



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES OF THE
SPECIAL COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, APRIL 28, 2022 - 9:00 AM**

COMMITTEE MEMBERS

PRESENT:

Rick Blocker
Michelle Lee
Peter Rhoades
Brad Lutz
Rico Razo

COMMITTEE MEMBERS

ABSENT:

Kamal Cheeks
Simone Sagovac
Allen Rawls
Dr. Regina Randall

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Malinda Jensen (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Jean Belanger (DEGC)
Kenyetta Bridges (DEGC)
Adam Patton (PM Environmental)
Robbie Nguyen (Northpoint)
Tim Conder (Northpoint)
Brian Ellison (Intersection Consulting Group)



Call to Order

Mr. Lutz, Vice-Chairperson, called the meeting to order at 9:28 a.m.

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

General

Approval of Minutes

Mr. Lutz called for approval of the minutes of the December 1, 2021 (resolution) DBRA-CAC meeting, as presented. The Committee took the following action:

Mr. Blocker made a motion approving the minutes of the December 1, 2021 meeting, as presented.

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

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

Nays: None.

Abstentions: Ms. Lee

DBRA-CAC Resolution Code 22-04-02-166 was approved.

Projects

Brownfield Plan for the Former AMC Headquarters Redevelopment Project at 14250 Plymouth Road

Mr. Vosburg presented the Brownfield Plan for the Former AMC Headquarters Redevelopment Project at 14250 Plymouth Road.

Project Introduction

Northpoint Development is the project developer ("Developer"). The project includes the demolition, abatement, and preparation of the Property for the construction of one of the two following proposed building options, depending on prospective tenants. The first option includes two (2) buildings consisting of one (1) approximately 513,000 square foot building and one (1) approximately 215,000 square foot building that would house warehousing and light assembly industrial tenants (the "Option A"). The second option includes one (1) approximately 761,000 square foot building that would house warehousing and light assembly industrial tenants (the "Option B").

The total investment is estimated to be \$72.1 million. The Developer is requesting \$32,697,754.00 in TIF reimbursement. The Developer is requesting reimbursement of the \$32,697,754 while projected TIF reimbursement in the Plan is \$21,798,503.

There will be approximately 100 temporary construction jobs and approximately 350 permanent jobs are expected to be created by the project.

Property Subject to the Plan

The eligible property (the "Property") consists of approximately 50 acres, bounded by Fullerton Avenue to the north, Hubbell Avenue, Strathmoor Street and Mark Twain Street to the east, and Plymouth Road 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 an industrial, commercial, or residential purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property parcels have been

determined to be a “Facility,” “Blighted,” or adjacent and contiguous to a parcel that has been determined to be a Facility or Blighted 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, lead and asbestos abatement, 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. Baseline Environmental Assessment Activities	\$300,000.00
2. Department Specific Activities	\$11,675,873.00
3. Demolition & Lead and Asbestos Abatement	\$14,470,000.00
4. Site Preparation	\$1,000,000.00
5. Infrastructure Improvements	\$1,000,000.00
6. Brownfield Plan & Work Plan	\$30,000.00
7. Contingency (15%)	\$4,221,881.00
Total Reimbursement to Developer	\$32,697,754.00
8. Authority Administrative Costs	\$4,064,311.00
9. State Brownfield Redevelopment Fund	\$1,232,594.00
10. Local Brownfield Revolving Fund	\$0.00
TOTAL Estimated Costs	\$37,994,659.00

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. The developer is requesting \$32,697,754 while the projected TIF reimbursement in the Plan is \$21,798,503.

Other Incentives

The Developer is seeking additional incentives, which will include local and/or state approval of an Industrial Facilities Exemption (PA 198) Tax Abatement.

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. Nguyen stated that the Property is very challenging due to the environmental issues that have been identified on the Property but that the Developer has put together a team of consultants that are highly qualified and capable of handling those challenges and that they are looking forward to cleaning up the Property, building a new development that will create a significant number of new jobs in the City, and that the Developer has conducted a significant amount of community engagement and is committed to making improvements to the parks across from the Property to benefit the local residents.

Mr. Razo stated that it was great to see so many support letters from the community included in the Plan and asked if there was feedback from the community on the proposed truck routes into and out of the Property for the future tenant(s). Mr. Nguyen stated that the Developer has considered an increase in truck traffic into and out of the Property and a proposed truck route that will keep truck traffic off of Plymouth Road and the City approved truck route map for the development was displayed on the screen to the Committee.

Mr. Lutz asked about the status of the Administrative Building on the Property and if the Developer has considered rehabilitating the structure. Mr. Patton stated that there are serious structural issues with the Administrative Building as a result of the heavy scrapping activity that occurred over the years. Additionally, the scrapping has caused extensive free asbestos to be released and spread throughout the building resulting in significant and expensive abatement work that will need to be completed. It is unfortunately unfeasible for the Administrative Building to be rehabilitated as part of this redevelopment project.

Mr. Blocker asked if the Developer is confident that at least the majority of the environmental issues present on the Property have been identified. Mr. Nguyen stated that there has been extensive environmental due diligence conducted on the Property to identify the environmental concerns and that the Developer will draft a Due Care Plan that will be reviewed and approved by EGLE to address those concerns.

Mr. Blocker asked if the Developer is sure that the contractors are well-equipped to perform the asbestos abatement safely. Mr. Patton stated that there is asbestos abatement, soil and groundwater contamination present on the Property that will need to be addressed and that there will be a Demolition Specification drafted and the actual abatement activities will be conducted under the supervision of an environmental professional and then clearance testing will be conducted to confirm that the abatement is complete and will confirm if the air on the Property is free from asbestos prior to the demolition of the structures. Mr. Patton added that the soil and groundwater contamination will be remediated in accordance with the Due Care Plan, the Construction Management Plan, and a Soil and Groundwater Management Plan to make sure all of the contamination present on the Property is handled in accordance with all regulations, EGLE and otherwise.

Ms. Lee stated that she was happy to see the support letters included in the Plan and asked if there are plans to continue community engagement throughout the construction of the project. Mr. Vosburg stated that the project was not subject to the Community Benefits Ordinance, but it was subject to the Community Outreach Ordinance due to the sale of land owned by the City and that the Developer has satisfied all of the requirements of the Community Outreach Ordinance. Mr. Nguyen stated that the site plan and the park improvements were a result of the feedback from the community, and the Developer is working with Detroit At Work to ensure that Detroit residents have access to and priority for the new jobs to be created by the future tenant.

Mr. Lutz asked if the project exceeds the \$75 million threshold for the Community Benefits Ordinance due to cost overruns, if the Developer would then be required to complete the Community Benefits Ordinance process. Ms. Belanger stated that the projected hard costs for the project are currently \$66 million, and that the Developer does not anticipate cost overruns so large as to exceed the \$75 million threshold for the Community Benefits Ordinance and that to her knowledge the Community Benefits Ordinance is not retroactive for projects that end up with cost overruns that exceed a \$75 million hard cost investment.

Mr. Razo asked if the abatement contractor or the demolition contractor has been selected. Ms. Belanger stated that the Developer did participate in a Grow Pro session for the selection of a General Contractor and that all of the contractors involved in that event are certified as Detroit-based and that the Developer is committed to using Detroit-based contractors for the project. Mr. Nguyen stated that the Developer has issued a bid for the abatement and demolition work but has not yet selected a contractor.

Mr. Lutz called for a motion regarding the Brownfield Plan for the Former AMC Headquarters Redevelopment Project at 14250 Plymouth Road, as presented.

Mr. Razo made a motion to recommend approval of the Brownfield Plan for the Former AMC Headquarters Redevelopment Project at 14250 Plymouth Road 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: Mr. Blocker, Mr. Lutz, Mr. Razo, and Ms. Lee

Nays: None.

Abstentions: Mr. Rhoades

DBRA-CAC Resolution Code 22-04-308-01 was approved.

Administrative

None.

Other

Mr. Rhoades informed the CAC that he has accepted a position as a Policy Analyst for Councilmember Whitfield-Calloway and unfortunately will no longer be serving on the CAC to avoid even the presence of impropriety and that he has enjoyed working with the other members of the CAC and with the DEGC Staff.

Ms. Kanalos stated that the CAC and the DEGC Staff appreciates Mr. Rhoades' commitment to the CAC during his time as a CAC Member and that he will be missed.

Public Comment

None.

Adjournment

Citing no further business, on a motion by Mr. Blocker, seconded by Mr. Razo, Mr. Lutz adjourned the meeting at 9:57 am.



CODE DBRA CAC 22-04-02-166

APPROVAL OF MINUTES OF DECEMBER 1, 2021

RESOLVED, that the minutes of the regular meeting of December 1, 2021 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 28, 2022



CODE DBRA-CAC 22-04-308-01

**FORMER AMC HEADQUARTERS REDEVELOPMENT PROJECT AT 14250 PLYMOUTH ROAD
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 AMC Headquarters Redevelopment Project at 14250 Plymouth Road Project** (the “Plan”) to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its October 13, 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 **Former AMC Headquarters Redevelopment Project at 14250 Plymouth Road 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 28, 2022