



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES OF THE
REGULAR COMMUNITY ADVISORY COMMITTEE MEETING
WEDNESDAY, JANUARY 27, 2021 - 5:00 PM
HELD VIA ZOOM**

COMMITTEE MEMBERS

PRESENT:

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

COMMITTEE MEMBERS

ABSENT:

Simone Sagovac
Michelle Lee

OTHERS PRESENT:

Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Malinda Jensen (DEGC/DBRA)
Rod Hardamon (URGE Development)
Benecia Cousin (URGE Development)
George N'Namdi (N'Namdi Holdings)
Izegbe N'Namdi (N'Namdi Holdings)
Dylan Hengy



Call to Order

Mr. Cheeks, Chairperson, called the meeting to order at 5:07 p.m.

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

General

Approval of Minutes

Mr. Cheeks called for approval of the minutes of the October 21, 2020 (resolution) DBRA-CAC meeting, as presented. The Committee took the following action:

Mr. Rawls made a motion approving the minutes of the October 21, 2020 Board meeting, as presented. Dr. Randall seconded the motion. A roll call vote was conducted with the following result:

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

Nays: None.

DBRA-CAC Resolution Code 21-01-02-156 was approved.

Projects

Brownfield Plan for 7303 W. McNichols

Ms. Capler presented the Brownfield Plan for 7303 W. McNichols.

Project Introduction

7303 West McNichols, LLC is the project developer (the "Developer") for the Plan. The project entails the demolition of the current vacant structures and the construction of a new mixed-use development with approximately 6,100 square feet of retail space on the ground floor with approximately 38 residential units on the upper floors. The residential units will consist of studio, one and two-bedroom units. All 38 of the residential units will be affordable with rental rates between 60-80% of the Area Median Income (AMI). The development is designed to have both a walk-up style building along Prairie Street and a traditional apartment building with elevator entry along McNichols Road. There will be a shared outdoor roof deck space available to the residents. With respect to parking there will be a surface lot on-site with 29 parking spaces to the rear of the development which will include approximately 14 covered spots and 15 uncovered spots. Additional parking is expected to be available on a City-owned offsite parking lot.

The total investment is estimated to be \$9.7 million. The Developer is requesting \$1,155,552.00 in TIF reimbursement.

There will be approximately 103 temporary construction jobs, 2 permanent jobs related to property management will be created by the Developer and approximately 23 permanent jobs are expected to be created by the retail tenants.

Property Subject to the Plan

The eligible property (the "Property") consists of three (3) parcels bounded to the north by McNichols Road; to the south by a public alley; to the west by Prairie Street, and to the east by Monica Street along the northern border of the Fitzgerald 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 commercial and industrial purposes; (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 environmental assessment activities, department specific activities and additional response activities, demolition, site preparation, infrastructure improvements, and 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. Pre-Approved Activities	\$32,100.00
2. Environmental Remediation Activities	\$274,900.00
3. Demolition & Asbestos Abatement	\$239,500.00
4. Site Preparation	\$30,884.00
5. Infrastructure Improvements	\$368,500.00
6. Urban Stormwater Management System	\$50,000.00
7. Brownfield Plan & Work Plan Preparation	\$15,000.00
8. Brownfield Plan & Work Plan Implementation	\$15,000.00
9. Contingency (15%)	\$144,568.00
Total Reimbursement to Developer	\$1,155,452.00
10. Authority Administrative Costs	\$211,174.00
11. State Brownfield Redevelopment Fund	\$80,967.00
12. Local Brownfield Revolving Fund	\$0.00
TOTAL Estimated Costs	\$1,447,593.00

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 Commercial Rehabilitation Act (PA 210) and a Neighborhood Enterprise Zone (PA 147) Abatement. The Developer also plans to pursue a loan through the Michigan Economic Development Corporation’s Community Revitalization Program (CRP) and a grant through the Michigan Department of Environment, Great Lakes, and Energy (EGLE).

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. Hardamon provided more information about the project including the members of the development team, the goal of adding residential density to help activate the commercial corridor on McNichols Road, the commitment to affordable housing for this project to make it as accessible as possible, the plans to

provide a portion of the retail space to Detroit entrepreneurs to use as a pop-up format for retail, the goal of the design of the development to blend with the existing housing in the neighborhood, and the Developer's community engagement efforts for the project. Mr. N'Namdi added that this project will help to make McNichols a more active and dense community retail corridor.

Mr. Rhoades asked if there are any additional letters of support from community groups and if the Developer has been in contact with any other community groups in the area about the project. Mr. Hardamon stated that there are additional support letters being received for the project and that the Developer has been conducting a lot of community engagement efforts in the area including working with Bright Ideas in the Fitzgerald neighborhood community and will continue to be a constant presence in the community.

Mr. Rhoades asked how many additional parking spots will be available in the municipal parking lot. Mr. Hardamon stated that there is currently a temporary parking lot on the municipal lot that is currently used and that the City of Detroit will be paving the lot so that it is a parking lot that qualifies as additional parking for the project and for the other commercial activity on McNichols Road and there will be approximately 30-40 additional parking spaces available on the municipal parking lot.

Mr. Rawls stated that he thinks this a great project and asked who the architect is for the project. Mr. Hardamon stated that the architects for this project include Interface Studio Architects based in Philadelphia and Mannik and Smith based in Detroit.

Mr. Rawls asked about the extent of the contamination present on the Property. Mr. Hardamon stated that the contamination present on the 7355 McNichols Road parcel had been used as an autobody shop and a gas station before that so there are two underground storage tanks that will be removed and the soil present on the Property will be removed to eliminate the contamination on that parcel and the adjacent parcel.

Mr. Rawls asked if there are any environmental design elements in the project. Mr. Hardamon stated that all of the mechanical systems in the building will be as efficient as possible and as much surface area around the development as possible will be used for green stormwater infrastructure and greenery.

Mr. Rawls asked what the approximate rental rates will be for the residential units. Mr. Hardamon stated that the rental rates will be approximately \$700-1,200 for the two-bedroom units in the 80% AMI range.

Mr. Lutz stated that he wanted to give his kudos to the Developer on the project, particularly on the affordability of the residential units and the Developer's efforts to make the project affordable which takes a lot of work to put together a capital stack that can make that possible.

Mr. Lutz asked if there are any confirmed tenants for the retail spaces for the project. Mr. Hardamon stated that the Developer is in preliminary discussions with an established retail clothing store and a restaurant option, but until construction begins on the project there haven't been any commitments made for the retail spaces.

Mr. Lutz asked if there are any plans for an additional phase for the project. Mr. Hardamon stated that the development team is always looking for more opportunities, including in the McNichols Road corridor, for additional development projects.

Mr. Razo stated that he thinks this is a great project and that he is surprised that there weren't more support letters from community groups and that the surrounding area could use more participation by the Developer on other initiatives in the community and recommended that the Developer get in touch with the community groups to see how they can assist them in their efforts. Mr. Hardamon stated that the Developer has been pushing for more support for the community including improvements for the municipal parking lot, and that the Developer has been working with the Bethune Community Council on its neighborhood beautification efforts and that they are always willing to work with community groups to improve the area. Mr. N'Namdi added that the Developer's commitment to the community is greater than just being passive property owners in the area.

Dr. Randall stated that she was impressed by the support letters included in the Plan and that the number of letters from block clubs in the community was commendable.

Mr. Cheeks stated that he was happy to see a project that is in the heart of the neighborhoods of Detroit and asked why there aren't any three-bedroom units planned for the project. Mr. Hardamon stated that three-bedrooms units were contemplated but they were financially challenging to include while also keeping the project affordable and ultimately the Developer's commitment to affordability for the entire project was a higher priority.

Mr. Cheeks asked if an underground parking structure was contemplated for the project. Mr. Hardamon stated that an underground parking structure was contemplated for the project but the cost of building an underground parking structure was significant and there may not have been lender support for the additional construction costs.

Mr. Blocker stated that he was happy to see a project in this area and that he hopes to see more in the future and commends the Developer for its commitments to the area.

Mr. Cheeks called for a motion recommending approval of the Brownfield Plan for 7303 W. McNichols, as presented.

Mr. Razo made a motion to recommend approval of the Brownfield Plan for 7303 W. McNichols 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. Blocker, Mr. Cheeks, Mr. Lutz, Mr. Rawls, Mr. Razo, Dr. Randall, and Mr. Rhoades

Nays: None.

DBRA-CAC Resolution Code 21-01-295-01 was approved.

Administrative

None.

Other

Mr. Rhoades stated that there are members of the community who are not pleased with the Packard Plant project and its lack of progress given the tax incentives provided to the developer. Mr. Vosburg stated that there is a brownfield plan for a small portion of the Packard Plant that includes the Administration Building and that there has not been any tax increment revenues provided to the developer and that the City of Detroit has been paying careful attention to the progress of the project, or lack thereof.

Public Comment

None.

Adjournment

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

Mr. Lutz made a motion to adjourn the meeting. Mr. Rhoades seconded the motion.
The meeting was adjourned at 5:41 pm.



CODE DBRA CAC 21-01-02-156

APPROVAL OF MINUTES OF OCTOBER 21, 2020

RESOLVED, that the minutes of the regular meeting of October 21, 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.

January 27, 2021



CODE DBRA-CAC 21-01-295-01

7303 W. MCNICHOLS 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 7303 W. McNichols Project** (the “Plan”) to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its January 27, 2021 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 **7303 W. McNichols 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.

January 27, 2021