



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES OF THE
REGULAR COMMUNITY ADVISORY COMMITTEE MEETING
WEDNESDAY, SEPTEMBER 9, 2020 - 5:00 PM
HELD VIA ZOOM**

COMMITTEE MEMBERS

PRESENT:

Kamal Cheeks
Rick Blocker
Brad Lutz
Peter Rhoades
Allen Rawls
Dr. Regina Randall
Michelle Lee
Rico Razo

COMMITTEE MEMBERS

ABSENT:

Simone Sagovac

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Malinda Jensen (DEGC)
Kenyetta Bridges (DEGC)
Jean Belanger (DEGC)
Mark LoPatin (LoPatin&Co.)
Tim Conder (NorthPoint Development)
Matt Gaston (NorthPoint Development)
Jon LoPatin



Call to Order

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

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

General

Approval of Minutes

Mr. Cheeks called for approval of the minutes of the June 24, 2020 (resolution) DBRA-CAC meeting, as presented. The Committee took the following action:

Mr. Rawls made a motion approving the minutes of the June 24, 2020 Board meeting, as presented.

Mr. Razo seconded the motion. A roll call vote was conducted with the following result:

Ayes: Mr. Blocker, Mr. Cheeks, Mr. Lutz, Mr. Rawls, Mr. Razo, Ms. Lee, and Mr. Rhoades
Nays: None.

DBRA-CAC Resolution Code 20-09-02-153 was approved.

Dr. Randall joined the meeting at 5:07 pm.

Projects

Brownfield Plan for the Former Cadillac Stamping Plant Redevelopment Project at 9501 Conner Street

Mr. Vosburg presented the Brownfield Plan for the Former Cadillac Stamping Plant Redevelopment Project at 9501 Conner Street.

Project Introduction

Northpoint Development is the project developer (the "Developer") for the Plan. The 9501 Conner Street parcel is the site of the former Cadillac Stamping Plant that was closed in 1986 and later used by a machine shop. The factory became abandoned in 2015 and a former owner began salvaging metals from the building. The project entails the preparation of the Property for the construction of an approximately 682,000 square foot industrial multi-tenant facility.

The total investment is estimated to be \$47.9 million. The Developer is requesting \$18,425,523.00 in TIF reimbursement however, only current projections estimate approximately \$17,573,740 will be captured and reimbursed to the Developer over the life of the Plan.

There will be approximately 100 temporary construction jobs and 450 FTE jobs.

Property Subject to the Plan

The eligible property (the "Property") consists of 9501 Conner Street and 10600, 10640, 10644 (partial), and 10648 (partial) Gratiot Avenue, and consist of three full parcels and part of two other parcels containing approximately 44.768 acres of land located between Conner Street, Gratiot Avenue, Devine Street and Corbett Avenue.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) was previously utilized for an industrial, commercial or residential purpose; (b) is located within the City of Detroit, a qualified local governmental unit; and (c) was determined to be a "facility" as defined by Act 381. The remaining parcels are adjacent or contiguous to the eligible parcels.

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, lead and asbestos abatement, site preparation, infrastructure improvements, and the development and preparation of a brownfield plan and 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. BEA Activities	\$225,000.00
2. Department Specific Activities	\$8,500,000.00
3. Demolition & Abatement	\$5,271,107.00
4. Site Preparation	\$1,000,000.00
5. Infrastructure Improvements	\$1,000,000.00
6. Brownfield Plan & Work Plan Preparation	\$15,000.00
7. Brownfield Plan & Work Plan Implementation	\$15,000.00
8. Contingency (15%)	\$2,399,416.00
Total Reimbursement to Developer	\$18,425,523.00
9. Authority Administrative Costs	\$3,280,938.00
10. State Brownfield Redevelopment Fund	\$1,018,245.00
11. Local Brownfield Revolving Fund	\$0.00
TOTAL Estimated Costs	\$22,724,706.00

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 Industrial Facilities Exemption Abatement (PA 198).

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. Conder provided additional information on the Developer and the project including the Developer’s prior experience with constructing industrial facilities across the U.S., the design for the project including the staging areas for trucks and the buffer areas around the Property.

Ms. Lee asked how the community responded to the project at the community meeting held the week prior. Mr. Conder stated that the community meeting went well and there were questions regarding the potential future tenants of the new facility and the biggest concern was how the increased traffic will affect the nearby residential areas and that the increased traffic will be addressed by allowing truck traffic in defined areas of

the Property and that trucks will be between the Property and the freeways and that the Developer has applied for grant funds from the State of Michigan to provide improvements to Devine Street.

Ms. Lee asked if the community had concerns about the environmental remediation needed on the Property. Mr. Conder stated that the community did have concerns about the environmental remediation needed on the Property and that over the years there has been scrapping of the pipes in the existing building which has left asbestos throughout the building which will be a challenge to remediate and that the Developer has experience with brownfield redevelopments including a project located near the Detroit Metro Airport.

Mr. Rhoades asked for clarification on the amount of TIF reimbursement being requested under the Plan and the projected amount to be reimbursed. Mr. Vosburg stated that the Developer is requesting \$18,425,523 in TIF reimbursement but only \$17,573,740 is projected to be captured over the life of the Plan but should the capture be greater than \$17,573,740, the Developer can capture up to the \$18,425,523 to be approved under the Plan.

Dr. Randall asked why there aren't more letters of support included in the Plan. Ms. Belanger stated that the Developer is working on getting more letters of support for the Plan but has been met with challenges due to COVID-19.

Mr. Rawls asked what Department Specific Activities include. Mr. Vosburg stated that Department Specific Activities include environmental remediation activities to be approved by the Environment, Great Lakes, and Energy Department of the State of Michigan.

Mr. Rawls asked what environmental features will be incorporated into the new facility. Mr. Conder stated that the Developer will be pursuing LEED certification for the new facility and some features may include skylights, green space on the Property, and the cleanup of the environmental contamination.

Mr. Rawls asked how the Developer will be handling the stormwater management issue since the new facility will have such a large footprint. Mr. Gaston stated that there will be three dry retention ponds which will be dry due to proximity of the Property to the City Airport.

Mr. Rawls asked what outreach the Developer will do to contract with Detroit-based contractors for the construction of the Property. Mr. Conder stated that a general contractor has not yet been selected and that the Developer will make an effort to select Detroit-based contractors.

Mr. Vosburg added that because the TIF request under the Plan is more than \$3 million, the Developer will be subject to the Executive Orders of the City of Detroit regarding the hiring of Detroit residents for the construction of the project.

Ms. Lee asked for more information on the PA 198 Industrial Facilities Exemption Abatement. Ms. Bridges stated that the Developer will be seeking approval of a PA 198 Industrial Facilities Exemption Abatement which will provide a 50% reduction on the property taxes for the improvements made to the Property for a period of up to 12 years.

Mr. Razo asked if the projected 450 permanent jobs to be created by the project could increase or decrease based on the future tenant of the Property. Mr. Conder stated that the number of permanent jobs could increase or decrease from the 450 projected currently but 450 is a fairly accurate estimate based on the experience of the Developer with other industrial projects and stated that the 450 jobs will roughly be divided equally between skilled and non-skilled and professional and non-professional positions.

Mr. Razo asked if the Developer will be working with any organizations on the hiring of Detroit residents for the permanent jobs. Mr. Conder stated that the Developer has committed to working with Detroit at Work for the hiring of Detroit residents for the permanent jobs.

Mr. Cheeks asked if the requested contingency of \$2,399,416 is higher than normal or if the contingency is higher in the anticipation of unforeseen eligible expenses. Mr. Vosburg stated that the requested contingency is the standard 15% of the eligible activities.

Mr. Cheeks recommended to the Developer that they do further community engagement with the area surrounding the Property.

Mr. Cheeks called for a motion recommending approval of the Brownfield Plan for the Former Cadillac Stamping Plant Redevelopment Project at 9501 Conner Street.

Mr. Rawls made a motion to recommend approval of the Brownfield Plan for the Former Cadillac Stamping Plant Redevelopment Project at 9501 Conner Street without a CAC public hearing and without appointing special members. Ms. Lee seconded the motion. A roll call vote was conducted with the following result:

Ayes: Dr. Randall, Mr. Cheeks, Mr. Lutz, Mr. Rawls, Mr. Razo, Ms. Lee, and Mr. Rhoades

Nays: None.

DBRA-CAC Resolution Code 20-09-292-01 was approved.

Administrative

None.

Other

None.

Public Comment

None.

Adjournment

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

Ms. Lee made a motion to adjourn the meeting. Mr. Razo seconded the motion.
The meeting was adjourned at 5:44 pm.



CODE DBRA CAC 20-09-02-153

APPROVAL OF MINUTES OF JUNE 24, 2020

RESOLVED, that the minutes of the regular meeting of June 24, 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.

September 9, 2020



CODE DBRA-CAC 20-09-292-01

**FORMER CADILLAC STAMPING PLANT REDEVELOPMENT PROJECT AT 9501 CONNER STREET
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 Former Cadillac Stamping Plant Redevelopment Project at 9501 Conner Street Project** (the “Plan”) to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its September 9, 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 **Former Cadillac Stamping Plant Redevelopment Project at 9501 Conner Street 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.

September 9, 2020