



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, MAY 12, 2021
4:00 PM**

BOARD MEMBERS PRESENT:

Maggie DeSantis
Amanda Elias
Juan Gonzalez
Donele Wilkins
John George

BOARD MEMBERS ABSENT:

Sonya Mays
Raymond Scott
Pamela McClain
Stephanie Washington

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Charlotte Fisher (DEGC)
Paul Kako (DEGC)
Rebecca Navin (DEGC)
Ngozi Nwaesei (Lewis & Munday)
Richard Barr (Honigman)
Marcia Ventura (Invest Detroit)
Lucas Michieli (Q Factor)
Dan Gough (EGLE)



**MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, MAY 12, 2021
HELD VIA ZOOM VIRTUAL MEETING**

CALL TO ORDER

Vice-Chairperson Maggie DeSantis called the meeting to order at 4:00 PM.

Ms. Kanalos took a roll call of the DBRA Board Members present and a quorum was established.

GENERAL

Approval of Minutes:

Mr. Scott called for a motion approving the minutes of April 28, 2021 as presented. The Board took the following action:

Mr. George made a motion approving the minutes of the April 28, 2021 Board meeting, as presented. Ms. Wilkins seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. DeSantis, Ms. Elias, Mr. George, Mr. Gonzalez, and Ms. Wilkins.

Nays: None.

DBRA Resolution Code 21-05-02-292 was unanimously approved.

PROJECTS

Selden Innovation Center Brownfield Redevelopment Plan

Mr. Vosburg presented the Selden Innovation Center Brownfield Redevelopment Plan to the DBRA Board.

Project Introduction

Industry Detroit QOZB, LLC is the project developer (the "Developer") for the Plan. The project consists of the rehabilitation and conversion of an approximately 110,000 square foot three-story former Jefferson School building into "incubator-style" office space designed with flexible configuration of private office suites to be branded as Industry Detroit. Through the addition of mezzanine space, the project team anticipates increasing the square footage of the building to approximately 120,000 square feet. The offices will house small emerging companies, as well as established companies which desire the latest technological infrastructure. A sense of community will be fostered in the building by providing community spaces such as large, shared kitchens (with a full array of beverage service available to tenants along with café seating), shared conference rooms, shared training rooms, small private workspaces off the community areas, and a larger event center that will be programmed by the property manager from time to time with tenant events and that can be reserved by tenants for their own events. Reduced rental rates are expected to be made available for 20,000 net rentable square feet of the building, targeting local community based & minority owned businesses. The current schematic design includes between approximately 25,000 and 35,000 rentable square feet of common areas and amenities.

Depending upon market conditions, Developer may consider in the future the construction of a new mixed-use building with office/commercial and integrated multi-story parking on a portion of the Property. In that event, Developer may seek an amendment of this Plan to include the additional eligible activity costs and incremental taxable value related to that additional investment.

The total investment is estimated to be \$32.4 million. The Developer is requesting \$2,967,707.00 in TIF reimbursement.

There will be approximately 100 temporary construction jobs and five full-time permanent jobs are expected to be created by the Developer with approximately 200-300 permanent jobs are expected to be created by the project.

Property Subject to the Plan

The eligible property (the “Property”) consists of eleven (11) parcels located at 950 Selden bounded generally by Selden to the south, by John C. Lodge Service Drive to the west, by Alexandrine to the north and by Fourth Street to the east in Detroit’s Midtown area.

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 and charter school purposes; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the parcels comprising the Property is either “functionally obsolete”, a facility, or is adjacent and contiguous to such eligible property.

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, interest, Brownfield Plan preparation and implementation. 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. Phase I, Phase II, and BEA Activities	\$18,850.00
2. Due Care Activities	\$30,000.00
3. Asbestos Abatement	\$203,369.00
4. Demolition	\$1,731,011.00
5. Infrastructure Improvements	\$20,918.00
6. Brownfield Plan & Work Plan	\$60,000.00
7. Contingency (15%)	\$195,530.00
8. Interest	\$708,029.00
Total Reimbursement to Developer	\$2,967,707.00
9. Authority Administrative Costs	\$676,532.00
10. State Brownfield Redevelopment Fund	\$178,955.00
11. Local Brownfield Revolving Fund	\$687,021.00
TOTAL Estimated Costs	\$4,510,215.00

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 a Commercial Facilities Exemption (PA 255) Tax Abatement.

DBRA-CAC Letter of Recommendation

The DBRA-CAC recommended approval of the Plan at the April 28, 2021 CAC meeting. Attached was the DBRA-CAC's letter of recommendation for the DBRA Board's consideration.

Public Comments

The DBRA public hearing for the Plan was held on Wednesday, May 5, 2021 at 4:00 pm via Zoom. The results of the DBRA public hearing were attached for Board review.

Attached for the DBRA Board's review and approval was a resolution approving the Selden Innovation Center Brownfield Redevelopment Plan and its submittal to Detroit City Council.

Ms. DeSantis called for a motion to approve the Selden Innovation Center Brownfield Redevelopment Plan and its submittal to Detroit City Council, as presented. The Board took the following action:

Mr. George made a motion to approve the Selden Innovation Center Brownfield Redevelopment Plan and its submittal to Detroit City Council, as presented. Mr. Gonzalez seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. DeSantis, Ms. Elias, Mr. George, Mr. Gonzalez, and Ms. Wilkins

Nays: None.

DBRA Resolution Code 21-05-299-02 was approved.

ADMINISTRATIVE

Ms. Kanalos requested that the DBRA Approval Process Presentation be moved to the agenda for the next regular DBRA Board meeting.

OTHER

None.

PUBLIC COMMENT

None.

ADJOURNMENT

Citing no further business, Ms. DeSantis called for a motion to adjourn the meeting.

On a motion by Mr. George, seconded by Mr. Gonzalez, the meeting was unanimously adjourned at 4:06 PM.



CODE DBRA 21-05-02-292

APPROVAL OF MINUTES APRIL 28, 2021

RESOLVED, that the minutes of the regular meeting of April 28, 2021 are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Detroit Brownfield Redevelopment Authority.

May 12, 2021



CODE DBRA 21-05-299-02

SELDEN INNOVATION CENTER 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 Council”) for the purpose of promoting the revitalization of environmentally distressed areas in the City of Detroit; 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, in accordance with the policies, procedures and bylaws governing the DBRA, the DBRA has submitted a proposed Brownfield Plan for the **Selden Innovation Center Redevelopment Project** (the “Plan”) to the Community Advisory Committee for its consideration and comment and has solicited comments by the public by publication of notice stating that the proposed Plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies; and

WHEREAS, the Community Advisory Committee has considered the proposed Plan and approved a resolution recommending the approval of the proposed Plan by the DBRA and the City Council as presented by the DBRA; and

WHEREAS, in accordance with the provisions of Act 381, the Board of Directors of the DBRA has considered the proposed Plan and desires to approve the proposed Plan and to request that City Council call a public hearing to consider and adopt a resolution approving the proposed Plan.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of the DBRA has determined that the adoption of the Brownfield Plan for the **Selden Innovation Center Redevelopment Project** is in keeping with the purposes of Act 381 and recommends submittal of the Plan to City Council for approval.
2. The Board of Directors of the DBRA approves the Plan substantially in the form attached hereto and on file with the Secretary of the DBRA.
3. Any Authorized Agent of the DBRA is authorized and directed to submit a certified copy of this Resolution and the Plan to the City Clerk, together with a request that the City Council call a public hearing concerning the Plan and to take all other actions required to approve the Plan in accordance with Act 381.
4. That any one of the officers and any one of the Authorized Agents of the DBRA or any two of the Authorized Agents of the DBRA shall hereafter have the authority to negotiate and execute all documents, contracts, or other papers, and take such other actions, necessary or appropriate to implement the provisions and intent of this Resolution on behalf of the DBRA.

5. That all of the acts and transactions of any officer or authorized agent of the DBRA, in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

May 12, 2021