



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES OF THE
REGULAR COMMUNITY ADVISORY COMMITTEE MEETING
WEDNESDAY, SEPTEMBER 22, 2021 - 5:00 PM
HELD VIA ZOOM**

COMMITTEE MEMBERS

PRESENT:

Rick Blocker
Rico Razo
Brad Lutz
Peter Rhoades
Allen Rawls

COMMITTEE MEMBERS

ABSENT:

Kamal Cheeks
Simone Sagovac
Michelle Lee
Dr. Regina Randall

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Moddie Turay (Brush 8 LLC)
Ginny Dougherty (PM Environmental)
David Boss (City Growth Partners)



Call to Order

Mr. Lutz, Vice-Chairperson, called the meeting to order at 5:03 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 9, 2021 (resolution) DBRA-CAC meeting, as presented. The Committee took the following action:

Mr. Razo made a motion approving the minutes of the June 9, 2021 Board meeting, as presented.

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

Ayes: Mr. Blocker, Mr. Lutz, Mr. Rawls, Mr. Razo, and Mr. Rhoades

Nays: None.

DBRA-CAC Resolution Code 21-09-02-162 was unanimously approved.

Projects

Brownfield Plan for Brush8 Townhomes

Ms. Capler presented the Brownfield Plan for Brush8 Townhomes.

Project Introduction

Brush 8 LLC, associated with City Growth Partners, LLC (CGP), is the project developer ("Developer") and future owner of the Property. The project will include approximately eight, three-story luxury condominiums which will be made available for purchase. Each condo will feature approximately two bedrooms and two bathrooms, a one car garage, a second story balcony, and spacious kitchen, living, and dining areas. Additional amenities include private rooftop decks, penthouses, and gardens. Construction began in December 2020 and eligible activities will be completed in Quarter 1 of 2022.

The total hard costs are estimated to be \$4.8 million. The Developer is requesting \$326,727.00 in TIF reimbursement.

There will be approximately 40 temporary construction jobs and no permanent jobs are expected to be created by the project.

Property Subject to the Plan

The eligible property (the "Property") consists of two (2) parcels (313 Watson Street and 3119 Brush Street) bounded by an alleyway to the north, Brush Street to the east, Watson Street to the south, and the property line to the west in the Brush Park neighborhood.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously 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 parcels are determined to be facility or adjacent and contiguous 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 pre-approved activities, department specific activities,

site preparation, and development, preparation, and implementation 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	\$20,607.00
2. Department Specific Activities	\$65,874.00
3. Demolition	\$4,700.00
4. Site Preparation	\$139,630.00
5. Infrastructure Improvements	\$29,900.00
6. Brownfield Plan & Work Plan	\$30,000.00
7. Contingency (15%)	\$36,016.00
Total Reimbursement to Developer	\$326,727.00
8. Authority Administrative Costs	\$122,277.00
9. State Brownfield Redevelopment Fund	\$55,296.00
10. Local Brownfield Revolving Fund	\$287,402.00
TOTAL Estimated Costs	\$791,701.00

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 Neighborhood Enterprise Zone (PA 147) 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. Turay provided more information regarding the project including the previous uses of the Property, and the discovery of a full underground storage tank and the resulting increase in costs for the project.

Mr. Rawls asked for more information on the Developer’s experience. Mr. Turay stated that he has been working in real estate development for 17 years and started off as a development manager for Western Development Corporation in Washington DC and then worked as a senior advisor to the General Services Administration for the Federal Government, then moved to Detroit in 2015 and worked for the Detroit Economic Growth Corporation, and then left the DEGC to start his own development company, City Growth Partners which focuses on economically significant projects in the City of Detroit. Mr. Turay added that he is working on one additional project in the Brush Park neighborhood.

Mr. Rawls asked who the architect and general contractor are for the project. Mr. Turay stated that the architect for the project is Dep Designs based in Washington DC and the general contractor for the project is Lewand Construction.

Mr. Rawls asked what the square footage of the units are and the anticipated sale prices. Mr. Turay stated that the units are approximately 1,700 square feet and the sales prices range from low to mid \$500,000 to low \$700,000.

Mr. Razo stated that he recalls other projects that have come before the CAC that have encountered environmental remediation issues after already starting construction and stated that he would like to recommend approval of this Plan to the DBRA Board.

Mr. Lutz asked for more information on the timeline of the project including the start of construction, the discovery of the underground storage tank, and the delayed request for the Plan. Mr. Turay stated that the Developer discovered the underground storage tank in April 2021 and then contacted the DBRA in May 2021 to pursue a brownfield plan to help offset the new development costs. Ms. Dougherty added that another environmental firm had not found the underground storage tank before the start of construction.

Mr. Lutz added that since the DBRA-CAC is responsible for making sure TIF requests are in line with what is best for the community, especially in cases where the residential units are on the high end.

Mr. Rhoades stated that he has read over the Plan and is in favor of the project and thanked the Developer for investing in Brush Park and that this is a perfect use of TIF because of the environmental remediation.

Mr. Lutz called for a motion regarding the Brownfield Plan for Brush8 Townhomes, as presented.

Mr. Rawls made a motion to recommend approval of the Brownfield Plan for Brush8 Townhomes without a CAC public hearing and without appointing special members. Mr. Razo seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Blocker, Mr. Lutz, Mr. Rawls, Mr. Razo, and Mr. Rhoades

Nays: None.

DBRA-CAC Resolution Code 21-09-304-01 was approved.

Administrative

None.

Other

None.

Public Comment

None.

Adjournment

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

On a motion by Mr. Blocker and seconded by Mr. Razo, the meeting was adjourned at 5:23 pm.



CODE DBRA CAC 21-09-02-162

APPROVAL OF MINUTES OF JUNE 9, 2021

RESOLVED, that the minutes of the regular meeting of June 9, 2021 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.

September 22, 2021



CODE DBRA-CAC 21-09-304-01

BRUSH8 TOWNHOMES 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 Brush8 Townhomes Project** (the “Plan”) to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its September 22, 2021 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 **Brush8 Townhomes 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.

September 22, 2021