



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES OF THE
REGULAR COMMUNITY ADVISORY COMMITTEE MEETING
WEDNESDAY, OCTOBER 13, 2021 - 5:00 PM
HELD VIA ZOOM**

COMMITTEE MEMBERS

PRESENT:

Rick Blocker
Rico Razo
Michelle Lee
Peter Rhoades
Dr. Regina Randall

COMMITTEE MEMBERS

ABSENT:

Kamal Cheeks
Simone Sagovac
Brad Lutz
Allen Rawls

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Anthony Curis (Jefferson Holcomb Development, LLC)
Richard Barr (Honigman)
Scott Foess (Honigman)
Rod Hardamon (URGE Development)
Benecia Cousin (URGE Development)



Call to Order

Mr. Razo, acting Chairperson, called the meeting to order at 5:03 p.m.

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

General

Approval of Minutes

Mr. Razo called for approval of the minutes of the September 22, 2021 (resolution) DBRA-CAC meeting, as presented. The Committee took the following action:

Mr. Rhoades made a motion approving the minutes of the September 22, 2021 Board meeting, as presented. Mr. Blocker seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Blocker, Ms. Lee, Dr. Randall, Mr. Razo, and Mr. Rhoades

Nays: None.

DBRA-CAC Resolution Code 21-10-02-163 was unanimously approved.

Projects

Brownfield Plan for Jefferson-Holcomb

Ms. Capler presented the Brownfield Plan for Jefferson-Holcomb.

Project Introduction

Jefferson Holcomb Development, LLC, is the project developer ("Developer"). The project commercial development designed around converging the arts with retail and community space. The community space is intended to provide a haven for the local community with an enclosed, open-air basketball court along with rooftop deck space for community gatherings and events. An existing building will be restored to house a 507 square foot café with an additional roof deck. Approximately 8,205 square feet of leasable space in four new tenant suites with mezzanines will be newly constructed to the east of the community space, with one suite anticipated to house Social Status, a minority owned entrepreneurial clothing and lifestyle store. It is currently anticipated that construction will begin in the Fall of 2021 and eligible activities will be completed in 2022.

The total investment is estimated to be \$1.6 million. The Developer is requesting \$591,504.00 in TIF reimbursement.

There will be approximately 60 temporary construction jobs and 18 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 (9101 and 9123 E. Jefferson Avenue) bounded by Agnes Street to the north, Belvidere Street to the east, E. Jefferson Avenue to the south, and Holcomb Street to the west in the Islandview/Greater Villages 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 facilities 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 baseline environmental assessment activities, department specific activities, due care activities, site preparation, infrastructure improvements, interest, and development, 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. Environmental Assessment Activities	\$53,738.00
2. Due Care Activities	\$116,520.00
3. Asbestos Assessment and Abatement	\$27,500.00
4. Demolition	\$43,500.00
5. Site Preparation	\$29,000.00
6. Infrastructure Improvements	\$30,000.00
7. Brownfield Plan & Work Plan	\$60,000.00
8. Contingency (15%)	\$36,978.00
9. Interest	\$106,484.00
Total Reimbursement to Developer	\$591,504.00
10. Authority Administrative Costs	\$134,765.00
11. State Brownfield Redevelopment Fund	\$44,603.00
12. Local Brownfield Revolving Fund	\$230,092.00
TOTAL Estimated Costs	\$1,000,964.00

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. Curis provided more information about the project including the plans to restore the façade of the existing building on the Property and build an adjoining new construction building on the vacant lot next to the existing building to create an interior courtyard to be used for different types of programming and for the use of future tenants.

Mr. Rhoades stated that he drove by the Property and that he thinks this project will be very beneficial to the neighborhood and asked if the Developer received any feedback from any other community groups

near the Property. Mr. Curis stated that the Developer has been meeting with various community groups, residents, business owners, and City departments for the last year and a half or so and has received very positive feedback about the project.

Ms. Lee asked who the architect is for the project. Mr. Curis stated that the architect for the project is called Team Architects and the architects themselves are involved with the architecture department at the University of Detroit Mercy.

Mr. Razo asked how the development will be available to the community. Mr. Curis stated that there will be management to oversee the programming of the outdoor amenity space and the plan is to create a schedule for events and usage to make sure it is respectful to the neighboring residents.

Mr. Razo called for a motion regarding the Brownfield Plan for Jefferson-Holcomb, as presented.

Mr. Rhoades made a motion to recommend approval of the Brownfield Plan for Jefferson-Holcomb without a CAC public hearing and without appointing special members. Mr. Blocker seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Blocker, Ms. Lee, Dr. Randall, Mr. Razo, and Mr. Rhoades

Nays: None.

DBRA-CAC Resolution Code 21-10-305-01 was approved.

Amended and Restated Brownfield Plan for Osi Art Apartments @ West End

Mr. Vosburg presented the Amended and Restated Brownfield Plan for Osi Art Apartments @ West End.

On October 9, 2019, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors recommended approval to City Council of the original Brownfield Plan for the Osi Art Apartments @ West End Redevelopment Project (the "Original Plan"). The City Council public hearing for the Plan was held October 31, 2019 and City Council approved the Plan on November 5, 2019. The Reimbursement Agreement (the "Agreement") between the DBRA and 3820 West End, LLC ("Developer"), was entered into on November 26, 2019.

During the initial phase of construction of the project the Developer ran into significantly more environmental contamination than originally anticipated resulting in an increase in the amount for Eligible Activities. In order to increase the amount of TIF requested under the Plan to cover the increased Eligible Activities, the Developer is requesting an amendment to the Original Plan.

Project Introduction

3820 West End, LLC is the project developer (the "Developer") for the Plan which entails the construction of a mixed-use development on the Property. The redevelopment, currently referred to as "The Osi Art Apartments @ West End," is planned to consist of first floor commercial-use square footage with an estimated 30 residential units on the upper floors. The proposed structure will be fronted along Grand River Avenue with tenant parking to the rear of the building. The Property is presently vacant with no structures.

The total investment is estimated to be \$6.6 million. The Developer is requesting \$833,284.00 in TIF reimbursement.

There will be 53 temporary construction jobs and 2 FTE job. The 2 FTE jobs will be related to property management.

Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcel bounded to the north by a public alley; to the south by Grand River Avenue; by Avery Street to the west beyond a vacant adjacent parcel; and by the Patterson Dog and Cat Hospital at 3800 Grand River Avenue to the east.

Basis of Eligibility

The Property is considered “eligible property” as defined by Act 381, Section 2 because (a) the Property was previously utilized as commercial as well as industrial purposes; (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 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 environmental assessment activities, due care activities and additional response activities (department-specific activities), exterior foundation demolition and development and preparation of a brownfield plan and Act 381 work plan(s). 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

	<u>Original Plan</u>	<u>Amended Plan</u>
1. Environmental Assessment Activities	\$16,850.00	\$16,850.00
2. Department Specific Activities	\$95,048.00	\$506,450.00
3. Demolition	\$60,000.00	\$60,000.00
4. Infrastructure Improvements	\$50,000.00	\$50,000.00
5. Site Preparation	\$30,884.00	\$30,884.00
6. Storm Water Management	\$50,000.00	\$50,000.00
7. Brownfield Plan & Work Plan Preparation	\$14,500.00	\$14,500.00
8. Contingency (15%)	\$42,890.00	\$104,600.00
Total Reimbursement to Developer	\$360,172.00	\$833,284.00
9. Authority Administrative Costs	\$122,693.00	\$125,245.00
10. State Brownfield Redevelopment Fund	\$60,436.00	\$62,563.00
11. Local Brownfield Revolving Fund	\$274,650.00	\$318,762.00
TOTAL Estimated Costs	\$817,951.00	\$1,339,854.00

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 Rehabilitation Act PA 210 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. Hardamon provided more information about the project including the progress made on the construction and the extensive and unanticipated environmental remediation and backfill on the Property and resulting increase in costs for the project and the Developer’s work with the DBRA and EGLE to solve for the cost overruns.

Mr. Blocker asked for more information on the environmental investigations conducted on the Property before the project began construction. Mr. Hardamon stated that the standard environmental studies were conducted as well as two rounds of borings were performed on the Property to assess the contamination and once the construction began, the contamination present on the Property was above and beyond what had been identified through the environmental investigations. The Development team wants to make sure the Property is completely remediated to ensure it is safe for the future residents as well as the neighboring community which requires additional remediation to be conducted. Mr. Vosburg added that the DBRA Staff and EGLE has reviewed the additional remediation and determined that it was necessary and that the environmental consultant for the project has a good reputation. Unfortunately sometimes additional contamination is found once a project has already begun despite an appropriate level of testing in advance.

Mr. Rhoades asked the DBRA Staff to provide more information on the Local Brownfield Revolving Fund and the State Brownfield Redevelopment Fund. Mr. Vosburg stated that a portion of the school taxes captured under a Brownfield Plan goes to the State Brownfield Redevelopment Fund which is not currently in use, and that the Local Brownfield Revolving Fund (LBRF) receives funds under Brownfield Plans once the developer has been fully reimbursed for Eligible Activities for a period of up to five years and that the DBRA can provide grants and loans for projects from the LBRF and has previously provided a loan to a project in Eastern Market. Ms. Kanalos added that the DBRA has also provided a grant to the Detroit Public Library from the LBRF.

Mr. Rhoades asked if the LBRF can be used to provide additional funding to developers who have run into an increase in costs for the project. Mr. Vosburg stated that the LBRF can be used to fill a gap in the financing for a project through a grant or a loan.

Mr. Rhoades asked if the CAC is being asked to approve a grant or loan from the LBRF for this Plan. Mr. Vosburg stated that the CAC is being asked to review the Amended Plan and provide a recommendation to the DBRA only on the Amended Plan.

Mr. Razo asked if there is more remediation that needs to take place on the Property and how much the Developer has invested in the environmental remediation on the Property. Mr. Hardamon stated that the cost overruns occurred in February 2021 and that the Developer decided to keep moving on the project and used existing capital to do so while investigating additional sources of funding to cover the increased costs. Mr. Vosburg added that the Developer has been in contact with DBRA Staff regarding the cost overruns shortly after they were discovered and that it has taken some time to determine the entirety of the additional scope and total costs and to identify the financial solutions to fill the cost overruns among all the funders for the project.

Mr. Razo called for a motion regarding the Amended and Restated Brownfield Plan for Osi Art Apartments @ West End, as presented.

Mr. Rhoades made a motion to recommend approval of the Amended and Restated Brownfield Plan for Osi Art Apartments @ West End 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. Blocker, Ms. Lee, Dr. Randall, Mr. Razo, and Mr. Rhoades

Nays: None.

DBRA-CAC Resolution Code 21-10-277-02 was approved.

Administrative

None.

Other

None.

Public Comment

None.

Adjournment

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

On a motion by Mr. Blocker and seconded by Mr. Rhoades, the meeting was adjourned at 5:34 pm.



CODE DBRA CAC 21-10-02-163

APPROVAL OF MINUTES OF SEPTEMBER 22, 2021

RESOLVED, that the minutes of the regular meeting of September 22, 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.

October 13, 2021



CODE DBRA-CAC 21-10-305-01

JEFFERSON-HOLCOMB 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-Holcomb Project** (the "Plan") to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its October 13, 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 **Jefferson-Holcomb 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 13, 2021



CODE DBRA-CAC 21-10-277-02

AMENDED AND RESTATED OSI ART APARTMENTS @ WEST END 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 **Amended and Restated Brownfield Plan for the Osi Art Apartments @ West End Project** (the “Plan”) to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its October 13, 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 **Amended and Restated Osi Art Apartments @ West End 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 13, 2021