



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES OF THE
SPECIAL COMMUNITY ADVISORY COMMITTEE MEETING
MONDAY, JUNE 13, 2022 - 9:00 AM**

COMMITTEE MEMBERS

PRESENT:

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

COMMITTEE MEMBERS

ABSENT:

Simone Sagovac
Michelle Lee

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Malinda Jensen (DEGC/DBRA)
Clarke Lewis (The Platform)
Elizabeth Masserang (PM Environmental)



Call to Order

Mr. Cheeks, Chairperson, called the meeting to order at 9:06 a.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 May 25, 2022 (resolution) DBRA-CAC meeting, as presented. The Committee took the following action:

Mr. Rawls made a motion approving the minutes of the May 25, 2022 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, Mr. Cheeks, and Mr. Rawls
Nays: None.

DBRA-CAC Resolution Code 22-06-02-168 was approved.

Dr. Randall joined the meeting at 9:08 a.m.

Projects

Brownfield Plan for 411 Piquette

Ms. Capler presented the Brownfield Plan for 411 Piquette.

Project Introduction

411 Piquette, LLC is the project developer ("Developer"). The project includes the redevelopment the existing four-story, historic structure into approximately 162 apartment units, all priced at workforce housing rates ranging from 60% to 100% of the Area Median Income (AMI). The proposed 162 housing units are comprised of 72 studios, 87 one-bedroom, and 3 two-bedroom units, including 9% at 60-70% AMI, 52% at 80% AMI and 39% at 100% AMI. The first floor will include a fitness room, postal lockers, package room, pet wash, and private workspaces for residents. The project will also reconfigure 175 surface parking spaces on the adjoined paved area. It is currently anticipated that construction will begin in the fall of 2022 with the project completed by December 2023.

The total investment is estimated to be \$37.3 million. The Developer is requesting \$2,071,298.00 in TIF reimbursement.

There will be approximately 75 temporary construction jobs and approximately 2 permanent jobs are expected to be created by the project.

Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcel, bounded by the property line to the north, Beaubien Boulevard to the east, Piquette Avenue to the south, and Brush Street to the west in the Milwaukee Junction neighborhood.

Basis of Eligibility

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

“historic resource” as defined in section 90a of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090a.

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 pre-approved activities, department specific activities, site demolition, infrastructure improvements, site preparation, interest, and the 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. Pre-Approved Activities	\$98,735.00
2. Department Specific Activities	\$469,500.00
3. Demolition	\$800,000.00
4. Asbestos Abatement	\$151,000.00
5. Site Preparation	\$72,000.00
6. Infrastructure Improvements	\$54,000.00
7. Brownfield Plan & Work Plan	\$60,000.00
8. Contingency (15%)	\$231,975.00
9. Interest	\$134,088.00
Total Reimbursement to Developer	\$2,071,298.00
10. Authority Administrative Costs	\$634,857.00
11. State Brownfield Redevelopment Fund	\$277,213.00
12. Local Brownfield Revolving Fund	1,259,514.00
TOTAL Estimated Costs	\$4,242,882.00

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 an Obsolete Property Rehabilitation Act (PA 146) 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. Lewis provided more information about the Developer and its other experience with projects in the City, and about the project including the historic rehabilitation of the existing building, and the Developer’s cooperation with the Ford Piquette Avenue Plant.

Mr. Razo asked for clarification on what is considered to be “workforce housing.” Mr. Lewis stated that workforce housing is considered to be housing at rental levels between 60% and 120% of the Area Median Income (AMI) and is often referred to as the “missing middle.”

Mr. Razo asked if this project would serve as a pilot for the Developer in the workforce housing area of development. Mr. Lewis stated that while the Platform has done other projects in the City that include affordable housing at 80% AMI, this will be the first project for them that will have all of the residential units at what is considered to be “workforce housing” rates.

Mr. Rawls asked who the architect and general contractor are for the project. Mr. Lewis stated that the architect is Kraemer Design Group which has experience with historic rehabilitation projects and the contractor is PCI One Source Contracting which the Developer has worked with before. Mr. Clarke added that Beztak will serve as the property management company once the project is completed.

Mr. Rawls encouraged the Developer to take advantage of the City’s resources for hiring Detroit residents and Detroit-based contractors for the construction of the project and asked if there are any green building features planned for the project. Mr. Lewis stated that the project is utilizing PACE financing and will be following the related requirements and will make the building more energy efficient.

Mr. Lutz asked for more information on the community meeting that the Developer hosted for the project. Mr. Lewis stated that there were approximately 12 people in attendance, some of which were from the Ford Piquette Avenue Plant, and that the feedback about the project was positive with some concerns surrounding traffic flow and impediments during the construction period.

Mr. Lutz asked if there will be any amenities included in the project that will be available to the public. Mr. Lewis stated that there will not be any amenities inside the building that will be available to the public but that the surface parking on the Property is available for public use for patrons of the Ford Piquette Avenue Plant.

Mr. Cheeks asked why the Developer has chosen to have the majority of the residential units be smaller in size with a focus on studio and one-bedroom units. Mr. Lewis stated that from the Developer’s experience with other projects in the area, the studio and one-bedroom units were the first to be leased and seemed to be the highest in demand.

Mr. Cheeks asked if the Developer conducted any market studies to determine the best unit mix or if they relied on their past experience. Mr. Lewis stated that the Developer did not conduct a market study for this specific project but did conduct market studies for their other projects.

Mr. Cheeks asked if the project will include any smart technology features. Mr. Lewis stated that there will be an access system installed for the residents to use to access the building and that there will be fiber optic internet installed in the building as well.

Mr. Cheeks called for a motion regarding the Brownfield Plan for 411 Piquette, as presented.

Mr. Rawls made a motion to recommend approval of the Brownfield Plan for 411 Piquette without a CAC public hearing and without appointing special members. Mr. Lutz seconded the motion. A roll call vote was conducted with the following result:

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

Nays: None.

DBRA-CAC Resolution Code 22-06-310-01 was approved.

Administrative

None.

Other

None.

Public Comment

None.

Adjournment

Citing no further business, on a motion by Mr. Rawls, seconded by Mr. Lutz, Mr. Cheeks adjourned the meeting at 9:39 am.



CODE DBRA CAC 22-06-02-168

APPROVAL OF MINUTES OF MAY 25, 2022

RESOLVED, that the minutes of the regular meeting of May 25, 2022 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.

June 13, 2022



CODE DBRA-CAC 22-06-310-01

411 PIQUETTE 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 411 Piquette Project** (the "Plan") to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its June 13, 2022 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 **411 Piquette 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.

June 13, 2022