



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES OF THE
REGULAR COMMUNITY ADVISORY COMMITTEE MEETING
WEDNESDAY, APRIL 28, 2021 - 5:00 PM
HELD VIA ZOOM**

**COMMITTEE MEMBERS
PRESENT:**

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

**COMMITTEE MEMBERS
ABSENT:**

Simone Sagovac

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Malinda Jensen (DEGC/DBRA)
Richard Barr (Honigman)
Dave Blaszkiewicz (Invest Detroit)
Marcia Ventura (Invest Detroit)
Lucas Michieli (Q Factor)
Theo Pride



Call to Order

Mr. Cheeks, Chairperson, called the meeting to order at 5:00 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 April 14, 2021 (resolution) DBRA-CAC meeting, as presented. The Committee took the following action:

Dr. Randall made a motion approving the minutes of the April 14, 2021 Board meeting, as presented. Mr. Rawls seconded the motion. A roll call vote was conducted with the following result:

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

Nays: None.

DBRA-CAC Resolution Code 21-04-02-159 was unanimously approved.

Ms. Lee joined the meeting at 5:16 p.m.

Projects

Brownfield Plan for Selden Innovation Center

Mr. Vosburg presented the Brownfield Plan for Selden Innovation Center.

Project Introduction

Industry Detroit QOZB, LLC is the project developer (the "Developer") for the Plan. The project consists of the rehabilitation and conversion of an approximately 110,000 square foot three-story former Jefferson School building into "incubator-style" office space designed with flexible configuration of private office suites to be branded as Industry Detroit. Through the addition of mezzanine space, the project team anticipates increasing the square footage of the building to approximately 120,000 square feet. The offices will house small emerging companies, as well as established companies which desire the latest technological infrastructure. A sense of community will be fostered in the building by providing community spaces such as large, shared kitchens (with a full array of beverage service available to tenants along with café seating), shared conference rooms, shared training rooms, small private workspaces off the community areas, and a larger event center that will be programmed by the property manager from time to time with tenant events and that can be reserved by tenants for their own events. Reduced rental rates are expected to be made available for 20,000 net rentable square feet of the building, targeting local community based & minority owned businesses. The current schematic design includes between approximately 25,000 and 35,000 rentable square feet of common areas and amenities.

Depending upon market conditions, Developer may consider in the future the construction of a new mixed-use building with office/commercial and integrated multi-story parking on a portion of the Property. In that event, Developer may seek an amendment of this Plan to include the additional eligible activity costs and incremental taxable value related to that additional investment.

The total investment is estimated to be \$32.4 million. The Developer is requesting \$\$2,967,707.00 in TIF reimbursement.

There will be approximately 100 temporary construction jobs and five full-time permanent jobs are expected to be created by the Developer with approximately 200-300 permanent jobs are expected to be created by the project.

Property Subject to the Plan

The eligible property (the “Property”) consists of eleven (11) parcels located at 950 Selden bounded generally by Selden to the south, by John C. Lodge Service Drive to the west, by Alexandrine to the north and by Fourth Street to the east in Detroit’s Midtown area.

Basis of Eligibility

The Property is considered “eligible property” as defined by Act 381, Section 2 because (a) the Property was previously utilized for public and charter school purposes; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the parcels comprising the Property is either “functionally obsolete”, a facility, or is adjacent and contiguous to such eligible property.

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 (including baseline environmental assessments, due care activities and response activities), asbestos abatement, demolition, site preparation, infrastructure improvements, interest, Brownfield Plan preparation and implementation. 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. Phase I, Phase II, and BEA Activities	\$18,850.00
2. Due Care Activities	\$30,000.00
3. Asbestos Abatement	\$203,369.00
4. Demolition	\$1,731,011.00
5. Infrastructure Improvements	\$20,918.00
6. Brownfield Plan & Work Plan	\$60,000.00
7. Contingency (15%)	\$195,530.00
8. Interest	\$708,029.00
Total Reimbursement to Developer	\$2,967,707.00
9. Authority Administrative Costs	\$676,532.00
10. State Brownfield Redevelopment Fund	\$178,955.00
11. Local Brownfield Revolving Fund	\$687,021.00
TOTAL Estimated Costs	\$4,510,215.00

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 Facilities Exemption (PA 255) 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. Michieli introduced the members of the development team present and the structure of the joint venture, shared more information on the history of the Property, the intended future uses of the Property, and how the development was planned between Invest Detroit, Midtown Detroit, Inc., and Q Factor, and shared a presentation regarding the community engagement that was conducted for the project and the planned public spaces included in the project. Mr. Blaszkiewicz added that there will be public performance space and artist studio space included in the project as well as nonprofit support space throughout the building to serve local nonprofits at reduced rental rates.

Mr. Rhoades stated that he saw several support letters included in the Plan and asked how Midtown Detroit, Inc. feels about the project and how they are involved in the project. Mr. Blaszkiewicz stated that Midtown Detroit, Inc. is part of the development team for the project and that he and Sue Mosey purchased the Property about three years ago and worked together to identify a developer to join in and help to create the project.

Mr. Rhoades asked if the demolition item included in the Eligible Activities includes interior and exterior demolition activities. Mr. Michieli stated that the demolition item included in the Eligible Activities is almost entirely interior demolition with a small portion for some select site demolition to prepare for the outdoor public spaces.

Mr. Lutz asked if the market rate spaces will be scattered throughout the building in the same manner as the spaces reserved for nonprofit organizations. Mr. Blaszkiewicz confirmed that the market rate spaces will be scattered throughout the building in the same manner as the spaces reserved for nonprofit organizations and that the spaces will be flexible in size and will utilize wall structures that are movable to allow for increased space or to make spaces smaller.

Mr. Lutz asked if the outdoor sculpture space on Alexandrine Street will remain and what the community input has been surrounding the outdoor sculptural space. Mr. Michieli stated that the owner of the sculpture space had a desire to move and sell the property and approached Ms. Mosey about the sale of the property and that two of the sculptures have been donated by the owner and will remain on the Property.

Mr. Lutz stated that he doesn't often see the level of investment that far exceeds the size of TIF request and that he is heartened to see it in this project.

Mr. Razo asked if this project will be similar to the Pony Ride operation model where small businesses are encouraged to expand to a separate brick or mortar location. Mr. Blaszkiewicz stated that this project is similar to Pony Ride in that it will be a working space for small businesses with incubator space included but will be different in that there will not be light manufacturing conducted on the Property and will be branded as clustered small business spaces with shared amenities.

Mr. Rawls stated that this is a good project and that he is happy to see the building being put back into active use and asked who the architect and general contractor will be. Mr. Michieli stated that the architects for the project include DrumBeat and Hamilton Anderson and that the general contractor for the project will be Makers Line which is a related party to Q Factor and based in Salt Lake City, Utah.

Mr. Rawls encouraged the Developer to reach out to Detroit-based subcontractors for the project. Mr. Blaszkiewicz stated that he and Sue Mosey have reached out to local subcontractors for the project and have set an internal goal of 30% Detroit-based contractors as a starting point and have achieved that goal and look to far exceed that for the project and for every subcontractor needed for the project they are looking for Detroit-based businesses to fill those needs first.

Mr. Rawls asked for more information on the finances for the project and the affordable spaces to be offered. Mr. Blaszkiewicz stated that grant funds from various foundations that focus on supporting small businesses will be used to make affordable spaces available and will allow the Developer to operate the Property at a much lower cost than they otherwise would be able to.

Mr. Rawls asked if the current configuration of the Property with small rooms will cause the Developer to conduct a significant amount of interior demolition to create the new spaces. Mr. Michieli stated that a lot of the classroom walls will need to be removed and a new wall system, called Teknion, will be installed that will allow for larger spaces and more flexibility in space size and configuration.

Mr. Cheeks called for a motion regarding the Brownfield Plan for Selden Innovation Center, as presented.

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

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

Nays: None.

DBRA-CAC Resolution Code 21-04-299-01 was approved.

Ms. Lee was not available to provide a vote on this item.

Administrative

None.

Other

Mr. Rhoades requested status updated for the Mt. Elliott Recycling Brownfield Plan. Mr. Vosburg stated that the DBRA Staff has had a discussion with General Motors regarding the project and to receive their questions about the operations and regulations of the proposed Mt. Elliott Recycling facility have been provided to the developer and answers will be provided back to General Motors.

Mr. Rawls asked if General Motors had any major concerns regarding the Mt. Elliott Recycling Brownfield Plan and if there will still be a public hearing for the Plan. Mr. Vosburg stated that General Motors had questions about the proposed operations and that the public hearing will be scheduled once the questions from General Motors are addressed.

Mr. Rhoades requested status updated for the Leland House Rehabilitation Brownfield Plan. Mr. Vosburg stated that the Developer for the Leland House Rehabilitation Brownfield Plan elected to delay the DBRA review and approval process in order to conduct more outreach meetings with the residents and the public regarding the project.

Public Comment

None.

Adjournment

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

Mr. Rawls made a motion to adjourn. Dr. Randall seconded the motion. The meeting was adjourned at 5:38 pm.



CODE DBRA CAC 21-04-02-159

APPROVAL OF MINUTES OF APRIL 14, 2021

RESOLVED, that the minutes of the regular meeting of April 14, 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, 2021



CODE DBRA-CAC 21-04-299-01

SELDEN INNOVATION CENTER 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 Selden Innovation Center 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 **Selden Innovation Center 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, 2021