



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
MINUTES OF THE  
SPECIAL COMMUNITY ADVISORY COMMITTEE MEETING  
TUESDAY, JUNE 23, 2020 - 3:00 PM  
HELD VIA ZOOM**

**COMMITTEE MEMBERS**

**PRESENT:**

Simone Sagovac  
Kamal Cheeks  
Dr. Regina Randall  
Brad Lutz  
Peter Rhoades  
Allen Rawls  
Rico Razo  
Michelle Lee

**COMMITTEE MEMBERS**

**ABSENT:**

Rick Blocker

**OTHERS PRESENT:**

Jennifer Kanalos (DEGC/DBRA)  
Brian Vosburg (DEGC/DBRA)  
Cora Capler (DEGC/DBRA)  
Malinda Jensen (DEGC)  
Elizabeth Masserang (PM Environmental)  
Mark Bennett (Gratiot Acquisition Partners)  
Alex Ivankiw (LIFT Build)  
Joe Benvenuto (LIFT Build)  
Marisa Varga (LIFT Build)  
Theresa Donovan  
Jerry Stakhiv  
MRyan



### **Call to Order**

Mr. Cheeks, Chairperson, called the meeting to order at 3:03 p.m.

Ms. Kanalos took a roll call of the CAC Members present.

### **General**

#### **Approval of Minutes**

Mr. Cheeks called for approval of the minutes of the June 10, 2020 (resolution) DBRA-CAC meeting, as presented. The Committee took the following action:

Mr. Rawls made a motion approving the minutes of the June 10, 2020 Board meeting, as presented.

Mr. Lutz seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Cheeks, Mr. Lutz, Ms. Lee, Mr. Rawls, Mr. Razo, Ms. Sagovac, Mr. Rhoades and Dr. Randall

Nays: None.

DBRA-CAC Resolution Code 20-06-02-151 was approved.

### **Projects**

#### **Brownfield Plan for The Exchange**

##### **Project Introduction**

Gratiot Acquisition Partners, LLC is the project developer (the "Developer") for the Plan. The project entails the demolition of the current surface parking lots (with the exception of 400 Macomb Street) and the construction of a 16-story mixed-use building with approximately 153 for-rent units consisting of studio, one-bedroom, and two-bedroom units and 12 for-sale condominium units ranging from one-bedroom to three-bedroom units. Approximately 31(20%) of the apartment units will be affordable at 80% of the AMI. The project also includes retail space and a proposed office space on the first floor with frontage on Brush Street.

The total investment is estimated to be \$64.6 million. The Developer is requesting \$2,810,673.00 in TIF reimbursement.

There will be approximately 60 temporary construction jobs and 5 FTE jobs associated with property management. Additional permanent jobs are expected to be created by the future commercial tenants.

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

The eligible property (the "Property") consists of five (5) parcels (316 and 338 Gratiot Avenue, and 301, 343 and 400 Macomb Street) bounded by Gratiot Avenue to the north, Brush Street to the east, Macomb Street to the south, and Randolph Street to the west in Detroit's Greektown district.

##### **Basis of Eligibility**

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized for commercial purposes; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the parcels are determined to be a facility as defined by Act 381, or are adjacent and contiguous to a parcel determined to be 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,

site demolition activities, infrastructure improvements, site preparation, and the 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	\$12,920.00
2. Department Specific Activities	\$227,280.00
3. Demolition	\$209,835.00
4. Site Preparation	\$1,609,000.00
5. Infrastructure Improvements	\$334,540.00
6. Brownfield Plan & Work Plan Preparation/Implementation	\$60,000.00
7. Contingency (15%)	\$357,098.00
<b>Total Reimbursement to Developer</b>	<b>\$2,810,673.00</b>
8. Authority Administrative Costs	\$575,586.00
9. State Brownfield Redevelopment Fund	\$919,351.00
10. Local Brownfield Revolving Fund	\$375,771.00
<b>TOTAL Estimated Costs</b>	<b>\$4,681,381.00</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 tax incentives including approval of a Neighborhood Enterprise Zone (PA 147) abatement.

Attached for the CAC's review and approval was a resolution supporting the Plan.

Mr. Rhoades stated that he received the requested Phase I and Phase II Environmental Reports and additional information regarding the eligible activities under the Plan, thanked the DBRA Staff and the Developer for providing the information, and stated that he reviewed the materials and additional information provided and he supports the Plan and its approval as presented.

Dr. Randall stated that she would like to thank Mr. Rhoades for requesting additional information to review for this Plan.

Ms. Sagovac asked if Neighborhood Enterprise Zone (NEZ) tax abatements are still available. Mr. Vosburg stated that NEZ tax abatements are available for new construction and rehabilitation residential units. The NEZ tax abatement that is no longer available was specific to residential units in historic neighborhoods.

Mr. Cheeks called for a motion recommending approval of the Brownfield Plan for The Exchange.

Mr. Rawls made a motion to recommend approval of the Brownfield Plan for The Exchange without a CAC public hearing and without appointing special members. Dr. Randall seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Cheeks, Mr. Lutz, Ms. Lee, Mr. Rawls, Mr. Razo, Ms. Sagovac, Mr. Rhoades and Dr. Randall  
Nays: None.

**Administrative**

Ms. Kanalos reminded CAC Members that there was a regular meeting scheduled for Wednesday, June 23, 2020 at 5:00 PM.

**Other**

None.

**Public Comment**

None.

**Adjournment**

Citing no further business, Mr. Cheeks called for a motion to adjourn the meeting.

Mr. Rawls made a motion to adjourn the meeting. Mr. Lutz seconded the motion.  
The meeting was adjourned at 3:14 pm.



**CODE DBRA CAC 20-06-02-151**

**APPROVAL OF MINUTES OF JUNE 10, 2020**

RESOLVED, that the minutes of the regular meeting of June 10, 2020 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.

June 23, 2020



**CODE DBRA-CAC 20-06-288-01**

**THE EXCHANGE 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 Exchange Project** (the "Plan") to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its June 23, 2020 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 **Exchange 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.

June 10, 2020 (Tabled)  
June 23, 2020