



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES OF THE
REGULAR COMMUNITY ADVISORY COMMITTEE MEETING
WEDNESDAY, DECEMBER 1, 2021 - 5:00 PM
HELD VIA ZOOM**

COMMITTEE MEMBERS

PRESENT:

Rick Blocker
Kamal Cheeks
Peter Rhoades
Brad Lutz
Allen Rawls

COMMITTEE MEMBERS

ABSENT:

Michelle Lee
Simone Sagovac
Rico Razo
Dr. Regina Randall

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Malinda Jensen (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Edward Carrington (Flux City, LLC)
Sam Seimer (AKT Peerless)
David



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 November 10, 2021 (resolution) DBRA-CAC meeting, as presented. The Committee took the following action:

Mr. Lutz made a motion approving the minutes of the November 10, 2021 meeting, as presented.

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

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

Nays: None.

DBRA-CAC Resolution Code 21-12-02-165 was unanimously approved.

Projects

Brownfield Plan for The Ribbon

Ms. Capler presented the Brownfield Plan for The Ribbon.

Project Introduction

Flux City, LLC, is the project developer ("Developer"). The project includes the redevelopment of the property into a mixed-use commercial retail and residential development with on-site parking and site improvements. The Developer will redevelop the currently vacant, one-story, former bank building into a 3-story mixed-use building that will include a café/restaurant and market on the ground floor, and two residential floors above. The project is being envisioned as a one-story noncombustible podium, with the residential construction above being light-frame wood construction. The Developer is projecting 30 total parking places between the main parking lot west of the building, and the secondary parking lot on the Eastside of Kensington Ave (directly across from the building). The first-floor retail space is estimated to be a total of 7,320 square feet. The two residential floors are each estimated to be 6,925 square feet and will include some affordable residential units that will range from 50-80% AMI, with 9 units on both the second and third floors, for a total of 18 residential units.

The total investment is estimated to be \$6 million. The Developer is requesting \$1,036,154.00 in TIF reimbursement.

There will be approximately 40 temporary construction jobs and 27 permanent jobs are expected to be created by the project.

Property Subject to the Plan

The eligible property (the "Property") consists of four (4) parcels bounded by East Warren Avenue to the north, Yorkshire Road to the east, Cornwall Street to the south, and Outer Drive East to the west in the East English Village neighborhood of Detroit.

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 parcel has been determined to be "functionally

obsolete,” a “Facility,” or adjacent and contiguous to a parcel that has been determined to be Functionally Obsolete or 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, due care activities, demolition, asbestos and hazardous materials abatement activities, 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. Pre-Approved Activities	\$20,075.00
2. Due Care Activities	\$11,000.00
3. Demolition	\$173,397.00
4. Asbestos and Hazardous Materials Abatement	\$23,000.00
5. Site Preparation	\$209,000.00
6. Infrastructure Improvements	\$226,263.00
7. Brownfield Plan & Work Plan	\$52,500.00
8. Contingency (15%)	\$96,399.00
9. Interest	\$224,520.00
Total Reimbursement to Developer	\$1,036,154.00
10. Authority Administrative Costs	\$240,482.00
11. State Brownfield Redevelopment Fund	\$73,838.00
12. Local Brownfield Revolving Fund	\$230,539.00
TOTAL Estimated Costs	\$1,581,013.00

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. Carrington provided more information about the project including the community engagement conducted for the project to receive feedback for the development plan and future commercial tenants, and the approach to securing the future commercial tenant based on the needs of the community.

Ms. Seimer provided more information regarding the Eligible Activities to be completed on the Property.

Mr. Rhoades advised that the Developer work with the City of Detroit to coordinate their development efforts with the East Warren Streetscape Project scheduled to be completed in 2022 and provided the Zoom meeting information for the project. Mr. Carrington stated that they would like to work with the City of Detroit to coordinate efforts during the East Warren Streetscape Project.

Mr. Rhoades asked if the parking lot on the east side of Kensington adjacent to the Qui-Ke Dry Cleaners to be used for the future residents of the development will affect the parking available for customers of the Qui-Ke Dry Cleaners. Mr. Carrington stated that the parking lot on the east side of Kensington adjacent to the Qui-Ke Dry Cleaners used to have a drive thru for the former bank branch and that the Qui-Ke Dry Cleaners has been using the parking lot for its operations and that the Developer has been trying to get in contact with the new owner of the Qui-Ke Dry Cleaners to discuss the parking arrangements for the future residents and the customers of the Qui-Ke Dry Cleaners and that the East Warren Streetscape Project will provide for additional parking on East Warren Avenue.

Mr. Rawls stated that he liked the design of the development and is happy to see a development project in a neighborhood and asked for more information about the development team for the project. Mr. Carrington stated that he is the Developer for the project, Infuse Architects and Artisan Contracting who have experience with other small scale development projects in the City of Detroit.

Mr. Rawls asked if the contractors for the project are working to hire Detroit residents for the construction of the project. Mr. Carrington confirmed that the contractors for the project are working to hire Detroit residents for the construction of the project.

Mr. Rawls asked if there are any sustainable design elements included in the project. Mr. Carrington stated that solar power has been considered for the project but because of the plans to provide the residential units at affordable rates, there isn't a lot of room in the budget for the project for a lot of sustainable design features.

Mr. Lutz stated that he is appreciative to see the reuse of a building that is otherwise not providing much value to the community and asked if the affordability rates of the residential units has been decided. Mr. Carrington stated that because LISC is a funding source for the project there are certain affordability requirements for the project which is currently being met and exceeded for the project and that the affordability of the residential units may be adjusted after the construction numbers are finalized.

Mr. Lutz asked if there will be any differences between the affordable units and the market rate units. Mr. Carrington stated that there will not be any differences between the affordable units and the market rate units.

Mr. Cheeks asked if the development would utilize the current support system present in the existing building or if a new support system will need to be constructed. Mr. Carrington stated that a new support system will need to be constructed to support the two additional floors above the ground-floor commercial space and added that he wanted all of the residential units to have at least one-bedroom and did not want to include any studio units.

Mr. Cheeks asked if there will be any smart technology design elements included in the project. Mr. Carrington stated that the General Contractor for the project is working with a smart technology company based in TechTown to integrate some smart technology features into the project.

Mr. Rawls asked what the target market is for the project and what the anticipated rental rates for the residential units will be. Mr. Carrington stated that the residential rental rates are anticipated to range from \$750 to \$1,600 per month and that the target market is young professionals and have also received interest from retired citizens who are looking to downsize their living arrangements.

Mr. Rawls asked when the project is expected to break ground. Mr. Carrington stated that the financial closing is expected to occur in March or April 2022 and will be completed in November 2023.

Mr. Cheeks called for a motion regarding the Brownfield Plan for The Ribbon, as presented.

Mr. Rhoades made a motion to recommend approval of the Brownfield Plan for The Ribbon 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. Rawls, Mr. Rhoades, and Mr. Cheeks

Nays: None.

DBRA-CAC Resolution Code 21-12-307-01 was approved.

Administrative

None.

Other

Mr. Rhoades asked for updates on the Mt. Elliott Concrete Recycling project, the Packard Plant project, and the CODA Brush Park project. Mr. Vosburg stated that the Mt. Elliott Concrete Recycling project has not moved forward in the DBRA approval process, the Brownfield Plan for the Packard Plant Administration Building was terminated by Detroit City Council in the fall of 2021, and that the DBRA Board approved the Brownfield Plan for CODA Brush Park and it will be submitted to Detroit City Council for consideration in January 2022.

Public Comment

None.

Adjournment

Citing no further business, Mr. Cheeks adjourned the meeting at 5:45 pm.



CODE DBRA CAC 21-12-02-165

APPROVAL OF MINUTES OF NOVEMBER 10, 2021

RESOLVED, that the minutes of the regular meeting of November 10, 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.

December 1, 2021



CODE DBRA-CAC 21-12-307-01

THE RIBBON 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 Ribbon Project** (the "Plan") to the Community Advisory Committee for consideration and comment; and

WHEREAS, the Community Advisory Committee, at its December 1, 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 **Ribbon 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.

December 1, 2021