



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES OF THE
REGULAR COMMUNITY ADVISORY COMMITTEE MEETING
WEDNESDAY, AUGUST 28, 2019 -- 5:00 PM
AT DEGC OFFICES
500 GRISWOLD, SUITE 2200
DETROIT, MI**

**COMMITTEE MEMBERS
PRESENT:**

Rick Blocker
Kamal Cheeks
Dr. Regina Randall
Allen Rawls
Rico Razo

**COMMITTEE MEMBERS
ABSENT:**

Michelle Lee
Brad Lutz
Sandra Stahl
Simone Sagovac

OTHERS PRESENT:

Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
John Heiss (Jefferson Van Dyke 2, LLC)
Bryan Cook (Berardi Detroit)
Michael Higgins (Jefferson Van Dyke 2, LLC)
Luis Ramirez (Jefferson Van Dyke 2, LLC)
Sara Jo Shipley (ASTI Environmental)
Rino Soave (Infinity Homes & Co.)



Call to Order

Mr. Rawls, Chairperson, called the meeting to order at 5:06 p.m.

General

Approval of Minutes

Mr. Rawls called for approval of the minutes of the July 24, 2019 (resolution) DBRA-CAC meeting. The Committee took the following action:

On a motion by Mr. Blocker, seconded by Mr. Razo, DBRA-CAC Resolution Code 19-08-02-143, approving the July 24, 2019 CAC minutes, as presented, was unanimously approved.

Projects

Brownfield Plan for Jefferson Van Dyke

Mr. Vosburg introduced the Brownfield Plan for Jefferson Van Dyke to the CAC members present.

Project Introduction

Jefferson Van Dyke 2 LLC is the project developer (the "Developer") for the Plan which entails the renovation of the existing buildings, demolition of the existing parking structure and construction of a new parking structure with 136 spaces, construction of 36 new residential units, and improvements to the existing pedestrian plaza. The existing buildings on the site to be renovated include two former residences, the "White House" and the carriage house, and an 'infill retail building'.

The total investment is estimated to be \$21 million. The Developer is requesting \$4,774,600.00 in TIF reimbursement.

There will be 84 temporary construction jobs and 36 FTE job. The 36 FTE jobs will be related to property management and the retail space(s).

Property Subject to the Plan

The eligible property (the "Property") will consist of two (2) parcels located on the north side of East Jefferson Avenue between Van Dyke and Seyburn Streets adjacent to the West Village Historic District in the East Jefferson Commercial Corridor.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was utilized for commercial and residential purposes; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property was determined to be a "facility" as defined by Act 381 and/or 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 baseline environmental assessment activities, demolition, due care activities, remediation and additional response activities, public infrastructure improvements, site preparation, and preparation and implementation of a brownfield plan and 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. Baseline Environmental Assessment Activities	\$28,833.00
2. Due Care Activities	\$751,667.00
3. Demolition	\$350,000.00
4. Additional Response Activities	\$125,222.00
5. Infrastructure Improvements	\$2,806,000.00
6. Site Preparation	\$62,278.00
7. Brownfield Plan & Work Plan Preparation & Implementation	\$32,000.00
8. Contingency (15%)	\$618,600.00
Total Reimbursement to Developer	\$4,774,600.00
9. Authority Administrative Costs	\$1,056,095.00
10. State Brownfield Redevelopment Fund	\$343,016.00
11. Local Brownfield Revolving Fund	\$866,924.00
TOTAL Estimated Costs	\$7,040,636.00

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 Incentives

The Developer is seeking additional incentives, which will include local and/or state approval of an Obsolete Property Rehabilitation Act PA 146 Tax 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. Higgins provided information on his background as a developer and resident in the City of Detroit and the history of the Property including prior uses of the existing structures. Mr. Higgins stated that there will be 42 new residential units all of which will be designated as affordable with rental rates between 50% and 120% of the Area Median Income (AMI). Mr. Higgins stated that the historic white house on the Property will be renovated into six residential units. Mr. Higgins stated that construction is anticipated to begin by the end of 2019 and that the financial closing with Capital Impact Partners will be at the end of 2019. Mr. Higgins stated that a potential tenant for the restaurant space would be a venue similar to the restaurants found in the Mexicantown neighborhood of Detroit with affordable dishes for the residents in the area. Mr. Higgins stated that there will be approximately 136 parking spaces in the new parking structure that will be available for the future residential tenants of the development, other residents in the area, and parking for the commercial spaces in the development. Mr. Higgins stated that the Developer does not own the liquor store that is adjacent to the Property. Mr. Higgins added that this development will serve as an entrance to the West Village neighborhood on Jefferson Avenue.

Mr. Razo asked if the new structure will be three or four stories. Mr. Higgins stated that the existing parking structure is three stories and that the new parking structure will be four stories with one level of parking underground.

Mr. Razo asked if the parking available for nearby residents will be available on a monthly basis. Mr. Higgins confirmed that the parking available for nearby residents will be available on a monthly basis.

Mr. Cheeks asked about the integration of the historic white house with the rest of the development. Mr. Higgins stated that the new construction part of the development will be a more modern design and the historic white house will be restored to historic standards. Mr. Higgins added that the residential units in the new tower will have water views across Jefferson Avenue due to the low-rise buildings across the street.

Mr. Razo asked if the Developer has engaged with any of the neighborhood associations in the area regarding the project. Mr. Higgins stated that he is involved with the West Village Neighborhood Association and that Mac Farr with the Villages Community Development Corporation and anticipates receiving positive feedback about the project. Mr. Heiss added that the Historic District Commission of the City of Detroit approves of the project plans and the Developer has been in contact with Jefferson East, Inc. regarding the project, the Rivertown Association has provided a letter of support, and the district manager from the Department of Neighborhoods organized a meeting with an attendance of about 35 people about the project and positive feedback was received.

Mr. Blocker asked if the Developer has tried to purchase the liquor store adjacent to the Property. Mr. Higgins stated that he was interested in purchasing the liquor store and has tried to contact the owner several times without any luck.

Mr. Rawls asked who the architect and construction manager is for the project. Mr. Higgins stated that Berardi Detroit is the architect and introduced Bryan Cook to the CAC members and stated that O'Brien Construction is the construction manager for the project.

Mr. Rawls asked what the estimated rental rates will be for the residential units. Mr. Heiss stated that the rental rates for the 50% AMI units will start just over \$600 per month and will go up to about \$1,200 per month for the 120% AMI units.

Mr. Rawls asked if there will be any other green infrastructure elements included in the project besides the green roof above the parking structure. Mr. Higgins stated that there will be a double pump heating system which is more efficient, a water retention system will be included beneath the pedestrian plaza to manage storm water.

Mr. Razo asked if there will be a rooftop area for the restaurant. Mr. Higgins stated that there will not be any rooftop space for the restaurant but there will be an outdoor patio space for the restaurant.

Mr. Rawls asked if the Developer will be in compliance with the Executive Orders. Ms. Kanalos stated that the project is requesting more than \$3 million in TIF reimbursement and is subject to the Executive Orders.

Mr. Rawls called for a motion recommending approval of the Brownfield Plan for Jefferson Van Dyke.

Mr. Cheeks motioned to recommend approval of the Brownfield Plan for Jefferson Van Dyke without a CAC public hearing and without appointing special members. Dr. Randall seconded the motion. DBRA-CAC Resolution Code 19-08-273-01, recommending approval of the Brownfield Plan for Jefferson Van Dyke was unanimously approved.

Brownfield Plan for 2001 Park Avenue

Mr. Vosburg introduced the Brownfield Plan for 2001 Park Avenue to the CAC members present.

Project Introduction

Infinity – Park Ave, LLC is the project developer (the “Developer”) for the Plan which entails the renovation of the 12-story building into approximately 78 new one-, two-, and three-bedroom residential units with tenant amenities including a lobby, fitness center, and community space, and new commercial space to be used as a restaurant and/or retail.

The total investment is estimated to be approximately \$22 million. The Developer is requesting \$974,500.00 in TIF reimbursement.

There will be 110 temporary construction jobs and 34 FTE jobs. The 34 FTE jobs will be related to property management and the commercial/retail space(s).

Property Subject to the Plan

The eligible property (the "Property") will consist of one (1) parcels located at 2001 Park Avenue, located on the west side of Park Avenue between Adams and Elizabeth Streets in the Grand Circus Park Historic District.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was utilized for a commercial purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) is a historic resource as defined by Act 270 of 1984.

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 assessments, asbestos and lead assessment and abatement, interior demolition, landscape and hardscape improvements in the public right-of-way, public utility relocation and upgrades, and preparation and implementation of a brownfield plan and 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. Baseline Environmental Assessment Activities	\$28,600.00
2. Lead and/or Asbestos Abatement	\$230,000.00
3. Demolition	\$510,000.00
4. Infrastructure Improvements	\$75,000.00
5. Brownfield Plan & Work Plan Preparation & Implementation	\$20,000.00
6. Contingency (15%)	\$124,290.00
Total Reimbursement to Developer	\$987,890.00
7. Authority Administrative Costs	\$285,961.00
8. State Brownfield Redevelopment Fund	\$197,087.00
9. Local Brownfield Revolving Fund	\$58,830.00
TOTAL Estimated Costs	\$1,529,768.00

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 Incentives

The Developer is seeking additional incentives, which will include local and/or state approval of an Obsolete Property Rehabilitation Act PA 146 Tax Abatement.

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. Soave provided information on his background as a developer in the State of Michigan and stated that he acquired the Property in 2018 and is planning a mixed-use development with studios, one-, two- and one three-bedroom residential unit with a roof deck, fitness center, community space and other amenities for the future residents. Mr Soave stated that the Developer will be seeking Historic Tax Credits for the project and that construction will begin once the requested incentives are approved. Mr Soave stated that there will be approximately 6,500 square feet of commercial space in the building and a restaurant will likely occupy a portion of the commercial space on the first floor and that there may be commercial space available in the renovated basement of the building.

Dr. Randall asked if there will be any affordable residential units available. Mr. Soave stated that 20% of the residential units will be available at 80% of the AMI and the studio units will be available for approximately \$1,100 per month for the affordable units and \$1,375 for the market rate units.

Mr. Cheeks asked if the residential units and commercial space will be for sale or for lease. Mr. Soave stated that all of the residential units and commercial spaces will be for lease.

Mr. Cheeks asked if there will be any green space as part of the project. Mr. Soave stated that the Developer is working with the Kraemer design group to incorporate green space but there are restrictions due to the building occupying the entire parcel.

Mr. Cheeks asked if there will be any parking as part of the project. Mr. Soave stated that there will not be any parking as part of the project and that he has been working with the Roxbury Group to potentially share use of the Grand Circus underground parking.

Mr. Razo asked if there is a parking requirement for the project. Mr. Soave stated that there is no parking requirement for the project because it is located within the Central Business District.

Mr. Rawls asked who the construction manager is for the project. Mr. Soave stated that the CR Group will be the construction manager for the project.

Mr. Rawls asked if there will be any environmental features in the project. Mr Soave stated that the large number of windows on the building presents a challenge but the best opportunity for an environmental feature, but the windows must be an approved design due to the historic nature of the building.

Mr. Rawls asked if there will be any storm water mitigation systems in the project. Mr. Soave stated that there aren't any storm water mitigation systems included in the project currently due to the challenge of the building occupying the entire parcel.

Mr. Razo asked if this is the largest project that the Developer has undertaken. Mr. Soave stated that this is the largest single mixed-use project that the Developer has undertaken.

Mr. Rawls called for a motion recommending approval of the Brownfield Plan for 2001 Park Avenue.

Mr. Blocker motioned to recommend approval of the Brownfield Plan for 2001 Park Avenue without a CAC public hearing and without appointing special members. Mr. Cheeks seconded the motion. DBRA-CAC Resolution Code 19-08-274-01, recommending approval of the Brownfield Plan for 2001 Park Avenue was unanimously approved.

Administrative

Ms. Kanalos informed the CAC Members present that there are a significant number of projects seeking approval before Thanksgiving and that it is very likely that all regular DBRA-CAC meetings will be held through October and possibly through November.

Other

None.

Public Comment

None.

Adjournment

Citing no further business, Mr. Rawls adjourned meeting at 5:47 PM.



CODE DBRA CAC 19-08-02-143

APPROVAL OF MINUTES OF JULY 24, 2019

RESOLVED, that the minutes of the regular meeting of July 24, 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.

August 28, 2019



CODE DBRA-CAC 19-08-273-01

JEFFERSON VAN DYKE 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 Jefferson Van Dyke Project** (the "Plan") to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its August 28, 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 **Jefferson Van Dyke 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 28, 2019



CODE DBRA-CAC 19-08-274-01

2001 PARK AVENUE 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 2001 Park Avenue Project** (the “Plan”) to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its August 28, 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 **2001 Park Avenue 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 28, 2019