



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
MINUTES OF THE  
REGULAR COMMUNITY ADVISORY COMMITTEE MEETING  
WEDNESDAY, SEPTEMBER 23, 2020 - 5:00 PM  
HELD VIA ZOOM**

**COMMITTEE MEMBERS**

**PRESENT:**

Kamal Cheeks  
Rick Blocker  
Brad Lutz  
Peter Rhoades  
Allen Rawls  
Rico Razo

**COMMITTEE MEMBERS**

**ABSENT:**

Simone Sagovac  
Dr. Regina Randall  
Michelle Lee

**OTHERS PRESENT:**

Jennifer Kanalos (DEGC/DBRA)  
Brian Vosburg (DEGC/DBRA)  
Cora Capler (DEGC/DBRA)  
Nevan Shokar (DEGC)  
Katy Trudeau (City of Detroit)  
Bret Stuntz (SME)  
Seth Herkowitz (Godfrey)  
Matt Kalt (Oxford Capital)  
Sheila Cockrel (Crossroads Detroit)  
Sean Tobin (City of Detroit)  
Matt Walters



### **Call to Order**

Mr. Cheeks, Chairperson, called the meeting to order at 5:23 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 September 9, 2020 (resolution) DBRA-CAC meeting, as presented. The Committee took the following action:

Mr. Rawls made a motion approving the minutes of the September 9, 2020 Board meeting, as presented. Mr. Blocker seconded the motion. A roll call vote was conducted with the following result:

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

Nays: None.

DBRA-CAC Resolution Code 20-09-02-154 was approved.

### **Projects**

#### **Brownfield Plan for the Godfrey Hotel**

Ms. Capler presented the Brownfield Plan for the Godfrey Hotel.

#### **Project Introduction**

Godfrey Detroit PropCo, LLC is the project developer (the "Developer") for the Plan. The project entails the construction of a new, 227-room hotel located along Michigan Avenue in Detroit's historic Corktown neighborhood, one mile west of the central business district. The proposed hotel includes a ground-level lobby, bar and restaurant, an approximately 6,000 square-foot ballroom with prefunction space, and a rooftop café and amenity space.

The total investment is estimated to be \$74.1 million. The Developer is requesting \$5,391,811.00 in TIF reimbursement.

There will be approximately 350 temporary construction jobs and 160-200 FTE jobs.

#### **Property Subject to the Plan**

The eligible property (the "Property") consists of two (2) parcels located at 1401 and 1411 Michigan Avenue roughly bounded by Michigan Avenue to the north, 8<sup>th</sup> Street to the east, Leverette Street to the south, and the property line to the west in Detroit's Corktown 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 is 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 (environmental assessments, due care activities, and other response activities), demolition, lead and asbestos abatement,

site preparation, infrastructure improvements, interest, 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. BEA Activities	\$19,500.00
2. Due Care Activities	\$30,000.00
3. Additional Response Activities	\$79,592.00
4. Demolition & Abatement	\$113,880.00
5. Site Preparation	\$3,091,452.00
6. Infrastructure Improvements	\$416,006.00
7. Brownfield Plan & Work Plan Preparation	\$30,000.00
8. Brownfield Plan & Work Plan Implementation	\$30,000.00
9. Contingency (15%)	\$559,640.00
10. Interest	\$1,021,741.00
<b>Total Reimbursement to Developer</b>	<b>\$5,391,811.00</b>
11. Authority Administrative Costs	\$1,309,685
12. State Brownfield Redevelopment Fund	\$294,687.00
13. Local Brownfield Revolving Fund	\$1,735,043.00
<b>TOTAL Estimated Costs</b>	<b>\$8,731,226.00</b>

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 Commercial Rehabilitation Abatement (PA 210).

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. Herkowitz stated that the Developer has developed other Godfrey Hotels in various cities in the U.S., and provided additional information regarding the project including the design of the development to incorporate the design elements currently present in the Corktown neighborhood, the positive economic impact of the future development, the general contractor for the project is Christman Norcon, the Developer's plan for the hiring of Detroit residents and contractors for the construction of the development and the hiring of Detroit residents for the permanent jobs once the project is complete, and covered the Developer's community engagement efforts to date which includes their engagement of Sheila Cockrel of Crossroads Consulting and the plans for holding future community meetings regarding the project. Mr. Herkowitz added that in response to the parking issues for the project, the Developer has come to an agreement with the City of Detroit for the short-term and long-term plans for parking for the development

which includes surface parking in the short-term and the construction of a parking garage and residential units as a long-term parking solution.

Mr. Rawls stated that he would like to thank the Developer for a comprehensive presentation and asked how the Developer plans to hire Detroit-based subcontractors for the project. Mr. Herkowitz stated that the project is subject to Executive Order 2016-1 and that Christman has extensive experience with compliance with the Executive Order.

Mr. Rawls asked who the architect is for the project. Mr. Herkowitz stated that there are two architects for the project, Elkus Manfredi and Neumann Smith.

Mr. Rawls asked if there are any green or energy efficient design features for the project. Mr. Herkowitz stated that the architecture team would have more information on the energy efficient designs elements for the project.

Mr. Rawls asked what the parking plan is for the project. Mr. Herkowitz stated that the Developer has come to an agreement with the City of Detroit for the short-term and long-term plans for parking for the development which includes surface parking in the short-term and the construction of a parking garage and residential units as a long-term parking solution.

Mr. Rhoades asked what is included in the Site Preparation under Eligible Activities in the Plan. Mr. Stuntz stated that specialized foundations are included in the Site Preparation under Eligible Activities in the Plan and a large expense is due to fill material present on the site along with land balancing and grading needed for the Property for the new development.

Mr. Rhoades asked if the specialized foundations are needed due to this Property or if they would be needed naturally on other sites. Mr. Stuntz stated that the specialized foundations are needed due to this Property.

Mr. Rhoades asked if the Developer has received any feedback from the church or residence adjacent to the Property. Mr. Herkowitz stated that the Developer has received feedback from the church and has entered into written agreements with the church regarding the project and made alterations to the plans for the project to allow for more space around the adjacent residence.

Mr. Lutz asked for clarification on the total amount of TIF being requested under the Plan and stated that he hopes the Developer continues conversations in the community regarding the project. Mr. Lutz asked if it is the Developer's intent to develop the surface parking lots in the future. Mr. Herkowitz confirmed that it is the Developer's intent to develop the surface parking lots in the future.

Mr. Razo stated that he can provide contact information and assist the Developer in making connections with some of the local organizations to encourage the hiring of Detroit residents for the project.

Ms. Kanalos disclosed to the CAC that her husband works for Christman.

Mr. Cheeks stated that he likes the design of the project and that it fits in with the architecture and feel of the Corktown neighborhood and asked if there have been any adjustments made to the design or operation of the project due to COVID. Mr. Herkowitz stated that the Developer hopes by the time the project is completed by the end of 2021 that the effects of COVID on business operations will have subsided and that the Developer is looking for the demand for hotels and hospitality to rebound post-COVID and that the project is in the early stages of interior design and precautions for COVID will be taken into account.

Mr. Cheeks asked if there will be any residential units in the new development. Mr. Herkowitz stated that there will not be any residential units in the new development.

Mr. Cheeks called for a motion recommending approval of the Brownfield Plan for the Godfrey Hotel, as presented.

Mr. Rawls made a motion to recommend approval of the Brownfield Plan for the Godfrey Hotel without a CAC public hearing and without appointing special members. Mr. Razo seconded the motion. A roll call vote was conducted with the following result:

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

Nays: None.

DBRA-CAC Resolution Code 20-09-293-01 was approved.

#### **Administrative**

None.

#### **Other**

Mr. Rhoades stated that he had an interview at the Internal Operations Standing Committee for reappointment to the CAC and that the Councilmembers had questions regarding the communication between the CAC and City Council regarding any concerns the CAC may have about projects and how those concerns can be communicated to Councilmembers in the future.

Mr. Cheeks stated that he also had an interview at the Internal Operations Standing Committee for reappointment to the CAC and received the same questions regarding communication between the CAC and Detroit City Council and the community regarding projects in the City of Detroit.

Ms. Kanalos stated that both Mr. Rhoades and Mr. Cheeks did a great job in their interviews and that the minutes of the CAC meetings and local public hearings are sent to the Detroit City Council when a Brownfield Plan is submitted for consideration.

Mr. Rawls stated that the DEGC has various mailing lists and that may be one option for sending communications to the Detroit City Council.

#### **Public Comment**

None.

#### **Adjournment**

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

Mr. Rhoades made a motion to adjourn the meeting. Mr. Razo seconded the motion.  
The meeting was adjourned at 6:05 pm.



**CODE DBRA CAC 20-09-02-154**

**APPROVAL OF MINUTES OF SEPTEMBER 9, 2020**

RESOLVED, that the minutes of the regular meeting of September 9, 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 23, 2020



**CODE DBRA-CAC 20-09-293-01**

**GODFREY HOTEL 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 Godfrey Hotel 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 **Godfrey Hotel 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 23, 2020