential properties to the west by a sound barrier and landscaping.

Ms. Lee stated that she wanted to congratulate the Developer on the way the construction plans and implementation of those plans have been handled with the community.

Ms. Lee asked for more information about the State Brownfield Redevelopment Fund. Ms. Kanalos stated that the State Brownfield Redevelopment Fund is included in Act 381 and that the State of Michigan is able to capture up to 50% of the State Education Tax under the Plan for up to 25 years and that the State began capture for that fund in 2013.

Ms. Lee asked for the duration of the tax abatements on the Property. Mr. Barr stated that the Renaissance Zone established on the Property is for 15 years and the PA 198 on the Property is for 12 years.

Mr. Rhoades asked if there are any other hearings scheduled for the Plan. Ms. Kanalos stated that there is a local public hearing for the Plan scheduled for February 20, 2020 and the City Council public hearing for the Plan will be held at the Planning and Economic Standing Committee.

Mr. Cheeks called for a motion recommending approval of the Brownfield Plan for Dakkota Integrated Systems.

Mr. Blocker motioned to recommend approval of the Brownfield Plan for Dakkota Integrated Systems Apartments without a CAC public hearing and without appointing special members. Dr.

Randall seconded the motion. DBRA-CAC Resolution Code 20-02-284-01, recommending approval of the Brownfield Plan for Dakkota Integrated Systems was unanimously approved.

**Administrative**

None.

**Other**

None.

**Public Comment**

None.

**Adjournment**

Citing no further business, Mr. Cheeks adjourned the meeting at 6:17 pm.



**CODE DBRA CAC 20-02-02-148**

**APPROVAL OF MINUTES OF NOVEMBER 20, 2019**

RESOLVED, that the minutes of the regular meeting of November 20, 2019 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.

February 12, 2020



**CODE DBRA-CAC 20-02-283-01**

**LIFE IS A DREAMTROI T 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 Life is a Dreamtroit Project** (the “Plan”) to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its October 23, 2019 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 **Life is a Dreamtroit 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.

February 12, 2020



**CODE DBRA-CAC 20-02-286-01**

**DAKKOTA INTEGRATED SYSTEMS, L.L.C. 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 Dakkota Integrated Systems, L.L.C. Project** (the “Plan”) to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its October 23, 2019 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 **Dakkota Integrated Systems, L.L.C. 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.

February 12, 2020