



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES OF THE
SPECIAL COMMUNITY ADVISORY COMMITTEE MEETING
WEDNESDAY, OCTOBER 30, 2019 -- 4:00 PM
AT DEGC OFFICES
500 GRISWOLD, SUITE 2200
DETROIT, MI**

COMMITTEE MEMBERS

PRESENT:

Kamal Cheeks
Dr. Regina Randall
Allen Rawls
Rico Razo
Michelle Lee

COMMITTEE MEMBERS

ABSENT:

Simone Sagovac
Brad Lutz
Sandra Stahl
Rick Blocker

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Malinda Jensen (DEGC)
Kaci Jackson (DEGC)
Sarah Pavelko (DEGC)
Adam Schloff (K8 Partners) (via phone)
Elizabeth Masserang (PM Environmental)
Jill Ferrari (Renovare)
Shannon Morgan (Renovare)
Matt Shenk (OTS)
Bradford Egan (The Elia Group/Iconic 511, LLC)
Matthew Langston (City of Detroit/HRD)



Call to Order

Mr. Rawls, Chairperson, called the meeting to order at 4:20 p.m.

General

Approval of Minutes

Mr. Rawls called for approval of the minutes of the October 9, 2019 (resolution) DBRA-CAC meeting. The Committee took the following action:

On a motion by Mr. Cheeks, seconded by Mr. Razo, DBRA-CAC Resolution Code 19-10-02-146, approving the October 9, 2019 CAC minutes, as presented, was unanimously approved.

Projects

Brownfield Plan for 511 Woodward

Mr. Vosburg introduced the Brownfield Plan for 511 Woodward to the CAC members present.

Project Introduction

ICONIC 511, LLC is the project developer (the "Developer") for the Plan which involves the rehabilitation of the vacant and obsolete building located at 511 Woodward for commercial and retail uses. The current 30,240 square foot building was constructed in 1972. The building is a four (4) story glass curtain wall building on three (3) sides with a brick and block center section over the building entry with a block and brick rear side. The building was originally occupied by various professional offices and a financial institution from 1973 until at least 2006, when the building was vacated. The building has been vacant and unutilized since 2006. The Downtown Detroit Partnership will occupy 7,584 square feet of office space in the building.

The total investment is estimated to be \$18 million. The Developer is requesting \$1,564,142.00 in TIF reimbursement.

There will be approximately 75 temporary construction jobs and 1 FTE job related to property management. Approximately 100 new retail and office jobs are anticipated to be created by the future tenant(s) of the building.

Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcels located in Detroit's Central Business District, bounded by Woodward Avenue to the east, Larned Street to the south, the Guardian Building to the west, and Congress 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 or is currently utilized for a commercial 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 and blighted 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 interior demolition, lead and asbestos abatement, infrastructure improvements, and development and preparation of brownfield plan and/or 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. Demolition (Including Lead and Asbestos Abatement)	\$597,770.00
2. Infrastructure Improvements	\$524,900.00
3. Site Preparation	\$220,063.00
4. Brownfield Plan & Work Plan Preparation	\$20,000.00
5. Contingency (15%)	\$201,410.00
Total Reimbursement to Developer	\$1,564,142.00
6. Authority Administrative Costs	\$306,759.00
7. State Brownfield Redevelopment Fund	\$191,294.00
8. Local Brownfield Revolving Fund	\$52,016.00
TOTAL Estimated Costs	\$2,114,211.00

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) 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. Egan provided more information about the project including the Request for Proposals through Wayne County for the project, the plans to change the façade of the building, the plans for the public patio space which includes infrastructure improvements, and landscaping improvements, and the installation of an updated heating mechanism beneath the concrete, and the role the project will play in connecting Campus Martius and Hart Plaza.

Dr. Randall asked if the Developer performed any community outreach to residents living in the downtown area. Mr. Egan stated that the Property is located in the heart of the Central Business District and there is not a significant residential development located near the Property and that a public hearing is scheduled for the Plan on Monday, November 4, 2019.

Mr. Razo asked what materials will be used for the public patio space. Mr. Egan stated that decorative concrete will be installed in the public patio area.

Mr. Razo asked if the heating mechanism beneath the public patio will pose an issue for drainage on the site. Mr. Egan stated that the heating mechanism will be drained out through the storm drain.

Mr. Cheeks asked if the heating mechanism will extend out to the curb on Woodward Avenue. Mr. Egan stated that the heating mechanism will only be under the public patio space and will not extend to the curb along Woodward Avenue.

Mr. Cheeks asked what the planned materials are for the façade of the building. Mr. Egan stated that the screen to be installed on the façade of the building is composed of lightweight aluminum structures called chevrons and those will be on the outside of the new glass curtain wall to provide a sense of privacy and the existing brick portion of the façade will be removed in order to make the building more visually appealing and eye catching.

Mr. Cheeks asked if the Developer has any plans to activate the alley located between the Property and the Guardian Building. Mr. Egan stated that the service alley is operated by Wayne County and there are barriers to the alley from pedestrians and that the only change anticipated to the alley is to change which direction those barriers swing for fire safety reasons. Mr. Schenk added that the Developer has entered into an easement agreement with Wayne County for the alley and the rooftop of the Property.

Ms. Lee asked if the anticipated 100 new retail jobs to be created are through the Downtown Detroit Partnership. Mr. Egan stated that Walbridge is the general contractor for the project and that they have been working on a plan to employ Detroit residents on the construction of the project and that the Downtown Detroit Partnership is the planned tenant for the office space on the third floor, and that the retail spaces on the first floor may include a restaurant and each retailer is anticipated to create 20-30 jobs, but those numbers are currently in flux.

Mr. Razo asked if there is a plan for parking for the new employees that will be working at the Property. Mr. Egan stated that a parking plan is currently being worked out. Mr. Schenk stated that the Developer has an agreement with Wayne County which operates the First Street Parking Garage and that a certain number of parking spaces will be reserved for the project at market rate.

Mr. Rawls asked if there are any planned environmental features for the project. Mr. Egan stated that all systems of the building will be updated and will be more energy efficient, including lighting, rooftop HVAC units and an updated air quality system. Ms. Ferrari stated that the current structure is not the original structure that was located on the Property and that the former structure was used for printing, but there aren't any current environmental concerns.

Mr. Rawls asked who the architect is for the project. Mr. Egan stated that the architect for the project is Yamasaki.

Mr. Rawls asked for more information on the experience of the Developer. Mr. Egan stated that the Developer is both a hospitality company and a real estate development company and currently own and/or operate the Parc restaurant in Campus Martius, 220 Marrow located in Birmingham, Michigan, and recently renovated the Anchor Bar in Detroit, and have several other projects in the southeast Michigan area.

Mr. Razo asked if there are plans to activate the roof of the building. Mr. Egan stated that because of the mechanical systems located on the roof of the building, there are no current plans to activate the roof for use.

Mr. Rawls asked if a restaurant similar to 220 Marrow can be expected for the project. Mr. Egan stated that a comparable restaurant to 220 Marrow is a possibility for the project.

Mr. Rawls called for a motion recommending approval of the Brownfield Plan for 511 Woodward.

Mr. Razo motioned to recommend approval of the Brownfield Plan for 511 Woodward without a CAC public hearing and without appointing special members. Dr. Randall seconded the motion. DBRA-CAC Resolution Code 19-10-281-01, recommending approval of the Brownfield Plan for 511 Woodward was unanimously approved.

Brownfield Plan for 2119 Field Street

Ms. Capler introduced the Brownfield Plan for 2119 Field Street to the CAC members present.

Project Introduction

K8 Partners LLC is the project developer (the “Developer”) for the Plan which entails the rehabilitation of the existing building into eight residential townhome apartments units. Each unit will include modern floorplans and finishes with private entry and exit, including covered porches which face the streets and rear porches that access private parking.

The total investment is estimated to be \$2.46 million. The Developer is requesting \$276,897.00 in TIF reimbursement.

There will be 73 temporary construction jobs and 1 FTE jobs. The 1 FTE job will be related to property management.

Property Subject to the Plan

The eligible property (the “Property”) consists of one (1) parcels located in Detroit’s Islandview neighborhood, on the east side of Detroit, bounded by the property line to the north, Field Street to the east, Kercheval Avenue to the south, and the property line to the west.

Basis of Eligibility

The Property is considered “eligible property” as defined by Act 381, Section 2 because (a) the Property was previously utilized or is currently utilized for a 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 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 demolition and lead and asbestos abatement, infrastructure improvements, site preparation, and development and preparation of 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	\$14,850.00
2. Demolition	\$75,250.00
3. Asbestos and Lead Activities	\$13,750.00
4. Infrastructure Improvements	\$30,500.00
5. Site Preparation	\$82,280.00
6. Brownfield Plan & Work Plan Preparation and Implementation	\$30,000.00
7. Contingency (15%)	\$30,267.00
Total Reimbursement to Developer	\$276,897.00
8. Authority Administrative Costs	\$64,333.00
9. State Brownfield Redevelopment Fund	\$15,111.00
10. Local Brownfield Revolving Fund	\$76,241.00
TOTAL Estimated Costs	\$448,326.00

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) Abatement.

Public Comments

The joint DBRA and DBRA-CAC public hearing for the Plan will be held on Monday, October 28, 2019 at 5:30 pm at The Commons located at 7900 Mack Ave, Detroit, Michigan. The results of the DBRA public hearing will be provided.

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

Mr. Schloff provided the following statement to the CAC:

"We would not be before you today, requesting the brownfield TIF if our project did not have critical financial need.

We want to see this project get done because we believe it is a great long-term investment for the neighborhood, but it is simply not feasible without the brownfield TIF.

We have participated in this process in good faith, working within the existing framework of this application and approval process, and doing everything we have been asked to do in order to secure this request.

Since our last CAC meeting, we have spent significant time and energy on additional community engagement.

We secured the Villages CDC support letter after our engagement process with them, with their board voting 8 to 1 in our favor. I have also spoke at length with members of the CDC board as well as the Executive Director during this time.

We secured letters of support from the pastors of Church of the Messiah. We met them again in person, to discuss in further detail how we could work with them to the benefit of the community.

We reached out to the head of the block club, who also works at Genesis Hope, and she reiterated her feedback to me from the September 5 Alive meeting by email.

We also reached out to Jefferson East, MACC Development and West Village Association and had productive calls.

In all of this outreach, we had very constructive and positive feedback from community leaders, with the caveat that the block club president really wishes to see more deeply affordable housing units in the project, which just isn't feasible.

We took all of the feedback very seriously, and it will certainly inform the way we develop future projects, especially where we have more leeway.

It should also be noted that through our City Council approved OPRA, we have already made a written local hiring commitment which will benefit the local community.

In the context of the community hearing, there was an activist group that came out in opposition of the project in numbers. We heard their feedback and I received a generic petition that outlines their demands for all Islandview development.

This opposition, in large part, was not really about our project specifically, but about a deep dissatisfaction in the way that development happens in Detroit - project approvals, disbursement of incentives and community benefits, and frustration with past developments and developers.

I believe that this feedback is certainly important to a larger conversation about equitable development in Detroit, but their concerns really should be directed to elected officials in a different forum, than the hearing for a very small and financially challenged project.

I believe it would be a shame for the package that we have worked so hard to scrape together to fall apart over misplaced anger. I respectfully ask that the CAC keep all of this in context as they make their recommendation on this project, which will certainly benefit the community for the long term and allow us to keep a promise to the City of Detroit by finishing what we started.”

Mr. Rawls requested that Mr. Schloff’s statement be included in the minutes for the meeting.

Ms. Masserang introduced Matthew Langston from the Housing and Revitalization Department (HRD) of the City of Detroit who was involved in the approval process for the OPRA tax abatement for the project, as well as Kaci Jackson from the Detroit Economic Growth Corporation (DEGC) who performed the underwriting for this project.

Mr. Langston stated that his superiors at HRD, including Donald Rencher, are in favor of this project and have had multiple discussions with the Developer regarding the project including the plans for hiring Detroiters for the construction of the project as well as to make an effort to ensure that the one FTE job to be created by the project be filled by a Detroit resident. Mr. Langston also stated that he is on the board of the Historic Indian Village Association and has been a resident near the Property since about 1990 and that the building has been vacant and a hazard for that entire time and it is a project that will greatly benefit the community.

Ms. Jackson stated she performed the underwriting for the project and that the TIF request under the Plan is a critical component for the financing of the project and that without the OPRA tax abatement and the TIF the project would have a negative return for the Developer.

Dr. Randall stated that there was an apparent effort to get more community involvement for the project and should like to applaud the Developer for their efforts in engaging the community.

Mr. Razo stated that he appreciates the statement provided by Mr. Schloff to the CAC and that the CAC is in favor of the project, and that there are many developers that are interested in being a part of the revival of Detroit but aren’t committed to being part of the community and that only having two support letters from the community included in the Plan when first presented to the CAC on October 9, 2019 did not show the Developer’s commitment to being a part of the community. The efforts made to engage more of the community and organization are appreciated and should continue moving forward with other projects.

Ms. Lee stated that she agrees with the statements made by Mr. Razo.

Mr. Rawls called for a motion recommending approval of the Brownfield Plan for 2119 Field Street.

Mr. Razo motioned to recommend approval of the Brownfield Plan for 2119 Field Street. Dr. Randall seconded the motion. DBRA-CAC Resolution Code 19-10-280-02, recommending approval of the Brownfield Plan for 2119 Field Street was unanimously approved.

Administrative

None.

Other

None.

Public Comment

None.

Adjournment

Citing no further business, Mr. Rawls adjourned the meeting at 4:54 pm.



CODE DBRA CAC 19-10-02-146

APPROVAL OF MINUTES OF OCTOBER 9, 2019

RESOLVED, that the minutes of the regular meeting of October 9, 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.

October 30, 2019



CODE DBRA-CAC 19-10-281-01

511 WOODWARD 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 511 Woodward 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 **511 Woodward 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.

October 30, 2019



CODE DBRA-CAC 19-10-280-02

2119 FIELD STREET 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 2119 Field Street Project** (the “Plan”) to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its October 9, 2019 meeting, received, evaluated and considered the proposed Plan; and

WHEREAS, the Community Advisory Committee, held a public hearing jointly with the DBRA for the project on October 28, 2019; 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, and after reviewing the results of the public hearing held jointly with the DBRA, 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 **2119 Field Street 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.

October 30, 2019