



Detroit Brownfield Redevelopment Authority  
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**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
SEPCIAL BOARD OF DIRECTORS MEETING  
FRIDAY, JANUARY 19, 2018  
9:30 AM**

**BOARD MEMBERS PRESENT:** John George  
Pamela McClain  
Derrick Sanders  
Matthew Walters  
Donele Wilkins

**BOARD MEMBERS ABSENT:** Maggie DeSantis  
Sonya Mays  
Ray Scott  
Stephanie Washington

**OTHERS PRESENT:** Ayesha Maxwell (DEGC/DBRA)  
Jennifer Kanalos (DEGC/DBRA)  
Damon Jordan (DEGC/DBRA)  
Cleveland Dailey (DEGC/DBRA)  
Malinda Jensen. (DEGC/DBRA)  
Kenyetta Bridges (DEGC/DBRA)  
Rebecca Navin (DEGC/DBRA)

# **DBRA**

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MINUTES OF THE DETROIT BROWNFIELD  
REDEVELOPMENT AUTHORITY SPECIAL MEETING  
FRIDAY, JANUARY 19, 2018  
DETROIT ECONOMIC GROWTH CORPORATION  
500 GRISWOLD SUITE 2200 DETROIT, MI – 9:30AM

## **CALL TO ORDER**

Chair Matthew Walters called the meeting to order at 9:30 AM. Mr. Walters informed the Board that because they were directly related to one another, the AMC Site – 14250 Plymouth Due Diligence item, the AMC Site – 14250 Plymouth – Environmental Contract item and the Second Amended DBRA Budget item would be presented in succession prior to voting on each item.

## **GENERAL**

### **Approval of Minutes:**

Mr. Walters called for a motion approving the minutes of January 10, 2018 as presented. The Board took the following action:

On a motion by Mr. Sanders, seconded by Mr. George, DBRA Resolution Code 18-01-02-228 was unanimously approved.

### **Acceptance of the December 2017 Treasurer's Report**

Mr. Walters called for a motion accepting the December Treasurer's report. The Board took the following action:

On a motion by Mr. Sanders, seconded by Ms. McClain, DBRA Resolution Code 18-01-03-171 was unanimously approved.

## **PROJECTS**

### **AMC Site- 14250 Plymouth: Approve Performance of Due Diligence Activities on behalf of the City of Detroit**

Mr. Jordan presented the AMC project.

### **Project Introduction**

On December 19, 2017 the Detroit City Council approved entering into an agreement to swap land with Wayne County for the construction of a new Wayne County criminal justice facility (Exhibit A). The Wayne County Commission is anticipated to vote sometime in February 2018 on the proposal. The City Administration is asking the DBRA to approve

the performance of due diligence activities in advance of Wayne County Commission approval of the land swap.

The County is considering constructing a new criminal justice complex consisting of a jail and new court facilities on land adjacent to the Detroit Department of Transportation headquarters and maintenance facility on East Warren Avenue near I-75 ("DDOT parcel"). In exchange for the DDOT parcel, the County has offered to deed the former American Motors Corporation site at 14250 Plymouth Road near Schaefer Highway (the AMC Site") on the westside of Detroit to the City as an even exchange.

The AMC Site consists of 45.3 acres bounded by Strathmoor St. on the west, Plymouth Road on the south, Shirley Ave. on the east and Fullerton Ave. on the north. The Site is likely a facility and will likely qualify as an eligible Brownfield property due to its: prior historic development, historic industrial use, long term vacancy and exposure to scrapping and scavenging, large amounts of uncontrolled fill on site, and tax foreclosure acquisition of the Site by Wayne County and transfer to the Wayne County Land Bank.

The proposed land swap agreement proposes a November 1, 2018 due date to complete due diligence activities on the AMC Site. If, after completing due diligence work, the City were to decide not to accept the AMC Site, the County would instead pay the City \$775,000 in lieu of the land swap for the land adjacent to the DDOT parcel.

In furtherance of the DBRA's statutory goal of revitalizing environmentally distressed areas and alleviating blight within the City of Detroit, as well as the powers given to the DBRA per Act 381 of 1996, as amended, the City Administration has asked the DBRA to perform due diligence activities at the AMC Site via a Right of Entry with the Wayne County Land Bank (Exhibit B). City and DEGC staff are confident that if environmental conditions are identified and an economically feasible cleanup plan is able to be created, the AMC Site would be the top available large industrial site in the City of Detroit. As a result, a clean AMC Site would receive very strong interest from industrial businesses seeking a new facility in Southeast Michigan.

DEGC staff agree that the DBRA is well positioned to assist the City with the due diligence activities as allowed by Act 381 of 1996, as amended, at the AMC Site.

Mr. George asked who owned the property and Mr. Jordan advised that the property is owned by the Wayne County Landbank.

Ms. Wilkinson asked how reasonable cost is being defined. Mr. Jordan advised that the thought process behind the cost is similar to what has been done on previous projects like the I-94 Industrial area and they assume the cost will be in the same ballpark. Ms. Kanalos advised that more details would be provided on the next agenda item. Ms. Navin gave details on the swap agreement to provide more context.

Ms. McClain asked about the DBRA staff using DBRA funds to pay for the due diligence as stated on page 28 of the board packet and in addition why has the source of funding

not been identified yet. Ms. Navin advised that typically the cost that is incurred would be passed on to a developer and would be a part of their purchase price. If the city decides not to move forward with the site the city has the option to decline taking on the site and then they get a cash payment in which the DBRA would work with the city to be reimbursed.

Mr. Sanders provided additional history on the site since he is a lifelong resident of the neighborhood. Mr. Sanders provided details about the contamination and the illegal dumping of hazardous chemicals. Mr. Sanders advised that he is in full support of the project.

Attached for the Board's review and approval was a resolution approving the DBRA to undertake and perform due diligence activities as permitted by Act 381 of 1996, as amended, on behalf of the City for the AMC Site.

**AMC Site- 14250 Plymouth Road Approve Environmental & Geotechnical Site Assessment Services Contract**

Mr. Dailey presented the AMC site project.

**Project Introduction**

On December 20, 2017 the DBRA solicited the submission of competitive proposals from experienced and well-qualified professional firms for the provision of the Site Assessment Services associated with the DBRA's Pre-development Site Preparation of the AMC Site located at 14250 Plymouth Road via a Request for Proposals (the "RFP").

The DBRA is evaluating the site on behalf of the City of Detroit for Environmental and Geotechnical Due Diligence in connection with the DDOT and Wayne County Land Bank swap agreement and for attracting industrial facility developments to the Project.

The key details of the proposal are as follows:

**Project Scope:**

- Phase 1 Environmental Site Assessment
- Stock piled (non-native) soil, testing & characterizing soils for contaminants
- Gridding sampling, testing & characterizing of native ground soils for contaminants
- Geotechnical investigation
- Hazardous material survey of existing facilities

**Price:**           \$ 79,840 – Base Contract  
                      \$ 33,160 – Land Fill Disposal Assessment (as needed)  
                      \$113,000 – Sub Total  
                      \$ 23,600 – 20% Contingency Due to Large Unknowns  
                      **\$136,000 – Total Board Approved Amount**

**Bid Due Date:** Tuesday, January 16, 2018

**Selection of Contractor:** Wednesday, January 17, 2018

**Contractor Selected:** Testing Engineering & Consultants, Inc. (a.k.a. "TEC")

DBRA staff recommend selection of Testing Engineers & Consultants, Inc. who were the lowest cost, responsive bidder to the RFP for professional services for environmental and geotechnical due diligence at the AMC Site.

Ms. McClain asked if the contracting firm was the lowest bid. Mr. Dailey advised that it was the lowest, most responsive bid.

Mr. George asked if this request is approved today when would the actual work begin. Mr. Dailey advised that the consultant would be ready to go very soon, which would likely lead to a 3 month timeline to complete testing and reporting.

Ms. Wilkins asked if the contract provides an opportunity for cleanup and what would be the sense of urgency to get the site cleaned up immediately after the site assessment is complete. Ms. Wilkins also expressed her concern that the site is only being looked at due to an economic opportunity and not because of the welfare of the residents in the area. Ms. Navin provided additional information about the due diligence and the efforts involved in cleaning up a site of this magnitude. Ms. Navin advised that the city to date has not had any legal obligation to this site and they are currently evaluating if they want to take on the responsibility.

Ms. Wilkins advised that she wanted to go on record and say that something must be done on this site for the safety and welfare of the people in that community.

A resolution approving and authorizing the DBRA to enter into a contract with Testing Engineers & Consultants, Inc. for Environmental and Geotechnical Due Diligence was attached for the Board's review and consideration.

### **ADMINISTRATIVE**

#### **Approve Second Amended DBRA Budget (FY 2017-2018)**

Ms. Kanalos presented the Second Amended DBRA budget for FY 2017-2018.

Attached to the following resolution please find the Second Amended DBRA budget for FY 2017-2018 (the "Budget") for your review and approval. The Budget was reviewed by the DBRA Budget Committee on January 17, 2018 which recommended adoption of the amended Budget.

The revisions to the budget, highlighted in the attached Exhibit A, are as follows:

Revenue:

1. Increase in "Brownfield Application/Administration Fees" from \$600K to \$765K
2. Increase in "Interest/Other Income" from \$5K to \$10K

Expenses:

1. Increase in "Legal" from \$75K to \$150K
2. Increase in "Special Projects/Contingency" from \$40K to \$255K

Surplus/Shortfall

1. A budget shortfall of \$120K to be covered with \$120K in funds from the DBRA Reserves. Reserves will only be used if, and as actually needed.

A resolution approving the Second Amended DBRA budget was attached for the Board's review and approval.

Mr. Walters called for a motion approving the Performance of Due Diligence Activities on behalf of the City of Detroit. The Board took the following action:

On a motion by Mr. George, seconded by Mr. Sanders, DBRA Resolution Code 18-01-254-02 was approved.

Mr. Walters called for a motion approving the Environmental & Geotechnical Site Assessment Services Contract. The Board took the following action:

On a motion by Mr. George, seconded by Ms. McClain, DBRA Resolution Code 18-01-254-02 was unanimously approved.

Mr. Walters called for a motion approving the Second Amended DBRA Budget for FY 2017-2018. The Board took the following action:

On a motion by Ms. Wilkins, seconded by Ms. McClain, DBRA Resolution Code 18-01-01-192 was approved.

**OTHER**

None

**PUBLIC COMMENT**

None

**ADJOURNMENT**

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

On a motion by Ms. Wilkins, seconded by Ms. McClain the meeting was unanimously adjourned at 9:49 AM.