

City of Detroit

Brownfield Redevelopment Authority

Community Advisory Committee

500 Griswold Street • Suite 2200

Detroit, Michigan 48226

Phone: 313 963-2940

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DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES OF THE
REGULAR COMMUNITY ADVISORY COMMITTEE MEETING
WEDNESDAY, AUGUST 8, 2018 -- 5:00 PM
AT DEGC OFFICES
500 GRISWOLD, SUITE 2200
DETROIT, MI

COMMITTEE MEMBERS

PRESENT:

Rick Blocker
Brad Lutz
Kamal Cheeks
Dr. Regina Randall
Allen Rawls
Simone Sagovac

COMMITTEE MEMBERS

ABSENT:

Marlowe Stoudamire
Michelle Lee
Sandra Stahl

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Bret Stuntz (AKT Peerless)
Amin Irving (Ginosko Development Co.)

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Call to Order

Mr. Rawls, Chairperson, called the meeting to order at 5:10 p.m.

General

Approval of Minutes

Mr. Lutz noted an incorrect reference to Joe Louis Arena that should have said Garfield Area.

Mr. Rawls called for approval of the minutes of the July 11, 2018 (resolution) DBRA-CAC meeting. The Committee took the following action:

On a motion by Mr. Blocker, seconded by Dr. Randall, DBRA-CAC Resolution Code 18-08-02-131, approving the June 13, 2018 CAC minutes, as presented, with the correction of the reference to Joe Louis Arena to be changed to Second Amended and Restated Garfield Area, was unanimously approved.

Projects

Brownfield Plan for Lafayette West Redevelopment

Project Introduction

Lafayette Acquisition Partners, LLC is the project developer (the “Developer”) for the Plan which entails a comprehensive, mixed-use redevelopment of the site. The current, vacant, obsolete 8-story university building and dilapidated parking lot will be demolished. The redevelopment, Lafayette West, is planned to consist of a 13-story tower, two 4-story residential buildings, and approximately 56 for-sale condominium townhomes. The tower will be serviced by an underground 3-level parking structure and the two midrise buildings will be podium style developments with integrated ground level parking and four stories of apartments atop the parking.

The total investment is estimated to be \$111 million. The Developer is requesting \$28,116,141.00 in TIF reimbursement, however only \$26,356,887.00 in TIF Reimbursement is projected to be captured for the life of the Plan.

There will be 428 temporary construction jobs and 8 FTE jobs. The 428 temporary construction jobs are expected to be created over a 2-year period once construction begins. The 8 FTE jobs may include retail positions, managerial positions, property maintenance staff, and parking attendants.

Property Subject to the Plan

The eligible property (the “Property”) consists of one (1) parcel bounded by Rivard to the east, East Lafayette Street to the south, Chrysler Freeway to the west, and the Horatio Williams Center, which is on Antietam Avenue to the north in Detroit’s Lafayette Park.

Basis of Eligibility

The Property is considered “eligible property” as defined by Act 381, Section 2 because (a) the Property was previously utilized as commercial as well as industrial purposes; (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 a “facility” as defined by Act 381.

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 environmental assessment activities, due care activities and additional response activities (department-specific activities), demolition and lead and asbestos abatement, site preparation, infrastructure improvements, and development and preparation of a brownfield plan and Act 381 work plan(s). 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	\$4,397,460.00
2. Demolition	\$1,500,000.00
3. Lead and Asbestos Activities	\$515,000.00
4. Site Preparation	\$1,252,500.00
5. Infrastructure Improvements	\$11,865,296.00
6. Brownfield Plan & Act 381 Work Plan	\$30,000.00
7. Cost Tracking Compliance	\$30,000.00
8. Contingency – (15%)	\$2,929,538.00
9. Interest (5% simple, after expiration of abatements)	\$5,596,346.00
*Total Reimbursement to Developer	\$28,116,141.00
10. Authority Administrative Costs	\$2,583,903.00
11. State Brownfield Redevelopment Fund	\$1,472,147.00
12. Local Site Remediation Revolving Fund	\$0.00
TOTAL Estimated Costs	\$32,172,191.00

*Developer is only projecting to receive \$26,356,887 in TIF Reimbursement

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 Commercial Rehabilitation Act (CRA) and Neighborhood Enterprise Zone (NEZ) Tax Abatements.

Mr. Stuntz introduced himself and Mr. Irving.

Mr. Irving provided more information about Ginosko Development Co., including that it specializes in multi-family development, owns and operates five other properties in the City of Detroit which are 95% occupied and economically occupied.

Mr. Rawls asked what other properties Ginosko Development Co. owns in Detroit. Mr. Irving stated that Ginosko Development Co. also owns New Center Commons, New Center Pavilion, Renaissance Village, Cass Commons, and Coronado apartments.

Mr. Cheeks asked what Mr. Irving meant by ‘economically occupied’ when referencing his other properties in the City of Detroit. Mr. Irving stated that economically occupied means that the tenants of the buildings regularly pay their rent.

Mr. Cheeks stated that there are normally letters of support from the community included in Brownfield Plans and asked if Ginosko has received support from the community. Mr. Irving stated that the Horatio Williams Foundation has expressed support for the project and provided a letter of support and that Ginosko has been working with and involving the community in the development process.

Dr. Randall asked if Ginosko has reached out to the residents surrounding the Property. Mr. Irving stated that they are currently completing the Community Benefits Ordinance (CBO) process.

Mr. Rawls asked what the impact area was determined to be for the CBO process. Mr. Irving stated that the impact area was determined to be the census tract in which the Property is located.

Mr. Blocker asked if the Horatio Williams Foundation is in support of the project. Mr. Vosburg stated that the support letter from the Horatio Williams Foundation could be found on page 50 of the CAC meeting packet.

Ms. Sagovac asked if any of the 56 condominiums will be located in the high-rise tower. Mr. Irving stated that the 56 condominiums will not be located in the high-rise tower.

Ms. Sagovac asked what Mr. Irving anticipates being included in the retail portion of the development and how many permanent jobs will be created as a result of the new development. Mr. Irving stated that originally, he did not want to include retail space in the development but has decided to include a small retail space for convenience of the new residents which will likely entail a small coffee shop, and that he anticipates 8 jobs being created for the operations and maintenance of the Property.

Ms. Sagovac asked about the ground-floor integrated parking and if there are noise concerns for the housing units located above the parking. Mr. Irving stated that there are noise requirements and that the bigger concern is with storm water management as there is an excess of impervious surface on the Property and to mitigate the storm water problem, there will be cisterns installed in order to hold storm water until it can be released into the system.

Ms. Sagovac asked if there will be a green roof included as a feature of the development. Mr. Irving stated that there is a green roof on top of the parking structure surrounding the high-rise residential tower.

Mr. Lutz asked if there was anything flexible in the current design of the Property that could change before it is constructed. Mr. Irving stated that the location of the open green space and some surface parking could be changed, but there aren't any other changes anticipated but with the increasing construction prices other changes may be made to the height of the developments in order to make them more viable.

Mr. Lutz asked if there have been any concerns about the high-rise tower blocking the view of the downtown for current residents. Mr. Irving stated that the high-rise tower will be one to two stories taller than the current structure on the site, Shapero Hall, so the height of the high-rise tower has not been a concern to current residents.

Mr. Rawls asked if there are any existing utilities located under the private streets on the Property. Mr. Irving stated that he was not sure if there are any existing utilities located under the private streets on the property.

Mr. Rawls asked if there is any debris throughout the Property. Mr. Stuntz stated that there are metals, solvents, and contaminants throughout the Property and that there are also some geotechnical issues and that it will be necessary to remove five feet of soil from the site.

Mr. Rawls asked if Mr. Irving has met with anyone from the Detroit Water and Sewerage Department to discuss the storm water management issues with the Property. Mr. Irving stated that he has met with the Detroit Water and Sewerage Department regarding the storm water management issues on the Property.

Mr. Rawls asked who the architect and the general contractor are for the project. Mr. Irving stated that there are multiple architects for the project including inFORM studio, Studio Dwell Inc, and Merge Architects and that Barton Malow will likely be the general contractor, but it has not been decided yet.

Mr. Rawls asked why Mr. Irving did not select a Detroit-based architect firm. Mr Irving stated that he did work with a Detroit-based architecture firm but was not pleased with the design that they had prepared.

Mr. Rawls asked for an estimate on what the rental rates may be for the rental units. Mr Irving stated that the rental rates for the housing units in the high-rise tower will be \$2,100-2,200 per month and approximately \$700 per month for the affordable units.

Mr. Rawls asked if Mr. Irving will contract with a Detroit-Based contractor for the construction of the project. Mr. Irving stated that Barton Malow has a good diversity program and are well-connected with skilled trades training programs.

Mr. Rawls asked when the anticipated groundbreaking will be. Mr. Irving stated that the groundbreaking is anticipated for April 2019.

Mr. Rawls called for a motion recommending approval of the Brownfield Plan for Lafayette West.

Mr. Blocker motioned to recommend approval of the Brownfield Plan for Lafayette West Redevelopment without a CAC public hearing and without appointing special members. Dr. Randall seconded the motion. DBRA-CAC Resolution Code 18-08-259-02, recommending approval of the Brownfield Plan for Lafayette West Redevelopment was unanimously approved.

Administrative

None.

Other

None.

Public Comment

None.

Adjournment

Citing no further business, Mr. Rawls adjourned meeting at 5:55 PM.

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CODE DBRA CAC 18-08-02-131

APPROVAL OF MINUTES OF JULY 11, 2018

RESOLVED, that the minutes of the special meeting of July 11, 2018 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.

August 8, 2018

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CODE DBRA-CAC 18-08-259-02

LAFAYETTE WEST 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 Lafayette West Project (the “Plan”) to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its August 8, 2018 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 **Lafayette West 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.

August 8, 2018