



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES OF THE
SPECIAL COMMUNITY ADVISORY COMMITTEE MEETING
WEDNESDAY, APRIL 15, 2020 - 3:30 PM
HELD VIA ZOOM**

COMMITTEE MEMBERS

PRESENT:

Rick Blocker
Kamal Cheeks
Dr. Regina Randall
Brad Lutz
Peter Rhoades
Allen Rawls

COMMITTEE MEMBERS

ABSENT:

Simone Sagovac
Michelle Lee
Rico Razo

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Malinda Jensen (DEGC)
Kate Baker (Oakland Housing)
Bret Stuntz (SME)
Chris Brochert (1475 E. Jefferson)
Dennis Archer Jr. (1475 E. Jefferson)
Jared Belka (Warner Norcross & Judd)
Mike Fitzgerald (1475 E. Jefferson)
Jason Horton (1475 E. Jefferson)



Call to Order

Mr. Rawls, Vice-Chairperson, called the meeting to order at 3:34 p.m.

Mr. Vosburg explained the process for making motions and voting to be compliant with the Governor's Executive Order 2020-48, as well as the process for CAC members to indicate that they had a question or statement using the Zoom video conference features.

General

Mr. Rawls acknowledged the recent loss of Mr. Stoudamire and his contribution to the DBRA-CAC.

Approval of Minutes

Mr. Lutz noted a correction to the date on the resolution for the Dakkota Integrated Systems, L.L.C. Brownfield Redevelopment Plan. Mr. Rawls called for approval of the minutes of the February 12, 2020 (resolution) DBRA-CAC meeting, with a correction to the date on the resolution for the Dakkota Integrated Systems, L.L.C. Brownfield Redevelopment Plan. The Committee took the following action:

Mr. Cheeks made a motion approving the minutes of the February 12, 2020 Board meeting, with a correction to the date on the resolution for the Dakkota Integrated Systems, L.L.C. Brownfield Redevelopment Plan. Dr. Randall seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Cheeks, Mr. Lutz, Mr. Rawls, Mr. Blocker, and Dr. Randall

Nays: None.

DBRA-CAC Resolution Code 20-04-02-149 was approved.

Projects

Amended and Restated Brownfield Plan for 1475 E. Jefferson

Mr. Vosburg introduced the Amended and Restated Brownfield Plan for 1475 E. Jefferson to the CAC members present.

Project Introduction

Jefferson Larned Development Company LLC is the project developer (the "Developer") for the Plan. The project is a planned construction of an approximately 42,000 square-foot grocery market and approximately 100 surface parking spaces.

The total investment is estimated to be \$15.6 million. The Developer is requesting \$2,710,000.00 in TIF reimbursement.

There will be approximately 100 temporary construction jobs and 72 FTE jobs.

Property Subject to the Plan

The eligible property (the "Property") consists of three (3) parcels located at 1401-1475 E. Jefferson Avenue located on the block bounded by Rivard Street to the west, Larned Street to the north, St. Aubin Street to the east, and E. Jefferson Avenue to the South.

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) was determined to be a "facility" 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 department specific activities, demolition, site preparation, infrastructure improvements, and development and preparation 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. Baseline Environmental Assessment Activities	\$20,000.00
2. Department Specific Activities	\$1,115,000.00
3. Demolition	\$75,000.00
4. Site Preparation	\$960,000.00
5. Infrastructure Improvements	\$510,000.00
6. Brownfield Plan & Work Plan Preparation/Implementation	\$30,000.00
Total Reimbursement to Developer	\$2,710,000.00
7. Authority Administrative Costs	\$648,582.00
8. State Brownfield Redevelopment Fund	\$198,574.00
9. Local Brownfield Revolving Fund	\$766,721.00
TOTAL Estimated Costs	\$4,323,877.00

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 not seeking additional tax incentives.

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. Archer provided more information on the project including changes to the Plan with the removal of the sub-level parking and residential units from the project due to an increase in construction costs, the planned improvements to the park adjacent to the Property, the anticipated grocery store, operated by Meijer, will have groceries only and will not offer a wider variety of goods for purchase as in the majority of other Meijer locations.

Mr. Lutz asked how the construction timeline for the project may be affected by the current Coronavirus crisis. Mr. Archer stated that the Developer is ready to start construction once all approvals for the project are obtained and all financing for the project is secured, the construction of grocery stores has been deemed to be “essential” and the construction of the development would not be halted due to any Executive Orders but it could be a challenge to obtain construction materials for the project and that may affect the construction timeline, but the current timeline has construction beginning by June 1, 2020.

Mr. Lutz asked if there could be a future phase of the project to include residential units on the Property. Mr. Archer stated that there is no way to build vertically on top of the grocery store as the plans for the building currently stand. Mr. Brochert added that since the grocery store will be operating, it would cause a significant disruption to the business if the construction of the residential units above were to occur and that there would not be sufficient parking on the Property to accommodate residential units added.

Dr. Randall noted that the support letters included in the Plan were from businesses and asked what the community engagement has been and if there is support from the community for the Plan. Mr. Archer stated that the Developer has had multiple meetings with the community regarding the project and the updates to the project and have received positive feedback from the community on the project, and the Developer is working on a website to provide information to the public regarding the project.

Mr. Cheeks asked if there were other changes made to the project aside from the removal of residential units and sub-level parking. Mr. Brochert stated that there are plans to include underground stormwater retention systems and Mr. Belka added that the stormwater retention system will have to be more advanced due to the contamination of the Property, the level of excavation of soils required on the Property has been decreased because of the removal of the sub-level parking structure, and a green wall will be included near the entrance of the grocery store.

Mr. Rawls called for a motion recommending approval of the Amended and Restated Brownfield Plan for 1475 E. Jefferson.

Mr. Lutz made a motion to recommend approval of the Amended and Restated Brownfield Plan for 1475 E. Jefferson without a CAC public hearing and without appointing special members. Mr. Cheeks seconded the motion. A roll call vote was conducted with the following result:

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

Nays: None.

Abstentions: Dr. Randall

DBRA-CAC Resolution Code 20-04-252-02 was approved.

Brownfield Plan for Corktown Housing

Mr. Vosburg introduced the Brownfield Plan for Corktown Housing to the CAC members present.

Project Introduction

Corktown Housing, LLC (a wholly owned subsidiary of Oakland Housing, a 501(c)(4) non-profit organization) is the project developer (the "Developer") for the Plan. The project entails the development of blighted property into owner-occupied affordable housing. Phase I, currently under construction, consists of 14 townhome units spread over three buildings. Phase II consists of 18 townhome units spread over four buildings, and Phase III consists of approximately 54 units of small multi-family townhomes and duplexes. Other features of the project include a green alley, a pocket park, and community space.

The total investment is estimated to be \$18.6 million. The Developer is requesting \$2,667,685.00 in TIF reimbursement.

There will be approximately 68 temporary construction jobs and 0 FTE jobs.

Property Subject to the Plan

The eligible property (the "Property") consists of thirty-one (31) parcels bounded by Spruce Street to the north, property lines to the east, the West Fisher Freeway to the south, and Wabash Street 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 industrial purposes; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the parcels are determined to be either blighted as defined by Act 381, or are adjacent and contiguous to at least one blighted parcel.

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 department specific activities, including Baseline Environmental Assessment activities, due care activities, demolition, site preparation, infrastructure improvements, 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 Response Activities	\$20,000.00
2. Due Care Planning Activities	\$10,000.00
3. Demolition	\$228,459.00
4. Site Preparation	\$1,387,586.00
5. Infrastructure Improvements	\$663,246.00
6. Brownfield Plan & Work Plan Preparation/Implementation	\$60,000.00
7. Contingency (15%)	\$358,394.00
Total Reimbursement to Developer	\$2,667,685.00
8. Authority Administrative Costs	\$567,914.00
9. State Brownfield Redevelopment Fund	\$185,199.00
10. Local Brownfield Revolving Fund	\$568,967.00
TOTAL Estimated Costs	\$3,989,765.00

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 not seeking additional tax incentives.

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. Rawls asked Mr. Vosburg to provide an explanation to the CAC on how the Plan is eligible for TIF reimbursement in light of the construction having already begun on the Property. Mr. Vosburg stated that the Property qualifies to be included in the Plan because there are blighted conditions still present on the Property and under the DBRA Guidelines there is a lookback policy that allows for a lookback on the non-environmental eligible activities completed on the Property. DBRA staff are recommending support for a lookback on this project due to the significant amount of unexpected buried demolition debris found during construction of Phase 1. Future phases are likely to contain the same amounts of buried demolition debris.

Ms. Baker provided more information on Oakland Housing and its mission to provide affordable, for sale, workforce housing that includes sustainable design elements, the unexpected increase in costs for the

project due to the subsurface debris, and the plan to utilize the TIF reimbursements to complete future phases of the project.

Mr. Cheeks asked what the expected pricing is for the residential units. Ms. Baker stated that the Developer views 80-120% of the Area Median Income (AMI) as “affordable” and the residential units will be priced according to those AMIs, and will be priced at approximately \$226,000-\$256,000 per unit which is significantly lower than other residential units in the area of the Property and Oakland Housing offers 0% interest second mortgages on its residential units which are not due or payable until the sale of the unit which makes the units more affordable since buyers are only financing an amount that they can afford.

Mr. Cheeks asked how the residential units will be listed as available to purchase. Ms. Baker stated that the units will be listed on Oakland Housing’s website and the Developer has worked with O’Connor Realty and a staff person who used to be at First Independence Bank who is now with Main Street Bank on the marketing and mortgage origination for the sale of residential units. Because Oakland Housing performs its own financing it is able to offer mortgages to those who would have challenges when seeking mortgage financing through traditional banks.

Mr. Lutz asked what the average size will be of the residential units on the Property. Ms. Baker stated that the residential units will range from 1,300-1,500 square feet and will have two bedrooms with a bonus room and will have 1.5-2.5 bathrooms.

Mr. Lutz asked where the public greenspaces will be located on the Property. Ms. Baker stated that the first phase of the project located north of Pine Street will have a pocket park located at Pine Street and Wabash Street and the park will not be designed until the units have been sold and the new residents are able to provide input on what will be included in the park. Ms. Baker added that the Developer manages the Pine Street Tree Nursery included as phase 2 of the project and it has become an important meeting place for the community so the Developer would like to continue its development to the north as opposed to the south in order to preserve that public space.

Mr. Rhoades asked if the Developer owns the parcel located to the east of Vermont Avenue. Ms. Baker stated that the Developer does not own the parcel located to the east of Vermont Avenue, it is privately owned by a gentleman who has recently passed away and the Developer is currently focusing on developing the parcels currently owned by the Developer and those that are City-owned.

Dr. Randall asked if the townhomes are handicap accessible. Ms. Baker stated that the units are not handicap accessible due to the design of the entrances being raised from ground level but stated that she would like future phases of the project to be handicap accessible.

Mr. Rawls asked if handicap accessibility was a requirement of the development. Ms. Baker stated that it was not a requirement for the development to be handicap accessible.

Mr. Rawls asked if there is an anticipated homeowners association on the Property. Ms. Baker stated that the development is currently designed to be a condominium development with a homeowner’s association with members paying dues which will go toward the maintenance of the landscaping and greenspace.

Mr. Cheeks asked if the residential units will have garages and the location of the parking. Ms. Baker stated that each unit has a two-car garage in the rear of the units and additional on-street parking is available.

Mr. Rawls called for a motion recommending approval of the Brownfield Plan for Corktown Housing.

Mr. Cheeks made a motion to recommend approval of the Brownfield Plan for Corktown Housing 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. Cheeks, Mr. Lutz, Mr. Rawls, Mr. Blocker, Mr. Rhoades, and Dr. Randall

Nays: None.

DBRA-CAC Resolution Code 20-04-286-01 was approved.

Administrative

None.

Other

None.

Public Comment

None.

Adjournment

Citing no further business, Mr. Rawls adjourned the meeting at 4:23 pm.



CODE DBRA CAC 20-04-02-149

APPROVAL OF MINUTES OF FEBRUARY 12, 2020

RESOLVED, that the minutes of the regular meeting of February 12, 2020 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.

April 15, 2020



CODE DBRA-CAC 20-04-252-02

AMENDED AND RESTATED 1475 E. JEFFERSON 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 1475 East Jefferson Project** (the "Plan") to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its April 15, 2020 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 an Amended and Restated Brownfield Plan for the **1475 East Jefferson 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.

April 15, 2020



CODE DBRA-CAC 20-04-286-01

CORKTOWN HOUSING 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 Corktown Housing Project** (the "Plan") to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its April 15, 2020 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 **Corktown Housing 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.

April 15, 2020