



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, NOVEMBER 10, 2021
4:00 PM**

BOARD MEMBERS PRESENT:

Juan Gonzalez
Stephanie Washington
John George
Raymond Scott
Pamela McClain
Amanda Elias

BOARD MEMBERS ABSENT:

Sonya Mays
Maggie DeSantis
Donele Wilkins

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Malinda Jensen (DEGC/DBRA)
Glen Long, Jr. (DEGC)
Paul Kako (DEGC)
Rebecca Navin (DEGC)
Ngozi Nwaesei (Lewis & Munday)
Elizabeth Masserang (PM Environmental)
Michael Van Overbeke (Brush Park Properties, LLC)
Stephen Goodman (InDevelopment Partners)
Moddie Turay (Brush 8 LLC)
Ginny Dougherty (PM Environmental)
Dan Gough (EGLE)



**MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, NOVEMBER 10, 2021
HELD VIA ZOOM VIRTUAL MEETING**

CALL TO ORDER

Chairperson Raymond Scott called the meeting to order at 4:11 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 October 27, 2021 as presented. The Board took the following action:

Ms. Elias made a motion approving the minutes of the October 27, 2021 Board meeting, as presented. Ms. McClain seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Gonzalez, Ms. Elias, Ms. McClain, Mr. George, and Mr. Scott.

Nays: None.

DBRA Resolution Code 21-11-02-300 was unanimously approved.

PROJECTS

Brush8 Townhomes Brownfield Redevelopment Plan: Reimbursement Agreement

Ms. Capler presented the Brush8 Townhomes Brownfield Redevelopment Plan: Reimbursement Agreement to the DBRA Board.

On October 13, 2021, the City of Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution authorizing the transmittal of the Brownfield Plan for the Brush8 Townhomes Redevelopment Project (the "Plan") to Detroit City Council ("City Council") with a recommendation for approval. The City Council public hearing for the Plan was held on October 28, 2021 and City Council approved the Plan on November 3, 2021.

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.

The Agreement and a resolution approving the Agreement and its subsequent execution were attached for the DBRA Board's review and approval.

Mr. Scott called for a motion to approve the Brush8 Townhomes Brownfield Redevelopment Plan: Reimbursement Agreement, as presented. The Board took the following action:

Mr. George made a motion to approve the Brush8 Townhomes Brownfield Redevelopment Plan: Reimbursement Agreement, as presented. Ms. McClain seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Gonzalez, Ms. Elias, Ms. McClain, Mr. George, and Mr. Scott.

Nays: None.

DBRA Resolution Code 21-11-304-03 was approved.

Ms. Washington joined the meeting at 4:22 pm.

CODA Brush Park Brownfield Redevelopment Plan

Mr. Vosburg presented the CODA Brush Park Brownfield Redevelopment Plan to the DBRA Board.

Project Introduction

Brush Park Properties, LLC, is the project developer (“Developer”). The project includes the construction of an expansive addition to incorporate the existing carriage house building facade, built in 1890, into a 5-story modern, mixed-use development. The building will include approximately 84,000 square feet of commercial and residential spaces. Approximately ten (10) luxury condominium units will be provided for purchase, totaling an estimated 22,000 square feet of living space. Eight of the residential units will be located on floors 3-5 of the main carriage house building and the two remaining townhome units will be built along the Alfred Street façade of the development. It is anticipated that the remaining portion of the building will be occupied by a restaurant and bar and office space, totaling approximately 15,000 square feet. Additionally, the building will feature an integrated parking deck with approximately 105 total parking spaces. The parking structure will also serve as residential, commercial, and public parking, complete with multiple electric vehicle charging ports. The development will also feature alleyway improvements to serve as a community gathering space. It is currently anticipated that construction will begin in the Fall of 2021 and eligible activities will be completed in 2023.

The total investment is estimated to be \$25.8 million. The Developer is requesting \$4,807,400.00 in TIF reimbursement.

There will be approximately 218 temporary construction jobs and 37 permanent jobs are expected to be created by the project.

Property Subject to the Plan

The eligible property (the “Property”) consists of one (1) combined parcel bounded to the north by an alleyway, to the east by John R Street, to the south by Alfred Street, and to the west by the property line 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 parcel has been 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 pre-approved activities, department specific activities, site demolition activities, infrastructure improvements, site preparation, 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. Pre-Approved Activities	\$2,500.00
2. Demolition	\$138,400.00
3. Site Preparation	\$268,000.00
4. Infrastructure Improvements	\$3,674,600.00
5. Urban Storm Water Management System	\$45,000.00
6. Brownfield Plan & Work Plan	\$60,000.00
7. Contingency (15%)	\$618,900.00
Total Reimbursement to Developer	\$4,807,400.00*
8. Authority Administrative Costs	\$1,215,776.00
9. State Brownfield Redevelopment Fund	\$380,492.00
10. Local Brownfield Revolving Fund	\$1,280,803.00
TOTAL Estimated Costs	\$7,684,471.00

*Request is pro-rated to account for the portion of the parking structure related to residential and commercial operations, excluding valet

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 DBRA Board's review and approval was a resolution authorizing the CODA Brush Park Brownfield Plan for submittal to the Community Advisory Committee for consideration and comment within 30 days of their receipt of the proposed Plan. In addition, it authorizes the President of the Detroit Economic Growth Corporation or any person designated by him, as a representative of the DBRA, to conduct a public hearing in the area to which the Proposed Plan applies within the next 30 days. This public hearing may be held jointly with any public hearing conducted by the Community Advisory Committee.

Mr. VanOverbeke provided more information about the project and his development experience in Detroit including his four previously completed projects in the Brush Park neighborhood, the work that has been performed to plan for the CODA project, the plans to preserve the carriage house as part of the new development, the design for the project and the goal to combine the historic character of the existing structure and the Brush Park neighborhood with the more contemporary addition to the structure, the location of the townhomes on Alfred Street to mask the parking structure from view, the future tenants for the new development, the sustainable features of the new development, and the need for the proposed parking structure and the high cost of building a parking structure.

Ms. McClain asked when the capital stack for the project will be solidified. Mr. Goodman stated that the capital stack will be solidified when the senior loan is finalized which should happen in the next few weeks.

Mr. Scott called for a motion to authorize a public hearing for the CODA Brush Park Brownfield Redevelopment Plan and its referral to the Community Advisory Committee, as presented. The Board took the following action:

Ms. Washington made a motion to authorize a public hearing for the CODA Brush Park Brownfield Redevelopment Plan and its referral to the Community Advisory Committee, as presented. Mr. George seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Gonzalez, Ms. Elias, Ms. McClain, Mr. George, Ms. Washington and Mr. Scott.

Nays: None.

DBRA Resolution Code 21-11-306-01 was approved.

ADMINISTRATIVE

None.

OTHER

None.

PUBLIC COMMENT

None.

ADJOURNMENT

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

On a motion by Mr. George, seconded by Ms. McClain, the meeting was unanimously adjourned at 4:32 PM.



CODE DBRA 21-11-02-300

APPROVAL OF MINUTES OF OCTOBER 27, 2021

RESOLVED, that the minutes of the regular meeting of October 27, 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.

November 10, 2021



CODE DBRA 21-11-304-03

BRUSH8 TOWNHOMES BROWNFIELD REDEVELOPMENT PLAN: REIMBURSEMENT AGREEMENT

WHEREAS, on October 13, 2021, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution recommending approval by the Detroit City Council of the Brownfield Plan (the "Plan") for a project captioned Brush8 Townhomes Redevelopment (the "Project"); and

WHEREAS, on November 3, 2021, the Detroit City Council voted to approve the Plan; and

WHEREAS, a condition to reimbursing the developer for eligible activities under the Plan is that a Reimbursement Agreement (the "Agreement") be entered into between the DBRA and Brush 8 LLC as developer of the Project; and

WHEREAS, the Agreement has been drafted, approved as to form by DBRA legal counsel; and

WHEREAS, the Board of Directors desires to approve the Agreement and authorize its execution and delivery on behalf of the DBRA; and

NOW THEREFORE, BE IT RESOLVED, by the DBRA Board of Directors as follows:

1. The Agreement, in substantially the form attached to this Resolution as Exhibit A, is hereby approved, with such necessary or desirable modifications additions, deletions or completions as are approved by DBRA legal counsel and the Officers or designated Authorized Agents of the DBRA executing the Agreement.
2. Any two Officers or designated Authorized Agents or one Officer and one designated Authorized Agent of the DBRA are authorized and directed to execute and deliver the Agreement.
3. All resolutions or parts of resolutions or other proceedings in conflict herewith shall be and the same hereby are repealed insofar as such conflict arises.
4. This Resolution shall take effect immediately upon its adoption.

BE IT FINALLY RESOLVED 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.

November 10, 2021



CODE DBRA 21-11-306-01

CODA BRUSH PARK BROWNFIELD REDEVELOPMENT PLAN – TRANSMITTAL OF BROWNFIELD PLAN TO THE COMMUNITY ADVISORY COMMITTEE

WHEREAS, pursuant to 381 PA 1996 (“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, under the resolution establishing the DBRA and the bylaws of the DBRA requires the DBRA, prior to the approval of a brownfield plan, submit the proposed brownfield plan to the Community Advisory Committee for consideration and comment and solicit comments by publication of notice that the proposed brownfield plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies.

NOW, THEREFORE, BE IT RESOLVED:

1. The City of Detroit Brownfield Redevelopment Authority acknowledges receipt of the proposed Brownfield Plan for the **CODA Brush Park Brownfield Redevelopment Plan** (the “Proposed Plan”) and authorizes and directs the Chairperson to cause the Proposed Plan to be transmitted to the Community Advisory Committee for consideration and comment within 30 days of their receipt of the Proposed Plan.

2. The President of the Detroit Economic Growth Corporation or any person designated by him, as a representative of the DBRA, shall conduct a public hearing in the area to which the Proposed Plan applies within the next 30 days. This public hearing may be held jointly with any public hearing conducted by the Community Advisory Committee.

3. The Chairperson is authorized and directed to cause there to be published notice that the Proposed Plan has been submitted to the Community Advisory Committee and of the public hearing to be held pursuant to this resolution.

BE IT FINALLY RESOLVED, 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 resolution except that such acts were taken prior to execution of these resolution, are hereby in all respects confirmed, approved and ratified.

November 10, 2021