

City of Detroit

Brownfield Redevelopment Authority

Community Advisory Committee

500 Griswold Street • Suite 2200

Detroit, Michigan 48226

Phone: 313 963-2940

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DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES OF THE
REGULAR COMMUNITY ADVISORY COMMITTEE MEETING
WEDNESDAY, AUGUST 23, 2017 -- 5:00 PM
AT DEGC OFFICES
500 GRISWOLD, SUITE 2200
DETROIT, MI

COMMITTEE MEMBERS

PRESENT: Rick Blocker
Kamal Cheeks
Brad Lutz
Allen Rawls
Sandra Stahl
Marlowe Stoudamire

COMMITTEE MEMBERS

ABSENT: Michelle Lee
Simone Sagavoc
Misha Stallworth

OTHERS PRESENT: Ayesha Maxwell (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Jessica Debone (PM Environmental)
Graten Little (BASCO)

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Call to Order

Mr. Rawls, Chair, called the meeting to order at 5:12 p.m.

General

Approval of Minutes

Mr. Rawls called for approval of the minutes of the August 9, 2017 (resolution) DBRA-CAC meeting. The Committee took the following action:

On a motion by Mr. Lutz, seconded by Mr. Cheeks, DBRA-CAC Resolution Code 17-08-02-124, approving the August 9, 2017 CAC minutes, was unanimously approved.

Projects

220 West Congress Brownfield Redevelopment Plan

Ms. Maxwell presented the 220 West Congress project for review and consideration. A PowerPoint presentation provided renderings and maps. The developer, Graten Little, answered questions about potential tenants, lease rates, project financing, construction contractors, green infrastructure, building design, and project timing.

Project Introduction

220 West Congress Detroit, LLC is the project developer (the “Developer”) and owner of the property for the Plan which entails one parcel, commonly known as 220 West Congress Street. The developer intends to renovate the five-story building on the property to modernize the 36,500 total square feet of office and retail space. Constructed in the early 1900’s, the building has been occupied by various professional offices and restaurants since the 1950’s and is currently 96% vacant.

The final use will serve as mixed use space. The first-floor retail space will be completely renovated with the intention of retaining the current Subway tenant, the building’s sole current tenant. The second through fifth floors will be extensively renovated and will be marketed as incubator-style office spaces. The Developer has received interest from potential tenants in tech and creative industries and hopes to secure tenants who will help to activate the Congress Street Corridor and the west side of Detroit’s Central Business District (CBD).

The Developer will restore and rehabilitate the building’s exterior, including a redesigned façade and repurposed roof with a rooftop terrace. The building’s interior will be rehabilitated to include energy efficient building materials and mechanics. Additionally, the Developer is working with the City to invest in improvements to the adjoining, publicly owned alley to the west of the building with the intention of activating the alley a public gathering and art space.

It is estimated that 40 temporary construction jobs will be created and 1 additional permanent jobs by developer as well as 75 expected jobs to be created by prospective tenants. Total

investment is expected to be approximately \$6,898,000.00. The Developer is requesting \$1,077,225.00 in TIF reimbursement under the proposed Plan.

Property Subject to the Plan

The eligible property (the “Property”) consists of a single (1) parcel containing only 220 West Congress Street located in Detroit’s Central Business District and Historic Detroit Financial District. The property is located on the west side of downtown Detroit bounded by the alley between Shelby Street and West Fort Street to the north, the property line to the east, West Congress Street to the South and the alley between West Congress and Washington Boulevard to the west

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 is determined to be a “facility” as described in Part 201 of the Natural Resources and Environmental Protection Act, 1994 PA 451, MCL 321.20101 to 324.20142 (“Part 201”).

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, due care activities, demolition and lead and asbestos abatement, infrastructure improvements, site preparation activities and the development and preparation of brownfield plan and /or 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 begin in the winter of 2017 and be complete within two 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 ESA Update | \$2,200.00 |
| 2. Phase II ESA/BEA/DDCC | \$9,110.00 |
| 3. Due Care Activities | \$50,000.00 |
| 4. Demolition | \$180,000.00 |
| 5. Asbestos and Lead | \$24,100.00 |
| 6. Infrastructure Improvements | \$508,000.00 |
| 7. Site Preparation Activities | \$130,000.00 |
| 8. Brownfield Plan and Act 381 Work Plan | \$40,000.00 |
| 9. 15% Contingency | \$133,815.00 |
| Total Reimbursement to Developer | \$1,077,225.00 |
| 10. Authority Administrative Costs | \$153,124.00 |
| 11. State Brownfield Redevelopment Fund | \$147,827.00 |
| 12. Local Brownfield Revolving Fund | \$86,290.00 |
| TOTAL Estimated Costs | \$1,464,456.00 |

Other Development Incentives

The Developer of this Plan is seeking additional support through the Michigan Strategic Fund's Community Revitalization Program and through an Obsolete Property Rehabilitation Act (OPRA) abatement.

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.

Mr. Rawls called for a motion recommending the 220 West Congress Redevelopment Plan.

Mr. Cheeks motioned to recommend approval of the 220 West Congress Brownfield Redevelopment without a CAC public hearing and without appointing special members. Mr. Blocker seconded the motion. DBRA-CAC Resolution Code 17-08-247-01, recommending approval of the 220 West Congress Brownfield Redevelopment Plan, was unanimously approved.

751 Griswold Brownfield Redevelopment Plan

Mr. Vosburg presented the 751 Griswold project for review and consideration. A PowerPoint presentation provided renderings and maps. The developer, Graten Little, answered questions about project tenants, project design, construction costs, and project completion timing. Mr. Vosburg answered questions about eligible activities timing.

Project Introduction

751 Griswold Detroit, LLC is the project developer (the "Developer") for the Plan which entails the renovation of a four-story office building, constructed in 1924 under architect Albert Kahn and sculptor Corrado Parducci. The renovation includes retail space on the first floor and office space on the 2nd through 4th floors. The first-floor retail space will make use of both the basement and mezzanine space. The redesign of the building incorporates essential considerations specific to modern office spaces and "state of the art" telecommunications technology systems. The rehabilitation of the Property includes the repair or replacement of all of the deteriorated and/or damaged plaster, masonry, brick and stone. Particular attention is being given to the preservation of the historic nature of the Property by ensuring that the damaged decorative details will be replaced with material consistent with the current profile, finish, and color.

It is estimated that 79 temporary construction jobs will be created and 2 permanent jobs are expected to be created. Total investment is expected to be approximately \$6,883,375.00. The Developer is requesting \$836,869.00 in TIF reimbursement for eligible activities under the proposed Plan.

The eligible property (the "Property") consists of a single (1) parcel located at 751 Griswold Street in Detroit's Central Business District, bounded by West Lafayette Boulevard to the north, Griswold Street to the east, the property line to the south and the property line to the west.

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 is determined to be a historic resource and functionally obsolete.

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 included include demolition and asbestos abatement, infrastructure improvements, site preparation, and development and preparation of brownfield plan and/or 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.

Eligible activities commenced in October 2014 and completed in April 2017. The project is requesting retroactive reimbursement on eligible activities due to an increase in budget and timelines on the project as a result of numerous unforeseen circumstances. This included identification of plaster behind the previous wall coverings (i.e. drywall, paneling), which was determined to be asbestos containing. The asbestos containing materials were extensive and required abatement throughout the entire building. Re-construction and stabilization of the sidewalks surrounding the property, was required by the City of Detroit. During the start of construction, the City determined the existing public sidewalks to be structurally unsound, which required a full tear out and re-build of the infrastructure. In addition to the demolition and new concrete that was required, this included re-engineering and construction of all the supports under the sidewalk in the basement of the building, which extends under the public sidewalk space. Relocation and replacement to existing utility lines were required as a result of the construction on the sidewalk as well.

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. Demolition | \$285,842.00 |
| 2. Asbestos Abatement | \$213,814.00 |
| 3. Infrastructure Improvements | \$139,498.00 |
| 4. Site Preparation | \$185,716.00 |
| 5. Brownfield Plan and Work Plan Preparation | \$12,000.00 |
| Total Reimbursement to Developer | \$836,869.00 |
| 6. Authority Administrative Costs | \$90,182.00 |
| 7. State Brownfield Redevelopment Fund | \$98,142.00 |
| 8. Local Brownfield Revolving Fund | \$0.00 |
| TOTAL Estimated Costs | \$1,025,193.00 |

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 Development Incentives

The Developer has received additional incentives through the Michigan Strategic Fund's Community Revitalization Program, through and Obsolete Property Rehabilitation Tax Abatement (OPRA), and federal Historic Preservation Tax Credits.

Mr. Rawls called for a motion recommending 751 Griswold Redevelopment Plan.

Mr. Stoudamire motioned to recommend approval of the 751 Griswold Brownfield Redevelopment without a CAC public hearing and without appointing special members. Ms. Stahl seconded the motion. DBRA-CAC Resolution Code 17-08-248-01, recommending approval of the 751 Griswold Brownfield Redevelopment Plan, was unanimously approved.

Other Matters

Committee Member Sandra Stahl made a request to DBRA staff that additional detail be included in future minutes of public meetings to include a fuller description of comments presented.

Public Comment

None

Adjournment

Citing no further business, Mr. Rawls called for a motion to adjourn.

On a motion by Mr. Cheeks seconded by Ms. Stahl motion to adjourn was unanimously approved at 6:31 pm.

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CODE DBRA CAC 17-08-02-124

APPROVAL OF MINUTES OF AUGUST 9, 2017

RESOLVED, that the minutes of the regular meeting of August 9, 2017 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.

August 23, 2017

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CODE DBRA-CAC 17-08-247-01

220 WEST CONGRESS 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 220 West Congress Project (the “Plan”) to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its August 23, 2017 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 **220 West Congress 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.

August 23, 2017

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CODE DBRA-CAC 17-08-248-01

751 GRISWOLD 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 751 Griswold Project (the “Plan”) to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its August 23, 2017 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:
 - c. 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 **751 Griswold Brownfield Redevelopment Project**.
 - d. 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.

August 23, 2017